

Regulatory Impact Statement: Overview of required information

Regulatory Impact Statement

Education Amendment Bill (No 4) – Quality Assurance and Qualifications

Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Ministry of Education and New Zealand Qualifications Authority (NZQA). It provides an analysis of proposed amendments to the Education Act 1989 (the Act) intended to ensure that:

The Private Training Establishment sector has robust entry requirements and better alignment between the entry requirements expectations, ongoing performance and, where warranted, exit processes.

The New Zealand Qualifications Framework and its content and coverage will contribute to the Government's goals of reducing the proliferation of qualifications and making the qualifications system easier to understand and use for providers, students and employers. The New Zealand Qualifications Framework (NZQF) is part of the overall New Zealand Qualifications System, which system under the Bill also includes programme approvals and provider accreditation for qualifications on the NZQF, training schemes for education and training, the Directory of Assessment Standards, self assessment and external evaluation and review, and compliance monitoring and action.

The New Zealand Qualification Authority's power to delegate its quality assurance function is removed, to bring quality assurance in to line with international best practice and better enable NZQA to give effect to government policy in the Institutes of Technology and Polytechnics (ITP) sector.

The enforcement of legal obligations set out in the Act is improved and an effective offence regime is in place.

Changes in these areas will help to better manage the risk of poor provider performance in the tertiary education system and help to make the qualifications system clearer. They signal to the tertiary education sector, industry, and the public that the Government is committed to having a high quality tertiary education system where poor performance will not be tolerated. This regulatory impact statement outlines the current situation, the associated issues and signals options.

The proposals may impose some additional costs on tertiary education businesses. However, the proposals will not impair private property rights, market competition, or the incentives on businesses to innovate and invest, or override fundamental common law principles (as referenced in Chapter 3 of the Legislation Advisory Committee Guidelines).

Ben O'Meara

11 February, 2011

Status quo and problem definition

Status quo and problem definition

Private Training Establishments

1. The Private Training Establishment (PTE) sector is the largest (in terms of the number of providers) and most diverse in the tertiary system. The Act's provisions applying to PTEs have been in place since 1990 and have not been substantially reformed in that time. Crown agency practice in dealing with these types of organisations has moved on during this period, and NZQA has identified a range of issues with the existing legislation, including gaps in the enforcement regime set up under the Act.
2. NZQA's intelligence gathering has uncovered incidents of dishonest practices in some PTEs, relating particularly to the sale of qualifications and falsification of results. This appears to be a new trend. There is the potential for such practices to continue and expand, if left unchecked.
3. The current measures available for managing performance in this sector are insufficient for today's conditions. NZQA's work to drive improvements in the lowest performing PTEs is hampered by the outdated nature of the current legislative provisions and inconsistencies within them.
4. From the moment of their entry into the tertiary system, new PTEs must be properly equipped with the infrastructure and the skills to operate in the education market. PTE owners and key staff must be suitable persons to be involved in educational activities, with a strong interest in maintaining the integrity of the educational programmes that are their core business. The regulatory regime should ensure the appropriate management of conflicts of interest arising from the business relationships between PTEs, recruitment agents, and associated entities. In addition, NZQA needs better legislative tools to manage the market entry and ongoing performance of PTEs more effectively, particularly in situations of poor performance where compliance requirements are not being met. Allied to this is the need for clarity around the requirements for trusts and agents so that student fees are better protected. Better protection of records is also needed.

New Zealand Qualifications System

5. A more easily understandable qualifications system is required to provide students, providers and employers with better information about qualifications and educational performance. The creation of such a qualifications system is critical to the success of the tertiary system, particularly in the context of initiatives such as the Youth Guarantee.
6. In 2009/10, NZQA undertook the Targeted Review of Qualifications. The review, which focused on certificates and diplomas at levels 1 – 6, aimed to identify better ways of ensuring that qualifications meet the current and future needs of learners, industry and other stakeholders. The review found that the qualifications system lacks coherence, user-friendliness and clarity. It also identified the causes of qualification proliferation and duplication.

