

Submission by



to the

New Zealand Qualifications Authority

on the

**Consultation on simplifying New Zealand qualifications
and other credentials**

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1.0 INTRODUCTION

- 1.1 BusinessNZ welcomes the opportunity to make a submission to the New Zealand Qualifications Authority (NZQA) on the Consultation on simplifying New Zealand qualifications and other credentials (referred to as 'the Consultation document').
- 1.2 Specifically, BusinessNZ supports the objective of the Consultation document – to simplify the qualifications framework and ensure that NZQA systems and processes are fit for purpose to support the Reform of Vocational Education (RoVE). However, neither of the recommendations is supported wholesale in its current form without further work to strengthen industry feedback into the system, and further details on how the proposed changes will improve the responsiveness of the system to rapidly changing skill needs in the labour market.

2.0 RECOMMENDATIONS

It is recommended that:

- a) Neither Option A nor B is fit for purpose in its current form to achieve greater responsiveness to rapidly changing labour market skill needs;**
 - b) Further work is undertaken to articulate further options geared more toward employer skill needs, including (but not limited to) how NZQA's current systems could respond to rapid qualification development based on in-work observation and best practice, and additional all-of-system key performance indicators that provide a direct feedback loop on employment and productivity shifts resulting from the attainment of qualifications and other credentials.**
- 2.1 Option A represents the status quo, and so is likely to result in many of the same outcomes as the current settings. Given the level of disruption to the Industry Training Organisations (ITOs) with responsibility for standard setting and qualification development, there is a significant risk that outcomes will be poorer and responsiveness to industry will be reduced if the status quo is enabled to continue. This is particularly relevant if WDCs are to retain a monopoly on resources, driven primarily by volume rather than employer and labour market need for a well-skilled workforce.
 - 2.2 Option B is also problematic, as it suggests reducing the compliance burden on providers and course developers but does not suggest how it will improve the system to respond better to business skill needs. There are significant questions on the value of a curriculum given the experience of variability in curriculum interpretation in the compulsory system. There are also significant concerns of the WDC role being diminished prior to establishment by having some of its functions of endorsement removed.
 - 2.3 WDCs are intended to bring the industry voice to RoVE. Option B suggests significant resources and time will be absorbed in curriculum development, which in practice, will offer little improvement in articulating educational outcomes within skill and unit standards, and risks increasing the disconnectedness from business as providers default to focusing on the curriculum rather than meaningful and authentic business engagement.

3.0 The system should be learner and business centric

- 3.1 Overall, the Consultation document is far more focused on the impact on providers and tweaking the current system than on driving the system to respond to the skill needs of learners and businesses.
- 3.2 Neither proposal is fit for purpose as both will likely drive unintended and perverse behaviour in the sector, create unnecessary duplication and bureaucracy and further centre providers on responding to regulatory and funding settings for 'quick wins' rather than responding to learners and businesses.
- 3.3 Lessons from previous attempts to simplify the qualifications framework should be applied to the new system. The Targeted Review of Qualifications (TRoQ), intended to reduce the number of qualifications on the framework and provide a simpler system for businesses to understand, has not notably improved the key outcomes that businesses need – responsiveness to skill needs, rapid delivery of high-quality qualifications and education products and trust in the integrity of the qualifications system to deliver a well-skilled workforce.
- 3.4 The Consultation document fails to clearly articulate how either option would incorporate a strong employer feedback loop, nor how it would support innovation and greater business engagement to more rapidly deliver relevant and timely skill development. There is a significant risk that this will perpetuate greater disjointedness between business and education, making vocational education more tilted towards academic based concepts of teaching and learning rather than focusing on the employment and productivity outcomes of skills training. Further, it will more likely drive businesses to use more informal or international training options given the greater accessibility of online skill learning programmes and the negligible benefit of formal training (i.e. NZQA accredited) if this is considered out of date and not relevant to skill needs and not required for regulatory purpose such as professional registrations.

4.0 Changing the qualifications system will necessitate change to how qualifications are developed.

- 4.0 In principle, BusinessNZ supports the use of skill standards, however it is unclear how this will improve transferability between the compulsory and vocational education systems (particularly in regard to the simultaneous change programme to NCEA), or between different types of providers. Skill standards are necessarily open and this will not impact on the pain points of business, such as up to date and industry relevant equipment being used to train in course-based programmes; good employability skills for those engaging in industry training; the need for consistency of graduate outcomes across all modes of training that deliver a single qualification outcome.
- 4.1 BusinessNZ does not consider that a curriculum for qualifications would significantly add value or contribute to better skill standards without sufficient measures in place to ensure an understanding of employment needs and the likely productivity improvements resulting from the skill standards.
- 4.2 As per earlier feedback, BusinessNZ considers NZQA needs to be clear in ensuring it is fit for purpose to respond to rapidly changing skill needs in the labour market. The

Consultation document, for example, does not mention how the impact of the changes would affect products such as Recognition of Current Competency and Recognition of Prior Learning which will likely be in greater demand as skill shifts in the labour market pick up pace. The skill changes in industry are accelerating with the greater adoption of, and investment in, new forms of technology, and yet the proposed changes to qualifications do not reflect this or provide a vision of how qualification development systems and processes can be improved to be able to feed into the operating models of the new WDC entities.

5.0 Alternative options to be explored

5.0 BusinessNZ considers NZQA should recast the problem definition and opportunities to consider how changes to the qualifications system will:

- Use industry best practice as the starting point for qualification development;
- Reflect the needs of learners at every stage of lifelong learning, including reskilling and upskilling those currently in work
- Support more rapid skill standards, qualifications and education products that respond to industry skill needs;
- Achieve the broader outcomes of the RoVE;
- Ensure consistency with rapid scaling up of qualifications or other skill programmes;
- More closely integrate different segments of the education system, employers and regulatory bodies;
- Measure success in terms of improved feedback loops from employers on the quality, relevance and timeliness of skill development from the provider sector. This will be particularly relevant as RoVE changes are implemented to ensure disruption does not result in poor service delivery to learners and business.

5.1 BusinessNZ invites NZQA to present further options that take a whole-of-system view of the vocational education reforms and focuses on ensuring the accountability of providers for delivering high quality and relevant skills training; ensure industry feedback, endorsement and qualification development contributions are more 'light touch' and meaningful for business than current mechanisms and aspire to ensure qualification systems keep pace with the changing needs of industry and broader policy settings likely to impact the need for timely and rapid skill development.

Appendix One - Background information on BusinessNZ



[BusinessNZ](#) is New Zealand's largest business advocacy body, representing:

- Regional business groups [EMA](#), [Business Central](#), [Canterbury Employers' Chamber of Commerce](#), and [Employers Otago Southland](#)
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) representing producers, retailers and consumers of New Zealand-made goods

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and the Business and Industry Advisory Council ([BIAC](#)) to the Organisation for Economic Cooperation and Development ([OECD](#)).