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the incoming Minister of Education

The New Zealand Qualifications Authority

BRIEFING FOR THE
INCOMING MINISTER OF EDUCATION

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NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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Executive Summary

The New Zealand Qualifications Authority (the Qualifications Authority) is the government agency responsible for delivering a range of services focused on quality assurance in the areas of:

- education and training provision
- qualifications development and assessment
- recognition of international qualifications.

This document presents background information on the Qualifications Authority and the issues it faces in four sections. The first section describes the Qualifications Authority, its roles, functions, funding and structure. The second section outlines some of the key issues in our particular areas of work that are having an impact on the achievement of high quality educational outcomes for learners in New Zealand, and our responses to them. The third section identifies capability and capacity issues that are currently having an impact on our ability to deliver. The fourth section provides details of the structure and roles that support organisational delivery and the internal and stakeholder relationships that are key to this work.

The Qualifications Authority is a highly visible organisation; our work touches the lives of all New Zealanders in some way. It is inevitable therefore that there are high levels of public interest in our work, and in our more recent history we have come under significant scrutiny. Recent reviews undertaken by the State Services Commission (SSC) have found that in addition to issues surrounding the National Certificates of Educational Achievement (NCEA) and the New Zealand Scholarship (Scholarship), there are broader concerns related to the governance, leadership and culture of the organisation that must be addressed. We now have a significant job to do to enhance the capability of, and rebuild confidence in, our organisation.

Details of a range of issues being faced by the Qualifications Authority are contained within this document. The key ones I wish to draw your attention to are summarised below.

Stakeholder Confidence

For the past six months there has been intense public scrutiny of the Qualifications Authority. This scrutiny was triggered by issues relating to unexpected variability in Scholarship results and concerns about NCEA, which then flowed on into broader issues of governance, leadership and management. There has, as a result, been damage to the reputation of the Qualifications Authority and the credibility of NCEA and Scholarship. Significant work will be required to rebuild public confidence in the organisation.

Organisational Capacity, Capability and Culture

The SSC, Report on the Performance of the New Zealand Qualifications Authority in the Delivery of Secondary School Qualifications, 31 July 2005 (SSC II Review, July 2005) highlighted a number of governance, management and capability issues within the Qualifications Authority. A programme for culture change and organisational development is required to address these issues. In addition, the organisation is currently dealing with low morale, high attrition rates and an over-reliance on contract staff. All of these factors place the organisation in a vulnerable position; we are working to ameliorate these difficulties.

Senior Secondary Assessment

The 2005 year will be the second time in which levels 1, 2 and 3 of NCEA and Scholarship are being delivered. This involves nearly 2,000,000 personalised scripts being produced, administered and marked for 135,000 students throughout the country. This year changes to some parts of the process are being implemented in response to our own evaluation of processes and recommendations made in the various reviews of the Qualifications Authority. The ongoing development of secondary qualifications will continue to be a significant focus for the Qualifications Authority and the sector as they evolve to reflect changes in the national curriculum, teaching and learning methods and the future needs of New Zealand.

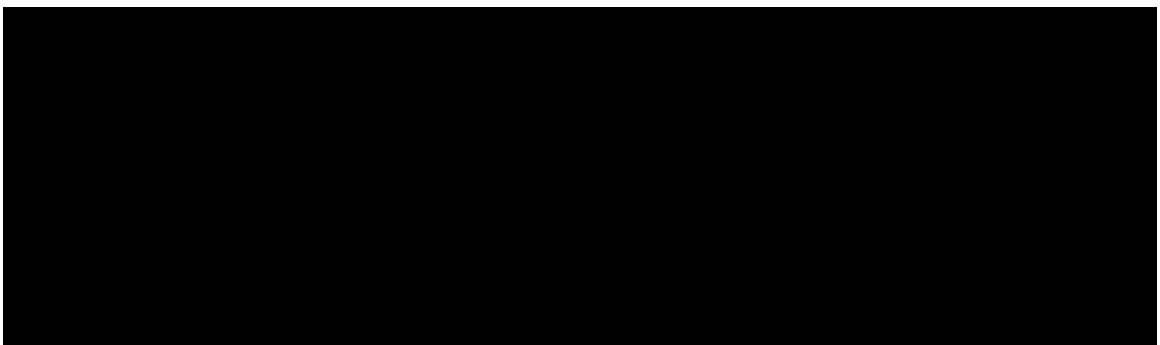
There are a number of issues related to NCEA that need to be considered and managed by the Qualifications Authority and the Ministry of Education (MoE). Many parents, employers and members of the public do not have confidence in or understand this qualification. Teachers and principals, while on the whole supportive, have expressed concerns about the associated workload. There are also a number of issues related to moderation that have to be addressed.

Te Wānanga o Aotearoa

The Qualifications Authority, in conjunction with the Tertiary Education Commission (TEC), the MoE and the Tertiary Advisory Monitoring Unit (TAMU) are working to resolve a range of quality issues at Te Wananga o Aotearoa. These issues potentially impact on the value for money the Crown receives for its purchase and the quality of provision that learners receive.

Private Training Establishment Closures

Increased numbers of private training establishments (PTEs) are encountering financial problems, which in some cases will lead to closure. This is likely to lead to greater variability in the quality of provision and may result in fiscal risk for the Crown. TAMU, TEC, the Ministry of Social Development (MSD) and StudyLink are collectively monitoring the financial viability and performance of PTEs and managing closures in ways that minimise risk.



Quality Assurance

The Education Sector Review, June 2005 identified that the achievement of education sector goals would be better accomplished through closer alignment of the Qualifications Authority's, the TEC's, and the MoE's work. A particular area that the three agencies are now working together to address is the quality issues within the sector. This work will provide increased assurance to government regarding the value for money and relevance of provision and will result in longer-term improvements in quality provision and assurance.

The Acting Chair, Catherine Gibson, and I are committed to implementing the changes needed to increase our organisational capability. We will plan for and implement these changes as quickly and effectively as possible. However, some of the structural and governance changes required will be best delivered by the yet to be appointed permanent Chair and Chief Executive. Our focus now is on ensuring the best possible delivery of our services whilst laying the foundations for the future change that will be required.

The recent reviews have generated an additional workload for the Qualifications Authority. However, I believe that through implementing the recommendations there will be significant benefits to the ongoing work and future stability of the organisation, and that wider benefits will accrue to the sector. We look forward to adopting a more collaborative approach to working, whilst at the same time delivering a significant programme of activities for the 2005/06 year and beyond.

We look forward to working with you and the wider education sector to ensure the best possible outcomes for New Zealand's learners.

Karen Sewell
Acting Chief Executive

Section One: NZQA An Overview

Background

The New Zealand Qualifications Authority (the Qualifications Authority) is a Crown Agent. It is one of a number of government agencies that work together to maximise educational outcomes for learners in New Zealand.

The Qualifications Authority was established in 1990 under section 248 of the Education Act 1989. It is governed by an independent Board that reflects industry, community and education interests¹. There were 311 permanent employees and approximately 100 contract staff as at 31 August 2005. It also employs a large number of contractors for specific periods of time who are, in the main, involved in administering senior secondary examinations.

The role of the Qualifications Authority is to provide leadership, both nationally and internationally, in the areas of quality assured qualifications and quality assured provision of education and training.

Functions

The functions of the Qualifications Authority are set out in the Education Act 1989.² In summary, the functions are:

- providing leadership in quality assurance in the tertiary sector
- implementing and administering the New Zealand Register of Quality Assured Qualifications (the Register)
- developing and administering the National Qualifications Framework (NQF)
- developing national qualifications of strategic importance to the economic and social development of New Zealand
- registering, accrediting and auditing private training establishments (PTEs), quality assuring Industry Training Organisations (ITOs) and providing quality assurance for qualifications offered by institutions and PTEs, government training establishments (GTEs) and wānanga
- promoting and monitoring inter-institutional course approval and moderation procedures
- monitoring the delegation of quality assurance to other bodies
- providing support to meet specific needs of providers
- overseeing, monitoring and reviewing the setting of standards for qualifications in secondary schools and in post-school education and training
- administering NCEA and other school, trade and vocational assessment
- providing assistance to overseas governments developing or reviewing qualifications frameworks and examination and quality assurance systems
- evaluating overseas qualifications, liaising with overseas certifying and validating bodies to enable the recognition of overseas educational and vocational qualifications in New Zealand and to ensure recognition of New Zealand educational and vocational qualifications overseas.