NZQA's power to delegate its quality assurance functions

7. Under section 260 (2) of the Act, NZQA may delegate specific quality assurance powers detailed in the Act to any body established by institutions or a class of institutions other than universities. NZQA delegated its powers for quality assurance to Institutes and Polytechnics New Zealand (ITPNZ) in 1993. ITPNZ established the body ITP Quality to undertake this role on its behalf.
8. There are three broad problems with delegation arrangements as they stand:

- They are out of step with international best practice. The OECD recommends external third-party quality assurance and minimising the number of quality assurance bodies across the system. There is also a general trend internationally for rationalising quality assurance processes.
 - The delegation of quality assurance functions to a third party makes it difficult for NZQA to give effect to strategic government policy. This includes consistency of application of new approaches to quality assurance, the Tertiary Education Strategy 2010 - 2015 emphasis on system performance, and the Targeted Review of Qualifications' initiatives to reduce the proliferation of qualifications (much of which has occurred in the ITP sector).
 - The delegation arrangements as they currently exist are inflexible. It is difficult for NZQA to revoke a delegation unless the delegate is in breach of the original agreement made, regardless of whether the needs of the broader system have evolved over time.
9. More specifically, current ITP Quality practices around course approvals constitute the lowest level of external scrutiny in the system. This is one of the drivers of the qualification proliferation and duplication that the Targeted Review of Qualifications is seeking to address.

Enforcement

10. Amendments are needed to strengthen and enhance a number of offence provisions in the Act, grant NZQA greater enforcement powers, and strengthen the legal arrangements around compliance notices.

The object of the provisions in the Act relating to NZQA

11. Under section 247 of the Act, the object of the provisions relating to NZQA is to establish a consistent approach to the recognition of qualifications in academic and vocational areas. However, amendments to the Act over the years have given NZQA a role considerably wider than section 247 suggests. For example, NZQA's regulatory role in relation to private education (PTE registration and compliance), its role in relation to protection of student funds, and its maintenance and operation of a transparent qualifications system, supersede section 247. There are already objects in section 159AAA that apply to NZQA, as well as the role given to NZQA in section 159AD. Objects or role provisions in addition to sections 159AAA and 159AD are unnecessary. Section 247 therefore will be repealed.

Changes in tertiary education, quality assurance, qualifications

Tertiary Education

12. The Tertiary Education Strategy 2010 – 2015 places a stronger emphasis on quality assurance as a part of improving system performance. The new quality assurance framework has four key components: front-end quality assurance (for example, approvals and consents for study and training programmes and delivery), provider self-assessment, external evaluation and review, and compliance with requirements. Previously, external quality assurance was restricted to checking whether audit standards were met. The new external evaluation and review process focuses on judgements about educational performance and provider capability in self-assessment, and will be more challenging for tertiary organisations.

Qualifications

13. As part of the Targeted Review of Qualifications, NZQA developed and consulted on a package of seven changes to address issues of coherence, user-friendliness, clarity, duplication and proliferation. These were to:
- 1) Develop a unified New Zealand qualifications framework.
 - 2) Require the use of existing quality assured qualifications and change the design rules for National and New Zealand qualifications to allow for more inclusion of local components.
 - 3) Require mandatory periodic reviews of qualifications to determine whether they are still fit-for-purpose.
 - 4) Strengthen and standardise qualification outcome statement requirements.
 - 5) Introduce a mandatory pre-development assessment stage for qualification developers.
 - 6) Strengthen recognised industry involvement in qualification development.
 - 7) Provide the public with clear information about whether a qualification is active, inactive or closed.

