



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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Aide-Memoire: External quality assurance of the NZIST subsidiaries

To:	Hon Chris Hipkins, Minister of Education
From:	Dr Grant Klinkum, Chief Executive
Date:	8 June 2020
Reference:	CR20729

Purpose

1. This aide-memoire seeks your endorsement of the proposed approach to conducting external quality assurance of the Institutes of Technology and Polytechnics (ITPs) subsidiaries during the transition to the NZIST.
2. NZQA proposes to proactively release this briefing as part of the next publication of documents.

Background

3. In September 2019, NZQA's Board agreed an approach to conducting external quality assurance for the ITPs and the Industry Training Organisations substantially impacted by the Reform of Vocational Education (RoVE) for the transition period until 2022.
4. Nine of the NZIST subsidiaries are due for external evaluation and review (EER) this year and a further three in 2021.
5. Since the ITPs became subsidiaries of NZIST on 1 April 2020 their operating environment has changed considerably. Key changes have been the impact of COVID-19, and the establishment of the NZIST Academic Board which is responsible for ensuring the quality of delivery across the network of subsidiaries.
6. The extent of these changes led NZQA to revisit the initial approach to external quality assurance of ITP subsidiaries planned for 2020.

Discussion

7. The NZQA Board considers it important that the requirement for external quality assurance of the NZIST subsidiaries is maintained to mitigate risk to educational performance during the transition. However, the approach needs to acknowledge the changed operating environment and be fit for purpose during the transition period.
8. It has been previously agreed that the two subsidiaries, Tai Poutini and Unitec, which each have a Category 3 status, will continue with a comprehensive, conventional EER. This is

critical to providing stakeholders with confidence that the significant historic performance issues associated with these two ITPs have been addressed.

9. For the remaining subsidiaries, two external quality assurance options were considered - a conventional EER or a targeted evaluation of important education activities relevant to achieving the intent of RoVE.
10. A conventional EER would focus on a wide range of aspects of the past performance of the individual subsidiary during a period of transition into a new, cohesive national entity. Some aspects of these, for example the previous governance and management of the individual ITP in supporting educational achievement are no longer relevant to the NZIST. A conventional EER is a high-stakes event for tertiary education organisations and considerable time and resources are invested in preparing for it.
11. Discussion with the NZIST and its' subsidiaries, identified a targeted evaluation as the preferred option. However, a new methodology for a targeted evaluation would need to be agreed. It would use the basic approach of EER through self-assessment, review and validation of the evidence, a small panel and fieldwork but with a limited scope.
12. The focus is likely to be on the capabilities each subsidiary has in providing effective support for learners including working with employers, learning and assessment design and practice. There may also be an opportunity to highlight each subsidiary's areas of strength and specialisation. Any new significant performance information that came to light during a targeted evaluation would also be appropriately evaluated and included in the final report.
13. These areas of education performance are both important for assuring good education outcomes while also being useful to the NZIST as it works to integrate its subsidiaries, and considers its future operating model and network of provision. A thematic approach on some important areas of educational performance would enable benchmarking of current performance between subsidiaries and identification of good practice.
14. The requirements of a conventional EER include that it results in statements of confidence in an organisation's education performance and capability in self-assessment. It is from these statements of confidence a Category status is assigned to the tertiary education organisation.
15. In comparison, a targeted evaluation would be undertaken through an exemption to the various rules requiring EER, and would not result in organisational statements of confidence. There would be a public report on the findings of the focus areas.
16. In practical terms, not assigning a Category status will have a limited impact on subsidiaries' activities. For example, they can continue to enrol international students, and a Category status is not used by TEC for funding decisions.
17. NZQA has considered the risks in this approach. A targeted evaluation will not provide all the information obtained from a conventional EER. However, it will provide information on important aspects of education performance, relevant to the intent of RoVE, during a period of significant change for the individual subsidiaries and the NZIST.
18. One of the biggest quality risks in the sector is international education provision where that delivery is provided away from the main campus (specifically central Auckland campuses of the subsidiaries that target the immigration oriented international education market). This sub-market of international education will likely be subdued for the foreseeable period lowering the risk profile of the NZIST subsidiaries.

Next steps

19. Subject to Ministerial support for the targeted evaluation approach and further working through with the NZIST, NZQA will proceed to formalise the approach and schedule targeted evaluations to commence in quarter two or three of the 2020/21 year.

- 20. We will work with Immigration New Zealand to identify whether any of its policy settings need to be amended to reflect the NZIST and ensure that the subsidiaries are not disadvantaged by no longer having a current Category status.
- 21. The medium-term approach to external quality assurance remains unchanged. An evaluative approach that provides clear statements of confidence to stakeholders and focuses providers on their own systems and approaches to ensure there is quality, is the strongest foundation of any quality assurance system. EER will need to be revised and adapted to be appropriate for each of the NZIST and the new Workforce Development Councils. We have committed to working with the whole non-university tertiary sector on this work, and it is currently intended to start in quarter four of 2020/21.



Dr Grant Klinkum

Chief Executive, NZQA

8 June 2020

Endorsed/Agreed

Hon Chris Hipkins

Minister of Education

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