¹ For a list of current Board members, refer to Appendix 1.

² For a full list of legislated function, refer to Appendix 3.

Funding

The Qualifications Authority has a total budget of \$79 million. It is financed from a mixture of government purchase³ and third-party revenue from fees and levies.

In 2005/06, the government purchase has been budgeted to contribute to 50% of total revenue. The remaining 50% of revenue has been budgeted to come from external sources.

Budgeted third-party revenue includes:

- tertiary credit and assessment fees - 21%
- secondary examination and assessment fees - 18%
- charges for qualification recognition services provided to immigrants - 3%
- charges for audit and accreditation services provided to providers - 7%.

Funding of the Qualifications Authority's activities is split across three output classes:

- Administration of National Assessment for Secondary Qualifications - 52%
- Provision of Information and Advisory Services - 3%
- Stewardship of the New Zealand Qualifications System - 45%.

Further details of the distribution of funding by output class is provided in Appendix 2.

The capital budget for 2005/06 is \$4.3 million. Of this, \$2.3 million is being funded by the Crown for provider assurance, workflow, web initiatives and technology architecture. The remaining \$2.0 million is being funded by the Qualifications Authority for infrastructure assets.

Management Structure

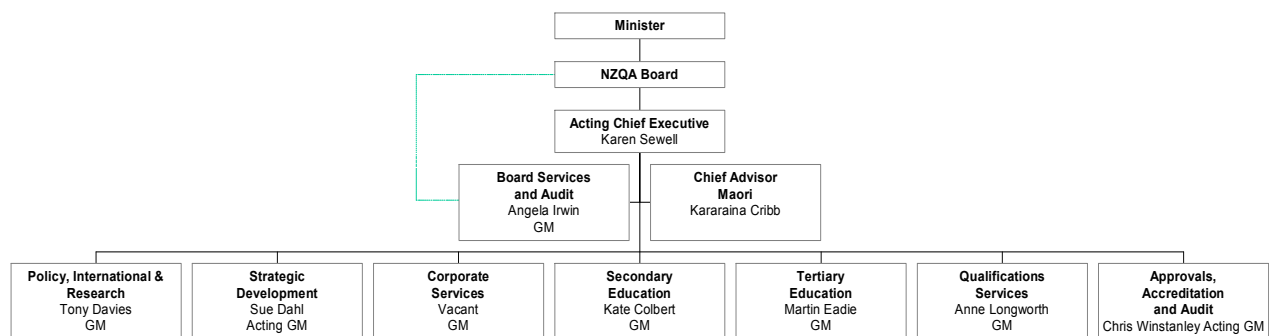
The Qualifications Authority currently has an Acting Chief Executive, Karen Sewell. Karen Sewell took leave from her role as Chief Executive of the Education Review Office (ERO) in June 2005, following the resignation of the then Chief Executive of the Qualifications Authority. Karen Sewell plans to remain in this position until a permanent Chief Executive is appointed by the Board.

The SSC II Review (July 2005) stated that "appointing and retaining a new Chief Executive is one of the most important tasks confronting the Board over the next few months". The Board has commenced a recruitment process to appoint a permanent Chief Executive. An executive search agency has been appointed to assist in this process.

³ Non-Departmental output class appropriations and some minor benefits and other unrequited expenses appropriated from Vote Education.

The Qualifications Authority's current organisational structure is illustrated below:

Qualifications Authority Organisational Chart



The Chief Executive is supported by an Executive Management Committee. This committee is made up of the Chief Executive, Group Managers, the Chief Advisor Māori, the Communications and External Relations Manager, the Human Resources Manager, the Chief Financial Officer and the Chief Information Officer. The committee's objective is to ensure that the organisation is managed efficiently and effectively to maximise outcomes achieved whilst minimising risks.

Key Actions to be Addressed

The management structure was considered as part of the SSC II Review (July 2005). This review found that the current allocations were “unwieldy and not well aligned to NZQA’s strategic direction” with “too many direct reports for an organisation the size of NZQA”. The review recommended that “the new Chief Executive as a matter of urgency undertakes a review of the allocation of senior management responsibilities and capability with the view to better aligning them with the needs of the organisation.”

The Acting Chief Executive is currently leading an internal process that will identify options for consideration by the Board and the incoming Chief Executive.

Section Two: Context

This section summarises the contexts in which the Qualifications Authority operates; some of the key issues we face over the short to medium term and some of the issues we have faced more recently.

The work of the Qualifications Authority spans the tertiary sector and senior secondary sector. Each sector is made up of a number of government and non-government players jointly focused on delivering enhanced outcomes whilst responding to a range of current and emerging issues. A summary of these relationships is included in Section Three.

Strategy

As a government agency operating within a wider education sector we contribute to the development and implementation of a range of goals, strategies and outcomes.

The Education Sector Review⁴ (June 2005) which focussed on the current machinery of government, governance arrangements for education sector agencies and the nature of changes that have been impacting on these arrangements, recommended that the education sector strengthen its ability and effectiveness in achieving education sector outcomes. Specifically it noted that “agencies have not done everything possible to get education goals and strategic direction objectives driving and shaping development, content, implementation and administration of specific strategies and policies”. It recommended that the three education agencies “work together to develop and implement strategies to achieve the government’s education goals for student and learner outcomes, based on a shared view of the goals and each agencies contribution to them”.

During 2004/05, the Qualifications Authority undertook its own strategic review that led to the development of a set of outcomes focused on achieving positive outcomes for the learner through delivering effective outcomes in relation to provision, qualifications and the sector as a whole. We will continue to work across the sector to ensure that our strategy and outcomes are aligned with and maximise agreed education sector outcomes. We will also be working with the MoE and the TEC to further develop the strategic thinking for the sector as a whole and to ensure alignment across all agencies.

To this end a Sector Leadership Group has been established and has been holding regular meetings. The broad purpose of this group is to assist Ministers make policy decisions and clarify the areas on which each agency should focus. A Strategic Support Unit has also been established, with staff seconded from the agencies, to support the work of the Sector Leadership Group and to monitor and follow up on the implementation of the Education Sector Review (June 2005) recommendations.

The Qualifications Authority’s planning will continue to focus on contributing to the delivery of sector outcomes and goals. We will be aligning our Statement of Intent for 2006/07 with the other agencies and will be involved in the development of a joint work plan to review all major policies and activities of the participating agencies.

⁴ The Review was undertaken by the State Services Commissioner, the Secretary to the Treasury and the Chief Executive of the Department of the Prime Minister and Cabinet. It was a review of the Qualifications Authority, the MoE and the TEC.

Tertiary

Development of the tertiary sector has been driven off the goals set out in the five year Tertiary Education Strategy and the shorter-term Statements of Tertiary Education Priorities. This work is structured into four areas: Excellence, Relevance, Access and Capability. Highlighted below are the context and issues that are particularly relevant to the Qualifications Authority in these areas.

Excellence in Quality Assurance

To ensure excellence in the quality of education, the Qualifications Authority sets standards for courses and qualifications and for the delivery of those courses. One of our key functions is to ensure that there are mechanisms in place to guarantee that organisations providing nationally-recognised qualifications are assessing consistently to national standards. We also register national standards and qualifications on the NQF.

Challenge

Internationally there is an increasing emphasis on assuring the quality of provision in ways that seek to raise standards of teaching and learning and organisational practice, rather than just setting and monitoring minimal compliance. In New Zealand we need to ensure that approaches to quality assurance are being developed that are clearly focused on the quality of teaching and learning being delivered and learning outcomes being achieved.

Actions Taken/Planned

Changes are being applied to the way that the education sector is addressing quality assurance. The focus is on encouraging excellence and improving the quality of service delivery in the tertiary sector. Changes include:

- A review of course approval and accreditation criteria. This will allow us, in conjunction with the education sector, to determine whether the current criteria provides an adequate framework for effective teaching and learning. We also need to know whether the current criteria makes clear to providers what is expected of them and to assess the systems used to implement these criteria.
- The introduction of new course approval processes and increased use of powers to impose conditions on registration, course approval and accreditation. We will also review audit standards, evidence guidelines and audit practice to ensure an appropriate emphasis on quality teaching and learning.
- A review of audit methodologies with a view to enhancing the application of the current system and its impact on teaching and learning.
- A review of the audit standards for Quality Assurance Bodies (QABs) under our delegation.
- A preliminary review of the NQF. The review will examine the roles and functions of the NQF and the extent to which it has achieved its original aims and objectives.
- Improving the quality, relevance and value for money in sub-degree provision by:
 - implementing new quality assurance arrangements for Adult and Community Education, developed in consultation with the sector during 2004
 - examining how we monitor QABs that operate delegated responsibilities and how institutions' academic boards can be better monitored in conjunction with QABs
 - implementing special focus audits across institutes of technology, polytechnics, wānanga, GTEs and PTEs, targeted at quality issues, including course provision

- considering the current relevance of the NQF's objectives and identify opportunities for its future development
- further development of quality assurance arrangements for providers who deliver foundation learning
- quality assurance of Industry Training Organisations (ITOs) under new Quality Assurance Standards for ITOs.