Objectives

14. This regulatory impact statement proposes legislative changes to provisions in the Act relating to PTEs, student protection, and the qualifications system. These changes will support the drive for a consistent and high-quality approach to quality assurance and student protection across the tertiary system. A world-leading education system will equip all New Zealanders with the knowledge, skills and values to be successful citizens in the 21st century.
15. The proposed amendments are intended to:
- Increase transparency at initial registration and for ongoing requirements. Currently, there is one set of requirements for the initial registration of PTEs, and a further set of requirements that applies after registration. Building all requirements into initial registration will ensure greater transparency in what is expected of a PTE in respect of registration. The proposals to strengthen the requirements add transparency in PTE ownership, governance, and conflicts, as well as in student enrolment and academic records
 - Build confidence and our reputation. Making New Zealand's tertiary education regime more transparent through the proposed changes will help towards increased confidence and reputation both nationally and internationally. Enhancing quality assurance mechanisms, along with the protections for students' fees and records, can be expected to lead to increased student and overseas confidence in the system.
 - Be flexible. The legislative provisions for the New Zealand Qualifications System are intended to be set at a high level, with the underlying detail provided in Rules. The ability to amend the Rules will provide sufficient flexibility for the system to adapt to change over time. Inherent in the design of the system is increased quality assurance for standards based education and training that does not lead to a listed qualification (i.e., being for less than 40 credits), through looking at the training scheme. This will open standards based education and training to international students, which in turn gives providers greater flexibility in the education and training they offer to international students. That flexibility also provides greater choice for the students.
 - Update the current legislation. After 18 years of the National Qualifications Framework and then the Register of Quality Assured Qualifications, the Targeted Review has resulted in putting together a refreshed qualifications system that fits

today's conditions, ensures it can adapt to change into the future, and will be more easily understood internationally due to its alignment with international conventions. The regime for granting and cancelling registration of PTEs is being changed to bring it out of a yesteryear model so that it is reflective of the key issues that arise in today's business world. The use of Rules will allow modernisation to continue to occur over time.

- Strengthen the tertiary education system. The entry requirements of PTEs, and the regime for exiting PTEs, are strengthened in the proposals. Protection of the interests of students is strengthened. The system has at its core a strengthening of the qualifications framework. Behavioural expectations have been strengthened through enhancing the offence and enforcement provisions. The opening of further opportunities for export education strengthen the base for education and training providers, while also strengthening the breadth of education provision for international students.

16. A key part of the argument for the amendments is the need to ensure that the legislation around the tertiary system is fit for purpose within the context of the Government's priorities for the sector, particularly with regard to recent changes in the tertiary sector (the Tertiary Education Strategy 2010 - 2015, the Targeted Review of Qualifications, and changes in quality assurance in particular). While there is no specific time period or deadline required for undertaking these changes, it is pertinent to ensure the legislation is up to date with the current needs of the system. The Bill, currently scheduled for introduction in November 2010, is seen as an opportunity to do this.

Regulatory impact analysis

Options

17. Three options are considered:

- a) Option 1: retain the status quo with no legislative changes.
- b) Option 2: make changes to strengthen the tertiary education system so that:
 - **The Private Training Establishment sector** has robust entry requirements and better alignment between entry requirements, ongoing performance and, where warranted, exit processes. Student fee and records protection is enhanced.
 - **The New Zealand Qualifications System** contributes to the Government's goals of reducing the proliferation of qualifications and making the qualifications system easier to use for providers, students and employers.
 - **The quality assurance system** is more even-handed, reflects international best practice, and better enables NZQA to give effect to government policy.
 - **The enforcement of legal obligations set out in the Act** is improved and an effective offence regime is in place.
- c) Option 3: make some, but not all, proposed changes:

18. Option 1, no change to the legislation, will limit the ability for the tertiary education sector to respond to government priorities and government policy. Given the changes to tertiary education outlined above, a new approach is warranted. Maintaining the status quo would make it increasingly difficult to adapt existing practices to address the needs of an evolving sector. It also has the potential to result in increasing disparities between the various parts of the tertiary education sector and limits the transparency of the system. The issues within the current system cannot be addressed by a non-regulatory response.

19. Option 2 will strengthen the tertiary education sector by emphasising the drive for quality, increasing transparency, and ensuring we have a system that can deliver on the changes proposed in government policy. It will ensure that there is consistency of quality assurance across sub-sectors.
20. Option 3, making some, but not all, proposed changes, would provide some benefits to the sector. However, a number of the proposals are interdependent, and the full value of many of the changes will only be realised if they are undertaken in unison with other proposals. In particular, the proposed enforcement and rule-making powers will be of benefit across the PTE sector and in the changed qualifications system.. Similarly, many of the proposals around the PTE sector and system have direct implications for the international education sector.

Benefits

The PTE Sector

21. The proposed amendments to the Act will provide NZQA with a legal regime that enables it to operate with greater certainty, and to undertake more effective monitoring and robust enforcement.
22. In the first instance, the provision of more stringent entry requirements will enable NZQA to register providers with greater confidence about their ability to perform in the sector. This will help address a number of downstream issues caused by the poor performance of PTEs that were arguably never likely to deliver quality provision for an extended period of time.
23. NZQA will also be better placed to manage performance in the sector. With their intelligence gathering identifying new areas of dishonest/fraudulent practice in the sector, it is important that NZQA has a strong legal foundation for actions to address these behaviours. The ability to target conditions to groups or types of PTEs, to require PTEs to provide approved courses, and the provision of a legislative basis for the annual fee PTEs pay for NZQA compliance work will all help enable this.
24. In conjunction with the enhanced enforcement powers discussed below, the proposed changes will create an environment in which honest, high performing providers will benefit both from reduced competition from dishonest providers, and reputational improvements for the sector. Students fees and records will be better protected. People who act as recruitment “agents” (it is not always clear who they are agents of) and take fees from students for enrolments will have to put those fees into the same kind of trust that PTEs are required to use.
25. In concert, these changes will help to increase student confidence in the quality of provision in the PTE sector. They will also minimise the impacts on students of PTE failure by improving the protection of student fees and records.

The New Zealand Qualifications System

26. The more easily understandable qualifications system includes the ability to provide students, providers and employers with better information about qualifications, including the outcomes of study, and information on educational performance. Transitions between qualifications will be clearer, and will allow transitions between providers to be simpler. This is part of the key to the success of the tertiary system, particularly in the context of initiatives such as the Youth Guarantee. It was the goal of the Targeted Review of Qualifications, and the legislative amendments proposed for the Bill will give effect to these changes in a range of ways.
27. Firstly, the proposals will give legislative recognition to the New Zealand Qualifications Framework, and allow the listing of qualifications, which will reduce the proliferation of

qualifications on the New Zealand Qualifications Framework. The development of the new NZQF replaces the previous National Qualifications Framework and Register of Quality assured qualifications, and was identified by the Targeted Review as being key to aligning New Zealand's system more closely with international practice, and developing a simple overarching structure in which all quality assured qualifications are housed.

28. Secondly, it will bring legislative terminology in line with that of the sector, closing the gaps between legislation and practice in the sector.
29. Thirdly, it ensures clear coverage of courses that do not lead to qualifications on the NZQF (i.e., those under 40 credits) through training scheme approvals and clear coverage of the standards system including the Directory of Assessment Standards. The upfront quality assurance for training schemes and standards based education and training provides international students with access to a greater range study and training options, and allows education providers increased opportunities for enrolling international students.
30. Fourthly, in granting NZQA a new rules making power, the proposed changes will enable NZQA to more actively manage the ongoing development of the NZQF, to realise the goals of the Targeted Review around ensuring the qualifications system is easily understood by students and employers, and facilitates student transitions into further study or employment.
31. These changes will ensure a more user-friendly qualifications system for students and employers. The portability of qualifications and credits between providers will be easier for students, and there will be less proliferation of similar qualifications on the new NZQF, making it easier for students to select courses, and easier for employers to assess the qualifications of prospective employees.

Quality Assurance

The Act will be amended to remove NZQA's delegation powers under section 260. This would make the consequential removal of the ITP Quality delegation a ministerial decision, rather than an NZQA action.

The removal of the current power would be unequivocal and would signal a commitment to international best practice. Implementation would be quicker, and the resulting system simpler. In the future, it would make clear that delegation of quality assurance powers was not a preferred option, potentially precluding debate. It would still allow, under the Crown Entities Act, for delegations with ministerial approval should policy imperatives change.

Enforcement of the Legislation

32. The proposed amendments regarding NZQA's powers to enforce the legislation will enable it to more effectively undertake its role.
33. The proposed new offence provisions will make a number of clearly dishonest and obstructive practices offences, against which NZQA will be able to take action. This will bring the Act into line with the realities of practice in the education sector, and better enable NZQA to ensure that all education providers are undertaking their business in an honest fashion.
34. The proposed powers of entry and inspection will enable NZQA to enhance the opportunities for stronger compliance regime. As well as enabling swift action to deal with instances of poor or dishonest practice, the offence provisions will provide a stronger deterrent to such practices.