Excellence - Internationally

Increasingly New Zealand is seen as a world leader in the international education community for its qualification systems. A significant number of countries seek our advice and input when establishing or reviewing their own qualification and quality assurance systems.

Our involvement in the international education community includes:

- participating in organisations such as the International Network of Quality Assurance Agencies in Higher Education, the OECD and UNESCO
- hosting a range of visitors from overseas governments; providing information about our system to overseas Governments
- maintaining links with overseas assessment agencies so that we keep up to date with education systems of other countries allowing us to accurately assess the comparability of overseas qualifications with New Zealand ones
- assisting overseas countries to develop qualifications frameworks and the appropriate quality assurance systems to ensure integrity of the framework.

Challenge

The international education environment is rapidly changing. Transnational and cross-border education is impacting on the role and functions of the Qualifications Authority in relation to stewardship of New Zealand's qualification systems and quality assurance of providers. In addition, the changing policies and attitudes of overseas governments, the volatile international student market, along with increased expectations from both the domestic and international markets, are having an impact on policies and procedures in international education.

International education brings significant economic benefit to New Zealand. It is therefore important that we maintain New Zealand's reputation and the value that a New Zealand education has internationally.

Actions Taken/Planned

- New procedures for managing cross-border quality assurance are being developed in order to maintain best practice of quality assurance mechanisms.

- Collection of more robust data to enable the Qualifications Authority to advise on effective policies and procedures related to quality assurance of qualifications
- The introduction of the Quality Assurance Standard for ITOs will result in information on ITO activity offshore being collected.
- Work with international qualifications recognition bodies⁵ to ensure international benchmarking of New Zealand qualifications.
- Membership of the Australasian Curriculum Assessment Certification Authorities to ensure that senior secondary qualifications are appropriately benchmarked.
- Work with the UK's University and Colleges Admission Service to ensure that senior secondary qualifications are appropriately benchmarked.
- Work collaboratively with New Zealand Vice-Chancellors (NZVCC), MoE, Ministry of Foreign Affairs and Trade (MFAT), New Zealand Trade and Enterprise (NZTE), TEC and Department of Labour (Workforce) on New Zealand's commitments and priorities in qualifications.
- Explore bilateral agreements on mutual recognition of quality assurance systems with two - three countries in South East Asia.

Key Issues to be Addressed

There is increasing focus on the inclusion of mutual recognition of qualifications in GATS discussions as well as bilateral free trade agreements. This is also being extended to include mutual recognition of quality assurance systems. Australia is in the process of establishing eight to ten such agreements in the South East Asia area over the next two years. New Zealand will need to consider entering such agreements if we are going to remain internationally competitive.

Relevance

The relevance of a particular course of study requires judgements on the relative merits of educational activities. Judgements regarding relevance require input from a range of stakeholders within and outside government.

From a funding perspective, relevance can be used to support decisions regarding funding priorities. From a quality assurance perspective, relevance is about ensuring that there are communities of interest that value and support the particular courses and qualifications.

Judgements regarding relevance may include both vocational and non-vocational stakeholders as education and training can contribute to a range of social, economic and cultural outcomes.

Regulatory systems provide both the framework in which judgements of relevance are made and the intervention approach when the system of engagement does not work.

Challenge

A significant issue for government and the sector is identifying the most effective way of determining what is relevant and then aligning funding and quality assurance with relevance to reduce uncertainty and compliance costs for providers.

⁵ Includes National Academic Recognition Centres, the European Network of Information Centres and Australia's National Office of Overseas Skills Recognition.

It is important that we understand what relevance means for all key stakeholders and recognise that relevance changes over time. For example, different cultures within New Zealand may view relevance in different ways depending upon their needs. Qualifications may have been relevant at the time of their approval, but may not remain relevant over time. Industry need qualifications to be developed to meet future, as well as current, needs. Industry training must meet both of these requirements. The quality assurance system has not always been effective in ensuring on-going relevance of qualifications and courses.

Actions Taken/Planned

We are currently working with the TEC to establish the most effective approach to aligning funding and quality assurance in the area of relevance. Once this is determined, decisions will need to be made regarding its application in the sector.

To address relevance in relation to the learning for living indicators we have established a Key Competencies Advisory Steering Group drawn from the workplace, assessment practitioners, Māori, Pasifika, academic, research, and industry communities. The role of this group is to provide high level advice and guidance in the setting of standards and associated issues surrounding key competencies.

Work is underway to develop a Māori Strategy, which will bring together the strategic direction and priorities for the Qualifications Authority in facilitating improved Māori learner outcomes. The Māori Strategy will be an internal document, which will guide business unit planning and work programmes. This will ensure that we have processes in place to find out what relevance means for Māori education.

Key Issues to be Addressed

We need to:

- explore the extent to which course approval, national standard setting and registration of national qualifications focuses on and identifies relevance
- develop ways of improving the nature of engagement in judgements surrounding relevance so they effectively contribute to course or qualification development
- examine ways in which quality assurance processes can give more focus to the issue of relevance.

Access

Over the past ten years access to tertiary education has increased, partly due to student loans and allowances enabling more people to take part. Of particular note is the increased participation by Māori, largely within wānanga.

From a quality assurance perspective, access is about ensuring that entry requirements are set at an appropriate level relative to the intended learner outcome. Enrolment systems must ensure the learners have a reasonable chance of success and should not be driven only by financial considerations. The tools that the Qualifications Authority has, to influence provider behaviour in relation to access, lie in the quality assurance standards for education providers and ITOs and in the criteria for course approval and accreditation. These were discussed under the “excellence in quality” assurance heading.

Challenge

Changes in the population mix with an aging European/Pākehā population, younger and growing Māori and Pasifika populations and expanding Asian population; the influence of continued high labour force participation rates; and increased demand for learning opportunities across an individual's lifespan will place new pressures on the tertiary education system. Decisions about access decisions need to support the achievement of all sectors of society.

Actions Taken/Planned

In partnership with the university sector the Qualifications Authority has initiated a review of the common entrance standard to universities. The standard was last reviewed during 2000-2002 in response to the introduction of the NCEA.

A process for the review has been agreed with representatives of the NZVCC and the Committee of University Entrance Programmes, as required by the Education Act 1989, and a working group has been established. Consultation with the universities, secondary schools and a range of other key stakeholders in the secondary and tertiary sectors has been initiated to determine sector views on the nature and extent of any required changes to the entrance standard. Further formal consultation with university councils and the NZVCC will be required regarding any specific proposals for change.

Key Issues to be Addressed

The results of the current consultation phase will need to be carefully considered to determine any changes to the common entrance standard. It will also be important to weigh up the advantages and disadvantages regarding access prior to decisions being made on the changes required and the timeframes for implementation.

Unitec New Zealand's Application for University Status

In October 2004, Unitec New Zealand (Unitec) reactivated its 1999 request for university status under section 162 of the Education Act 1989. The then Associate Minister of Education (Tertiary) requested that the Qualifications Authority provide advice to him on this request and report back to him with that advice.

In order to assess Unitec's request for university status, the Qualifications Authority convened a panel of experts, comprising individuals from New Zealand and comparable jurisdictions overseas. Chaired by the Rt. Hon. Sir Douglas Graham, the panel reported to the Board of the Qualifications Authority in May 2005. The Board provided its advice to the Minister in June 2005 and the final decision on Unitec's request was announced in early August 2005. The advice to the Minister was that Unitec did not meet the characteristics of a university as defined in the Education Act 1989.

In January 2005, Unitec lodged proceedings in the High Court against the Associate Minister of Education (Tertiary) and the Qualifications Authority. Four causes of action were cited, including a breach of the New Zealand Bill of Rights Act. The application against the Qualifications Authority was unsuccessful. Unitec have indicated that they may seek judicial review after the election regarding the processes undertaken by the Qualifications Authority to advise the Minister on the 2004 application.

Closures of PTEs

The number of PTEs has been reducing due to three main factors:

- reducing numbers of international students enrolling at English Language Schools
- reduced sector funding as a result of the TEC's review of provision
- reduction of work that polytechnics are sub-contracting to PTEs, in response to TEC funding reviews.

Increased numbers of PTEs are encountering financial problems. This may in the short-term have an impact on the quality of provision as providers take their focus off the quality of teaching and learning, and longer-term on the student and government investment in that provision. A close watch is being maintained on the financial viability of PTEs and their student fee protection, with closures being managed in ways that minimise these risks.

The Qualifications Authority participates with TAMU, TEC, MSD and StudyLink in interagency risk monitoring of PTEs (the interagency dynamic risk framework). This group was established following the collapse of Carrich, a large PTE, and continues to work together to actively manage issues surrounding providers at risk. The group shares and analyses information and establishes workplans to manage closures effectively.

There are likely to be more closures in the future as the trends highlighted above continue and as the emphasis on quality, relevance and value for money increases within the sector.

Wānanga

The Qualifications Authority, TEC, MoE and TAMU are together working to resolve a range of issues surrounding Te Wānanga o Aotearoa. These include:

- annual audit outcomes
- degree programme monitoring
- TEC funding review (A1J1)
- multiple enrolments
- credit value.

These issues have an impact on the value for money that the Crown receives for its purchase and the quality of provision that learners receive. Outcomes of this work may have wider implications across the sector including how local courses are aligned to national standards and the flow-on effects of bridging Māori students into university degree programmes.

Actions Taken/Planned

We are currently:

- identifying ways to enhance the quality assurance processes in place for wānanga and in particular Te Wānanga o Aotearoa, given that they have a significant proportion of courses below degree level
- reviewing roles and functions of academic boards
- reviewing the EFTs value assigned to courses that have been locally approved.

Key Issues to be Addressed

- The impact of weak governance structures on management issues and decisions.
- The high fiscal risk to the Crown of the current delivery by Te Wānanga o Aotearoa.

Litigation Risks

The Qualifications Authority has faced an increased number of legal challenges to its decisions over the last year. This appears to reflect an increasing tendency in the sector to litigate and represents a risk both financially and in terms of reputation.

Legal challenges have mostly focused on whether the Qualifications Authority has followed its own processes in reaching decisions regarding PTEs. Challenges have been made to decisions on registration, audit reports and student results.

Actions Taken/Planned

The Qualifications Authority has reviewed and updated its risk management policy and framework. By reviewing policies and procedures, obtaining legal advice as appropriate and refining communications and relationship management, further litigation risks are being minimised.

Key Issues to be Addressed

Currently the Qualifications Authority is facing a significant claim for damages from a PTE. The PTE appealed an audit decision made by the Qualifications Authority. The appeal was successful and resulted in the PTE lodging a claim against the Qualifications Authority for damages. The Minister will be updated on the progress of this claim.

Industry Training

Industry training has been undergoing a major expansion of trainee numbers facilitated by ITOs and funded by the TEC and industry. This planned expansion is likely to see trainee numbers increase from approximately 150,000 in 2005 to around 250,000 in 2007.

Challenge

In past years rapid growth of trainee numbers has sometimes been accompanied by quality issues, both real and perceived. Such growth rates have also at times created service delivery issues for the Qualifications Authority in terms of associated administration and quality assurance activities.

Actions Taken/Planned

The Qualifications Authority has put in place a number of activities to both support the planned increase in trainees and also to mitigate possible quality and service delivery issues associated with the growth. These include:

- piloting and approval of a Quality Assurance Standard and audit regime for ITOs in 2004/2005
- implementation of scheduled ITO audits, commencing in 2005/2006
- implementation of new business processes and systems to support the administration of NQF results and certification and the evaluation and registration of NQF standards and qualifications
- bi-monthly meetings of the Qualifications Authority/ITO Consultative Group for the early identification and resolution of potential service delivery or quality issues
- monthly meetings with the Industry Training Federation (the ITOs representative body).

Secondary Education

The work of the Qualifications Authority supports New Zealand's Schooling Strategy 2005 – 2010, and its schooling strategy goal: "*All students achieving their potential*".

Senior Secondary Assessment

There is a worldwide trend in assessment that results in a better description of the achievement of individual students and allows for the recognition of a much wider range of skills and knowledge. In England, for example, the proposed changes to the secondary qualifications system now being considered are very similar to those that have been implemented in New Zealand. The Australian states are also moving in a similar direction.

Secondary School Qualifications: The National Certificates of Educational Achievement and Scholarship

Over the past three years, new secondary school qualifications have been progressively implemented across New Zealand's secondary schools. This has been a massive undertaking for the Qualifications Authority, the MoE, schools and students throughout the country. In addition, it has had an impact on parents and caregivers, employers, tertiary providers and wider student group communities.

The Qualifications Authority role is to implement the new secondary school qualifications policy. NCEA level three and the Scholarship were both implemented in 2004 with the results of these examination rounds being published in early 2005. The results of Scholarship 2004 raised concerns regarding the variability in results across subjects. As a result, government took a number of actions including:

- convening a group of education practitioners and experts, the Scholarship Reference Group, to consider the shape of the 2005 Scholarship
- requesting the SSC to review the adequacy of the setting and management of the 2004 Scholarship, Report on the 2004 Scholarship, April 2005 (SSC I Review, April 2005)
- requesting the SSC to review the performance of the Qualifications Authority in respect of school sector qualifications (SSC II Review, July 2005).

In addition, the Education and Science Select Committee (Inquiry into the Setting of National Certificates of Educational Achievement Examination Questions report, August 2005) found that there was no evidence of a deliberate political bias in the setting of the NCEA Level 1 History examination question.

The Select Committee recommended that the Government:

- rationalise the number of topics being prepared for examination
- require the Qualifications Authority to ensure that all stake holders have clear information on how examination questions are set and that questions met the Qualifications Authority own standards.

Procedures have been put in place to minimise any political, or gender bias, in the setting of examination questions. The Qualifications Authority will work with you to prepare a response to the Select Committee within the required timeframe.

A further review, the Education Sector Review (June 2005), which is discussed in other parts of this document, was also undertaken by the SSC on behalf of the State Services Commissioner, the Chief

Executive of Treasury and the Chief Executive of the Department of Prime Minister and Cabinet during this period.

Also, the Board of the Qualifications Authority commissioned MinterEllisonRuddWatts to review and report to the Board on the development and implementation of Scholarship 2004.

These reviews have provided valuable information to the management and Board of the Qualifications Authority on areas of improvements in terms of the management and operation of senior secondary assessment and also wider management and governance issues facing the Qualifications Authority.

Ninety recommendations made in these reviews are now being addressed by staff, managers and the Board of the Qualifications Authority. The recommendations range from expert advice on the detailed development of assessment processes to broader recommendations on best practice governance arrangements. The review recommendations cover:

- governance, risk management, monitoring and reporting
- the role of senior managers
- issues to do with the culture of the organisation
- capability of the Qualifications Authority, including planning, systems and processes
- the involvement of, and responsiveness to, key stakeholders in decision-making
- collaboration and interfaces with other agencies
- roles and responsibilities of the various agencies involved
- professional leadership of the examination processes
- design and operation of examinations
- standards setting, moderation and marking of the examinations
- distribution and variability patterns of results
- communications and advice
- resourcing issues.

A number of themes emerged from these reviews including the following:

- The majority of schools and stakeholders believe that, notwithstanding difficulties with implementation, NCEA is enhancing learning outcomes for students and improving teaching practice.
- The three year roll-out period placed significant pressures on the Qualifications Authority's business processes. The changes required considerable enhancements to our systems and processes, in addition to providing a new and complex information systems environment and solution. As a result some of the safe guards present in the former examination system were not duplicated for the new system.
- The conflicting philosophies of the previous norm-referenced system and the current standards-based system has created a degree of confusion for students, teachers, parents, employers and the wider community.

Challenge

It is essential that public confidence in our national secondary qualifications system and the Qualifications Authority is rebuilt following the concerns raised relating to the implementation of both the NCEA and Scholarship examinations in 2004.

Actions Taken/Planned

The reviews have highlighted the need to implement change in the management and operation of assessment processes to deliver more consistent and better understood outcomes for learners. Each of the recommendations is being addressed and, where appropriate, additional resource or expertise is being used to support the necessary changes.

The Qualifications Authority has a number of specific workstreams in place to address concerns and issues about the operation of senior secondary qualifications. These include:

- rigorous project management of Scholarship 2005 relating to all aspects of the award including marking, reporting, communications, operational policy, stakeholder management and risk management
- projects relating to achieving the appropriate level of consistency in assessment standards and in result distribution in external assessment between years
- review of the current external moderation of the internal assessment system in conjunction with the MoE and the secondary leaders' forum
- review of the external moderation system
- enhanced joint communications programme with the MoE to ensure that stakeholders are informed of and understand the changes being implemented
- a comprehensive operational plan for the 2005/06 assessment cycle, which integrates all parts of the secondary group's activities and a comprehensive risk register.

Key Issues to be Addressed

There are a number of issues related to NCEA that need to be considered and managed by the Qualifications Authority and the MoE. Many parents, employers and members of the public do not have confidence in this qualification. Teachers and principals, while on the whole supportive of the qualification, have expressed concerns about the workload they believe is associated with it. Workload issues for students exist because of the continuous three year structure of NCEA. There are also a number of issues related to moderation that have to be addressed.

The Scholarship 2005 has changed in a number of ways, there are risks surrounding the level of understanding by stakeholders of the changes that have been implemented.

In addition we must continue with business-as-usual activities for senior secondary examinations. The scale of the task is significant for NCEA and Scholarship; approximately 2 million personalised scripts are being produced for 135,000 candidates throughout the country. The risks that are being managed include:

- variability in internal assessments
- variability in external assessments
- operations and information systems failures
- poor quality data provided by schools
- possible failure of third-party service providers.

There will be a higher level of public scrutiny than previously, meaning that any difficulties that arise are likely to receive intense media attention. We will provide you with regular briefings during this upcoming examination period.

Section Three: Capability

Capability Issues

Recent reviews have highlighted the need to further develop the capability within the Qualifications Authority to support the effective delivery of educational outcomes for learners. Specific areas identified include:

- relationship management and communications, including a culture change that supports a more outward focused and information sharing approach
- strategic implementation and change management
- decision making and judgements in an increasingly complex and discretionary environment.

Leadership

The SSC II Review (July 2005) noted that the numerous changes at the Chief Executive level over a number of years have had a major impact on the organisation's performance, impacting on its ability to develop into a mature and high performing organisation.

The Review found that a direct consequence of this has been instability in the allocation of senior management responsibilities and their alignment with the Qualifications Authority's strategic direction. The level of public sector management experience within senior management was also found to require strengthening.

The capability and allocation issues, mentioned above, will need to be addressed following the appointment of a new Chief Executive.

Organisational Culture

The SSC II Review (July 2005) also noted that the organisation has tended to operate in silos and that different sub-cultures have developed. This has resulted in differing 'worldviews', which have led to an inconsistency of approach across the organisation.

Our staff are committed to improving outcomes for learners in New Zealand. Actions are now being taken to enhance the 'public service' culture of the organisation. All employees need to have a clear and consistent understanding of our purpose and how their roles and actions contribute to this. This includes increasing the emphasis on service delivery, developing new approaches to working together and meeting stakeholder expectations.

Staff Morale

The recent reviews have had a negative impact on staff morale. The Acting Chief Executive is working to address this issue, initially through regular updates to staff, discussion forums and the provision of regular feedback on the matters relating to the reviews and wider interactions with the sector. A staff climate survey will be used to provide the incoming Chief Executive with a snapshot of staff views and values, and of the culture of the organisation. This information will help identify the actions that need to be taken and will provide a baseline, which will be used to measure the outcomes of future initiatives.

Staff Retention

Retention of staff is a key issue for the Qualifications Authority. Currently our attrition rate is above the State Sector average, and a number of initiatives have been implemented to reduce that figure. These include the implementation of a competitive remuneration system, leadership and management development, and innovative recognition and reward initiatives. Building a cohesive organisational culture is a key priority.

Recent enhancements to the performance management system are increasing the focus on rewarding outstanding performance and ensuring that staff receive regular feedback on areas for improvement. This work includes providing clarity for staff about their accountability, providing appropriate training and development opportunities, reminding managers of their responsibilities in relation to staff performance, and acknowledging the behaviour and performance that will take the organisation forward. Further work is required to provide more career paths for employees to ensure that we do not lose talented staff.

Staff Composition

The Qualifications Authority places a heavy reliance on contractors. This has been identified as a risk for the Qualifications Authority, as a number of the roles currently being filled by contractors are key to our ability to deliver against the required outcomes.

We are currently conducting a review of all contractor positions with the aim of transitioning to roles to permanent where the work being done is required over the medium to long term. The recent IS review has significantly increased the proportion of permanent positions.

The current labour market is making it more difficult to attract permanent staff, however a number of new recruitment initiatives are achieving positive results.

Renegotiation of the NZQA Collective Employment Agreement 2004 – 06

The current Collective Agreement expires on 31 July 2006. There are some issues around the remuneration policy that will need to be addressed both now and leading up to the negotiation of the Collective. If these issues are not resolved it could result in a delayed settlement of the Collective.

Technology

In 2002, the Qualifications Authority established an Information and Communications Technology (ICT) programme and transformed the organisation's business processes and operations to a web-centric model. The programme is known as "e.QA" and now supports:

- the annual secondary school assessment (examination) cycle
- online moderation business processes
- the Register
- the NQF
- the Record of Learning (RoL).

The e.QA programme is formally monitored by the MoE, Treasury and the SSC. In addition the Education Sector ICT Standing Committee maintains an oversight of the programme.

The programme is now in its final phase and is focused on providing business systems to support the accreditation and audit of educational organisations, approval of courses and QAB activities of the Qualifications Authority's Approvals, Accreditation and Audit (AAA) group. Implementation of these systems is scheduled for the later part of 2006.

While these new business systems are implemented, the AAA group will continue to operate with a mixture of legacy systems and manual processes. These systems whilst adequate do present limitations for the AAA group.

Financial Strategy

Early in 2005, the Qualifications Authority identified a need for a medium-term financial strategy. A project to develop this strategy is underway. It is intended that the financial strategy will:

- provide a comprehensive view of the Qualifications Authority's financial position over the baseline period (to 2009)
- identify whether the Qualifications Authority will have sufficient financial resources to undertake its roles effectively
- enable the Qualifications Authority to more accurately price budget initiatives as required, including sensitivity analysis
- deliver a robust and defensible model for cost recovery activities
- provide product costings to inform decisions.

To meet these objectives, the medium term financial strategy will contain:

- an analysis of Crown purchase
- an analysis of non-Crown funded purchase and the factors that influence this purchase, in particular socioeconomic influences, demographic information, macro policy settings and other factors that are beyond the Qualifications Authority's control, but which, nevertheless, may be able to be forecast
- an analysis of cost drivers, particularly those arising from the factors identified above
- scenario and sensitivity analysis to accommodate potential variation in external factors
- balance sheet analysis to ensure that asset and technology replacement cycles are built into the strategy
- robust internal output class allocation methodologies.

A draft strategy, including detailed analysis of the Qualifications Authority's current financial position and forecast, was presented to the Qualifications Authority's Board in October 2005. An action plan to implement the strategy is under development.

Financial Management Information System

A number of reviews have identified shortcomings in the Qualifications Authority's financial systems in particular the Acuity Review commissioned by the Board in December 2004 and the SSC II Review (July 2005).

The Qualifications Authority has reviewed its needs for financial processing and reporting systems. A project has been scoped that will deliver a core financial management information system on the Qualifications Authority network including roll-out to all users, a standard suite of reports and reporting tools, new business processes for all finance and finance related processes, training for all users and interfaces to e.QA modules.

Section Four: Organisational Delivery and Relationships

Organisational Delivery

Detailed below are the current structures and roles that support the delivery of the functions of the Qualifications Authority.

Approvals, Accreditation and Audit (AAA) Group

Acting Group Manager Chris Winstanley



The role of the AAA group is to:

- register PTEs and GTEs
- approve courses and qualifications not based on registered national standards, including degrees awarded by institutions other than universities
- accredit educational institutions, schools and other registered learning establishments to offer approved courses and/or assess against unit standards and qualifications registered on the NQF
- accredit ITOs to register workplace NQF assessors.

Board Services and Audit

Group Manager Angela Irwin

Board Services and Audit is responsible for:

- providing secretarial support to the Board and Executive Management Committee
- the internal audit function to the Qualifications Authority
- the risk management functions within the Qualifications Authority
- auditing of QABs that operate delegated quality assurance functions under s260 of the Education Act. These are the Institutes of Technology and Polytechnics Quality (ITPQ), the College of Educations Accreditation Committee (CEAC) and the quality assurance function of the Qualifications Authority undertaken by the AAA group.

Tertiary Quality Assurance @ a Glance

The three quality assurance mechanisms for PTEs, GTEs and wānanga are:

- *registration*
- *course approval*
- *accreditation*

Audits are undertaken against a quality assurance standard. The length of time between audits (audit cycle) can vary from under twelve months (for a provider who does not comply with a number of areas of the standard) to three years (for providers with good internal quality assurance systems, a focus on continual improvement and a good compliance history).

Outside the audit cycle, special focus audits are scheduled when issues such as complaints are raised.

The AAA group (NZQA) undertakes audits for:

- 812 registered PTEs (of these 148 are Māori PTEs and 26 are Pasifika PTEs)
- 8 registered GTEs
- 3 Wānanga
- 1 institute of technology
- 42 registered ITOs.

ITPQ undertake audits for:

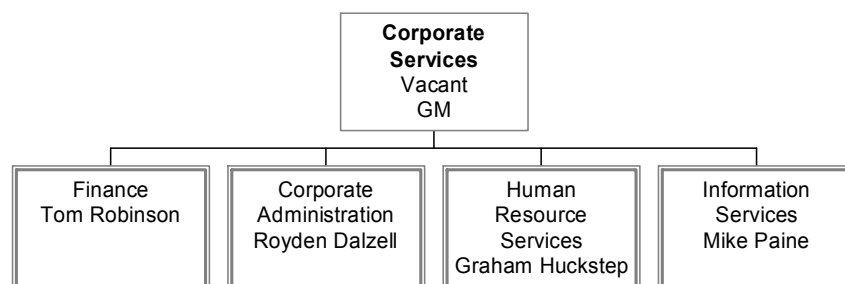
- 19 polytechnics/institutes of technology.

CEAC undertake audits for:

- 2 colleges of education.

Corporate Services Group

Group Manager vacant



The Corporate Services group is responsible for:

- financial services, including accounts payable, budgeting, financial systems, financial reporting, strategic financial planning and advice
- corporate administration, including property and asset management and contracts management
- human resource services, including payroll, performance management, recruitment, training and development, industrial relations, occupational health and safety and strategic HR developments
- information system services, including operation of an IT portfolio, advice to business units on IT solutions and development of IT solutions to support business strategies and operations.

Chief Advisor Māori

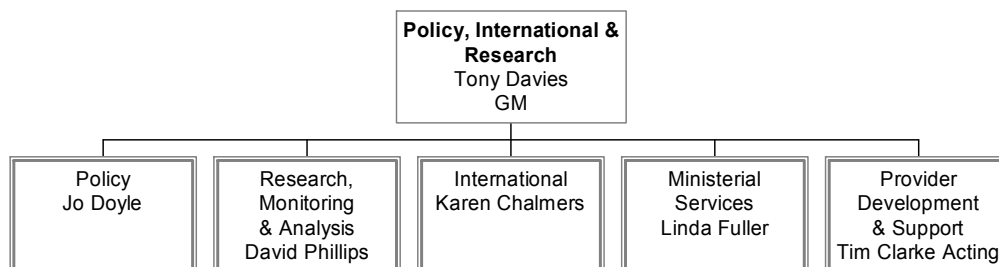
Kararaina Cribb

The Chief Advisor Māori position was established in 2005. The key foci of this position are:

- provide advice, guidance and support for the development and implementation of the Māori Strategy
- provide advice, support and leadership for all areas of the Authority in relation to Māori learning, learners and education across all sectors
- establish and enhance key Māori stakeholder relationships and engagement to support the Qualifications Authority's advancement of Māori educational aspirations and needs.

Policy, International and Research

Group Manager Tony Davies



The Policy, International and Research group:

- provides policy advice to Ministers, the Board of the Qualifications Authority, the Executive Management Committee and individual business units

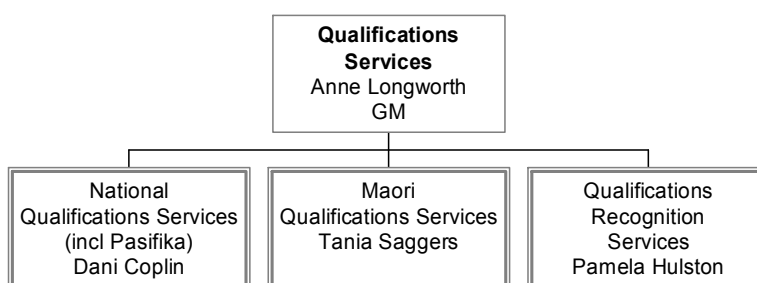
- maintains relationships with other government agencies
- carries out research and analysis of Qualifications Authority data and programmes
- co-ordinates ministerial and chief executive correspondence
- manages visits from international delegations.

The Provider Development and Support function is temporarily located under Tony Davies. This unit consists of a small team of Regional Facilitators who:

- assist Māori and Pasifika PTEs and the three wānanga to establish and/or improve robust quality management systems
- work with providers to enhance Māori and Pasifika learning outcomes.

Qualification Services

Group Manager Anne Longworth



The Qualification Services group is responsible for:

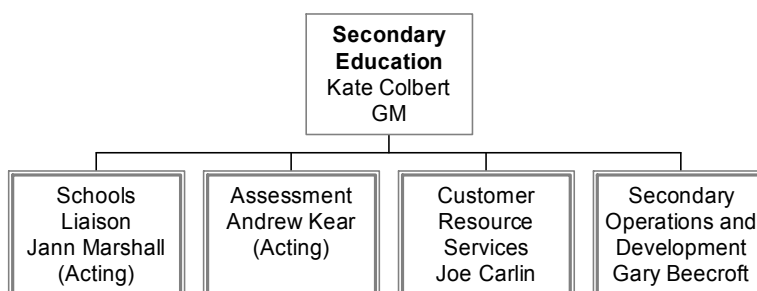
- the development and support of unit standards and national qualifications that are of strategic importance to the economic and social development of New Zealand and that are not the responsibility of other standard setting bodies, including high level generic skills that support the development of a highly skilled workforce
- the development and support of unit standards and national qualifications within field Māori.
- liaising with overseas certifying / validating bodies and evaluating overseas and national qualifications against New Zealand referenced qualifications to provide a statement of comparability for immigration, employment, further study or professional registration purposes. This service is provided on a fee-for-service basis.

Standard Setting Bodies who develop NQF standards

Industry Training Organisations (ITOs)	Develop industry related unit standards and national qualifications
Māori Qualifications Services (MQS)	Develop unit standards and national qualifications for field Māori
National Qualifications Services (NQS)	Develop unit standards and national qualifications for generic skills
Ministry of Education (MoE)	Develop achievement standards and the NCEA

Secondary Education Group

Group Manager Kate Colbert



The Secondary Education Group is responsible for:

- the quality of senior secondary assessment, both internal and external
- managing relationships with schools around assessment matters
- managing the supervision of examinations and any misconduct cases related to external assessment and communications to schools
- business processes for running the qualifications system for secondary school students.

Secondary School Qualifications @ a Glance

The decision to use standards-based assessment in secondary school qualifications in New Zealand came after significant debate within the education community. This followed the 1986 report of the Committee of Inquiry into Curriculum, Assessment and Qualifications in Forms 5-7 entitled *Learning and Achieving*.

The previous system ranked students in individual subjects within a year cohort. Many attempts were made to improve the old system to ensure that New Zealand had a qualifications system suitable for the 21st century. More internal assessment became a feature of the old examinations system, with achievement based assessment being piloted in the late 1980s.

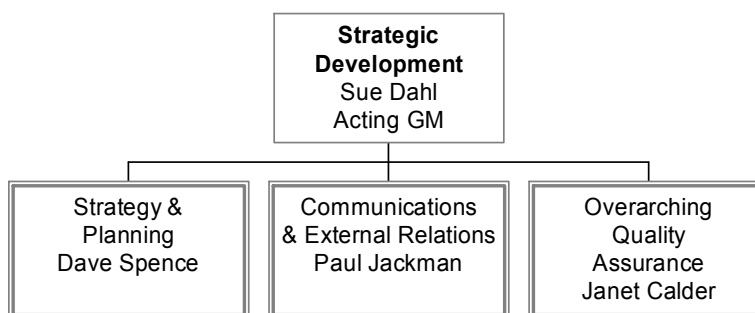
The NQF, implemented in the early 1990s, further enhanced opportunities for students to have their achievements recognised and to gain qualifications that would be useful as they moved on from school. Then in 1998 the government announced the phased implementation of a secondary school suite of qualifications on the NQF called the National Certificates of Educational Achievement and the New Zealand Scholarship.

Between 2002 and 2004 the NCEA replaced School Certificate, Sixth Form Certificate, University Entrance and Bursary in secondary schools. This was based on the development of achievement standards in specific school learning areas and the registration of NCEA Level 1, Level 2 and Level 3 on the NQF. These qualifications can be gained by learners at schools and other accredited providers using both unit standards and achievement standards. Standards-based learning and assessment on the NQF is now the key pathway learners follow in New Zealand's schooling system.

There are approximately 150,000 candidates being assessed for NCEA and Scholarship in 2005. From a logistical point of view this requires nearly 2 million individual examination booklets to be handled and marked.

Strategic Development Group

Acting Group Manager Sue Dahl

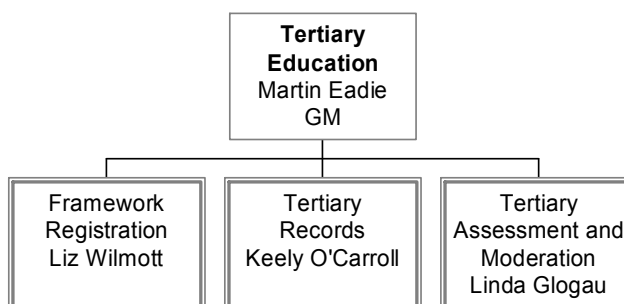


The Strategic Development group is responsible for:

- planning and reporting for the Qualifications Authority, including producing public and strategic accountability documents such as the Statement of Intent, negotiating the output agreement with the MoE and managing the reporting process
- communications, publications, maintaining the Qualifications Authority's website and intranet and liaison with the media
- undertaking quality assurance policy projects that impact across the sector.

Tertiary Education Group

Group Manager Martin Eadie



The Tertiary Education group's activities include:

- the quality assurance and registration of all unit and achievement standards and national qualifications
- the maintenance of the RoL for all tertiary learners using the NQF
- the running of moderation systems for tertiary organisations using unit standards maintained by the Qualifications Authority
- monitoring the management of moderation systems by other standard-setting bodies i.e. ITOs
- maintaining and monitoring the Register and providing assistance to the QABs in the implementation of the Register.

The Register, NQF and RoL @ a Glance

The Register is a database of all quality assured qualifications including those developed and delivered by New Zealand universities. Each qualification type has a definition (level, credits, entry point and expected outcomes). The quality assurance process ensures that qualifications meet the requirements and are expressed on the Register in terms of title, level, credits, outcome statement and subject classification.

The Register aims to:

- show clearly the relationship between qualifications
- facilitate learners' ability to transfer credits
- clearly identify all quality assured qualifications
- assist in the international recognition of New Zealand qualifications.

The NQF is a way of structuring national qualifications. It was developed through a two-year process of policy development and public consultation in 1990-1991 and is now a subset of the Register.

The NQF is designed to provide:

- nationally recognised, consistent standards and qualifications
- recognition and credit for a wide range of knowledge and skills.

The NQF qualifications are quality assured and nationally recognised. The NQF is a three-pronged quality system based on:

- national standards and qualifications that are quality assured and registered
- their use by accredited organisations
- moderation systems that ensure national consistency.

The RoL is a database containing the results of all NQF learners. Accredited organisations report results and learners can access their results over a secure extranet. Schools submit results electronically using a student management system set up with guidance from the MoE. By July 2006 all Tertiary Education Organisations (TEOs) will also submit results electronically to [the Qualifications Authority](#).

NQF STATS SUMMARY

- 990 qualifications on the NQF as at 31 July 2005, 26 of these in field Māori
- 108 new qualifications registered since 1 January 2004
- 316,322 National Qualifications awarded as at 30 June 2005
- 1,268,349 registered learners as at June 2005, 232,746 of these were Māori learners
- 17,138 unit standards on the NQF as at 31 July 2005, 667 of these in field Māori.

Relationship Management

The work of the Qualifications Authority affects all New Zealanders. To be effective we must work with a wide range of stakeholders at local, national and international levels.

Government Agencies

In carrying out our functions it is critical for us to work closely with a number of government agencies. The key relationships are with the MoE, ERO and TEC. This involves participation in advisory and project groups and the sharing of information to facilitate early intervention in areas of risk.

We also have working relationships with the Career Services, the Teachers Council, MFAT, Department of Labour, Ministry of Pacific Island Affairs, Te Puni Kokiri, the Office of Ethnic Affairs and NZTE. In addition, we regularly interface with the core government departments: Treasury, Department of Prime Minister and Cabinet and State Services Commission.

Working Across Government

The Qualifications Authority is currently working with Immigration New Zealand to provide advice to the Ministers of Immigration and Education on the future of the List of Recognised Qualifications. The list was introduced in 2000 to facilitate immigration applicants' claiming points for qualifications under the General Skills Category. The List is now used for the purposes of the Skilled Migrant Category, which supersedes the General Skills Category.

Sector Groups

The Qualifications Authority facilitates a number of groups or fora to ensure that its policies and procedures are developed with full engagement from the relevant parts of the sector. These include the following:

- *Inter-Institutional Quality Assurance Bodies Consultative Group* which is made up of representatives from the MoE, TEC, the representative bodies and QABs of groups of institutions and the AAA group. This group often recommends the establishment of working parties to address quality assurance issues.
- *Joint Consultative Group* with the New Zealand Vice-Chancellor's Committee.
- *Private Training Establishment Forum*, which focuses on policy and operational developments impacting on PTEs and also provides an opportunity for them to raise issues directly with officials. Representatives from the MoE and TEC also attend.
- *Industry Training Forum*, which performs a similar function to that of the Private Training Establishment Forum, but with ITOs.
- *Secondary Education Qualifications and Learning Advisory Committee*, which acts as a sounding board for issues and looks at qualifications for the future.
- *Secondary Leaders' Forum* which fosters understanding and consensus through the secondary education sector.

Scholarship Process Advisory Group (SPAG) and Scholarship Technical Advisory Group (STAG)

The technical and process advisory groups were established following recommendations to Cabinet from the Scholarship Reference Group which looked into the degree of variation in Scholarships awarded in different subjects in the 2004 examinations.

STAG monitors and advises on the implementation of changes to Scholarship recommended by the Scholarship Reference Group.

SPAG is a larger group that includes people with extensive experience in secondary schools. This group oversees the implementation of the revised Scholarship system and works with the Qualifications Authority so that Scholarship awards are transparent. It advises both the Board of the Qualifications Authority and the Secretary for Education.

Representative Bodies

The *Māori Reference Group* is a group of external advisors that are lead contributors for the Qualifications Authority's Māori Strategy project. They represent sectors of Māori education and wider key stakeholders communities. The group was established in March 2005 and will focus on delivering the strategy to the Board of the Qualifications Authority by September 2006.

Roadshows

The Qualifications Authority has, during 2005, embarked on a number of event based relationship management and awareness activities. These have included the following:

- *Tertiary Education Roadshows* - the MoE runs a sector roadshow three times a year across eight centres in New Zealand, in which the Qualifications Authority participate. The main audience are TEOs that receive student component funding. Sessions are aimed at helping TEOs in their interactions with the Qualifications Authority. Examples include workshops on the Approvals, Accreditation and Audit function, reporting of NQF results, quality assurance development for adult and community education, developments with the Register and changes to the quality assurance processes for PTEs. These meeting also provide TEOs with an opportunity to express their sector concerns.

- *Scholarship Roadshows* - a nationwide roadshow to explain Scholarship 2005. This is part of a wider programme, developed with the MoE, to provide information and resources to assist people prepare for Scholarship in 2005.

A number of groups within the Qualifications Authority have primary responsibility for managing specific relationships. These are summarised below, note that this list is not exhaustive.

- Strategic Development Group – overarching responsibility for stakeholder management, tertiary sector leadership groups, TAMU
- Communications and External Relationships – media, learners, parents, general public and specific communities of interest e.g. industry
- Policy International and Research Group - Minister's office, government departments and agencies, international governments and jurisdictions
- Approvals, Accreditation and Audit Group – tertiary providers
- Board Services and Audit – QABs, Audit New Zealand
- Chief Adviser Māori – Māori stakeholders
- Provider Development and Support – Māori and pasifika providers
- Qualifications Services – Standard setting stakeholders, Immigration New Zealand
- Secondary Education Group – teaching profession, secondary schools, MoE
- Tertiary Education Group – industry, ITOs, tertiary providers.

Key Actions to be Addressed

The need to work more closely and collaboratively with stakeholders has been highlighted by the recent reviews of the Qualifications Authority and the sector. In particular, the Education Sector Review (June 2005) identified that significant improvements were required in communications and relationship management across education sector agencies and with sector institutions. It recommended that the three agencies develop a relationship management and communications strategy for stakeholders by December 2005.

Actions Taken/Planned

To move forwards we must further establish and strengthen our relationships with external stakeholders. We are currently developing a stakeholder management strategy to provide strategic direction to our media, communications and stakeholder management activities. We are working closely with other education sector agencies to ensure an aligned and more unified approach to this work.

Appendix One: The Qualifications Authority Board

Members of the Board are appointed by the responsible Minister for the New Zealand Qualifications Authority. The Board reflects industry, community and education interests. Board members are appointed for a period of three years and may serve a maximum of two consecutive terms. The Board must be made up of not fewer than eight and not more than ten members.

The membership of the Board, as at 30 June 2005, is set out below.

Director	Current/Former Experience	Date of Tenure
Catherine Gibson (Acting Chair)	Education Management Contractor Former Chief Executive, Ministry of Youth Affairs	30 September 2006
Margaret Bendall	Education Advisor Former Principal Epsom Girls Grammar School	30 June 2006
Tina Olsen-Ratana	Trustee/Manager of Kokiri Marae Keriana Olsen Trust Commissioner TEC Founder Aotearoa Māori Providers of Training, Education and Employment (AMPTEE)	20 September 2007
Angela Foulkes	Director of Consultancy, AJF Ltd	20 September 2007
Peter Chrisp	General Manager of Norske-Skog Tasman Ltd	20 September 2007
Tracey Bridges	Partner, Senate Communications	20 September 2007
Graeme McNally	Partner, Deloitte Ltd	20 September 2007
Dr Arihia (Ailsa) Smith	Honorary Research Associate, Lincoln University Former Senior Lecturer, Lincoln University	1 December 2008
Warwick Bell	Director and Registered Architect, Bell Kelly Beaumont Team Architecture Ltd	1 December 2008

Appendix Two: Funding by Output Delivery and Financial Position

Funding of NZQA's output delivery 2005/06				
Output Classes	Crown Revenue \$000 (ex GST)	Third Party Revenue \$000 (ex GST)	Total Revenue \$000 (ex GST)	Total Expenses \$000 (ex GST)
Output Class 03: Administration of National Assessment for Secondary Qualifications	26,736	14,529	41,265	39,813
Output 3.1 Secondary School Qualifications	25,501	14,529	40,030	39,813
Fee Remission	1,235	-	1,235	-
Output Class 05: Provision of Information and Advisory Services	2,347	-	2,347	3,022
Output 5.1 Stakeholder Communications	835	-	835	906
Output 5.2 Ministerial Support	268	-	268	400
Output 5.3 Development and Support Services to Māori Providers of Education and Training	1,244	-	1,244	1,716
Output Class 09: Stewardship of the New Zealand Qualifications System	10,112	25,059	35,171	37,058
Output 9.1: Overarching Responsibilities	1,211	244	1,455	2,778
Output 9.2: Quality Assurance of Providers	2,211	5,620	7,831	8,073
Output 9.3 Quality Assurance of Qualifications	170	-	170	4,358
Output 9.4 Development, Review and Maintenance of Standards and Standards Based Qualifications	2,483	2,726	5,209	5,140
Output 9.5 Support for Pasifika Peoples	267	-	267	260
Output 9.6 Tertiary Education		16,469	16,469	12,679
Output 9.7 Information Technology Project Operating Funds	3,770	-	3,770	3,770
Total Cost of NZQA's Outputs	39,195	39,588	78,783	79,893

Forecast of NZQA's Financial Performance 2005 - 2008			
	2005/06 Budget \$000	2006/07 Budget \$000	2007/08 Budget \$000
Revenue			
Grants	39,195	38,250	36,116
Other	40,426	41,424	45,960
Total Revenue	79,621	79,674	82,076
Expense			
Personnel	23,310	23,000	24,035
Accommodation	2,551	2,627	2,706
Administration	9,136	9,313	9,593
Depreciation	5,354	5,959	4,256
Out-sourced services	28,698	30,022	31,769
Other operating costs	8,204	8,450	8,704
Product Development and Research	3,478	3,582	3,690
Total expense	80,731	82,951	84,753
Net Surplus (Deficit)	(1,110)	(3,276)	(2,677)

Appendix Three: Legislated Functions

Section 253 (1)

- (a) Oversee the setting of standards for qualifications in secondary schools and in post-school education and training
- (b) Monitor and regularly review, and advise the Minister on, the standards for qualifications in secondary schools and in post-school education and training, either generally or in relation to a particular institution or private training establishment or a particular course of study or training
- (c) To develop a framework for national qualifications in secondary schools and in post-school education and training in which
 - i) All qualifications have a purpose and a relationship to each other that students and the public can understand; and
 - ii) There is a flexible system for the gaining of qualifications, with recognition of competency already achieved
- (ca) To establish policies and criteria for the registration of private training establishments
- (d) To establish policies and criteria for the approval of courses of study and training at institutions and private training establishments
- (e) To establish policies and criteria that will enable institutions, secondary schools, and private training establishments to be granted accreditation to provide courses of study and training
- (f) To ensure there are mechanisms in place to guarantee that different institutions, secondary schools, or private training establishments providing approved nationally recognised courses have assessment procedures that are fair, equitable, consistent, and in keeping with the required standard
- (g) To assist overseas governments, and agencies of those governments, by
 - i) conducting examinations and assessments:
 - ii) approving programmes and courses of study:
 - iii) accrediting providers to deliver programmes and courses of study:
 - iv) assisting governments and agencies to develop and conduct examinations, and to develop and confer awards
- (h) To maintain effective liaison with overseas certifying and validating bodies, in order to recognise overseas educational and vocational qualifications in New Zealand and to achieve recognition of New Zealand educational and vocational qualifications overseas
- (i) To ensure that post-school educational and vocational qualifications maintain international comparability
- (j) To promote and monitor inter-institutional course approval and moderation procedures
- (k) Such other functions as are conferred on it by this Act or any other enactment
- (l) To consult such persons, authorities, and bodies as it considers appropriate for the purposes of the performance of any of its functions.

Section 255A

- (2) The Authority may issue a compliance notice to an institution requiring the institution to do, or refrain from doing, a particular thing in relation to the institution's registration (in the case of an institution that is a registered establishment) or to the institution's course approvals or accreditations.

Section 257 (1)

- (a) In relation to the rights of people who have not attained the age of 20 years to obtain entrance to universities, the function of establishing and maintaining by such means as it considers appropriate a common educational standard as a prerequisite for entrance to a university, other than provisional entrance and entrance *ad eundem statum*; and
- (b) The function of consulting with the universities as to the criteria to be established for provisional entrance, or entrance *ad eundem statum*, to universities.

The Qualifications Authority also has the following powers:

Section 236: Grant or refusal of application for registration as a private training establishment

Section 237: Cancellation of registration as a private training establishment

Section 258: Approval of courses

Section 258A: Imposing conditions on course approval

Section 259: Accreditation to provider approved courses

Section 259A: Imposing conditions on accreditation

Section 260: Delegate certain powers to bodies established by institutions or classes of institutions.

Decisions Made by the Minister of Education

There are two areas related to establishment of policies and fees for senior secondary school assessment where the Education Act gives the Minister of Education a direct decision making capacity. These are:

Section 266

- (2) A fee may not be charged under subsection (1)(b) of this section to a person who is a student at a secondary school unless the Minister has consented to the charging of the fee.

Section 268

- (1) In the performance of its functions under this Part of this Act, the Authority shall not establish any policy in relation to the systems of evaluation, assessment, or certification of the ability or achievement of students at secondary schools unless the Minister has approved that policy in writing.