35. As noted, PTEs benefit from an environment in which honest, high performing providers face less competition from dishonest practitioners, as well as from the improved reputation (both domestically and internationally) of the sector.

The object of the provisions relating to NZQA

36. Amendments to the Act over the years have given NZQA a role considerably wider than its current definition in section 247 of the Act suggests. There are already other objects and role provisions in the Act that apply to NZQA. Repealing this section will ensure those provisions are given full effect and are not coloured by an additional provision.

Costs

37. There will be some increased costs associated with the new system.

The PTE Sector

38. Overall, the changes will have a negligible impact on PTEs that are already keeping good records.
39. When applying for registration, new PTEs will need to demonstrate that their shareholders, directors and key managers are fit and proper persons, prove their identity, and declare their and their PTE's conflicts of interest.
40. NZQA charges PTEs on a time basis for its services. PTEs are also currently required to pay an annual fee. There will be more time spent in checking that shareholders, directors and key managers are fit and proper persons, to prove their identity, and declare their conflicts of interest, but any extra time will generally be a one off cost of \$150 per hour. PTEs will also need to spend greater time and effort on the registration process, although in many cases this will have benefits for their operation in the longer term.
41. New and existing PTEs will also need to show that they have systems in place for quality assurance. The PTEs and any people (usually known as recruitment "agents") taking fees from students for enrolment in programmes or training schemes, will need to comply with the clearer student fee protection requirements. PTEs will need to keep better information on student enrolment and maintain student academic records.
42. Existing PTEs will be required over time to show their shareholders, directors and key managers are fit and proper persons, to prove their identity, and to declare their and their PTE's conflicts of interest. They will face some extra costs in keeping better information on student enrolment and maintaining student academic records.
43. This will involve more time and effort for existing PTEs to get their businesses up to scratch for the modernised system.
44. No extra costs will be incurred in checking the requirements for a quality assurance system and student fee protection, as PTEs are monitored for compliance post registration. In other words they should have these systems in place already even though they are not currently specific requirements in considering a registration application.

New Zealand Qualifications System

45. Most of the new system is operating. However the proposed legislative amendments provide the ongoing legal basis for its operation and ensure the correct terminology is used. By themselves, they will not impose additional operational costs on the sector that are not already present.

Quality Assurance

46. NZQA is able to charge fees for the granting of course approval and accreditation under section 266 of the Act. Should the delegation to ITP Quality be removed, the fees charged for ITPs would be roughly equivalent to the fees and levies currently charged by ITPNZ and ITP Quality, meaning that the proposal to remove the delegation is overall cost neutral. Price would be used by NZQA as a mechanism to change behaviour. NZQA would establish costs that reflect risk, for example, high-risk providers would face higher costs while low risk providers would have lower costs.

Enforcement of the Legislation

47. As PTEs should already have systems in place to ensure compliance with existing legal requirements, the enhanced requirements put in place by the proposed legislative amendments will impose only a marginal cost on PTEs to ensure compliance with new requirements.

48. PTEs cooperating with NZQA in situations where NZQA is undertaking investigative and enforcement actions will bear some costs in terms of time and provision of copies of documentation.

49. The new operational expenses NZQA will incur in its offences and enforcement activities will be met from the annual PTE fee. It is estimated that the increased costs could range from \$300,000 to \$500,000 per annum.

Consultation

50. The following departments have been consulted in the preparation of this paper: The NZQA, the Tertiary Education Commission, the Treasury, Ministry of Justice, Department of Labour, the State Services Commission, Ministry of Social Development, Ministry of Science and Innovation, Careers Services, Te Puni Kokiri, Ministry of Pacific Island Affairs, Ministry of Youth Development and Ministry of Women's Affairs.

51. Amendments relating to the NZQF were developed as a result of the Targeted Review of Qualifications, which was undertaken in conjunction with representatives from tertiary peak bodies, unions and Business New Zealand. The results of the review were widely consulted with providers in the sector.

52. The proposed removal of NZQA's power to delegate its quality assurance function was consulted on with both the ITP sector and the wānanga sector. The wānanga noted that this would make no material change in their current operations. The ITP consultation resulted in ITP Quality handing its delegation back to NZQA.

Conclusions and recommendations

53. The current legislation is out of step with the evolving needs of the New Zealand tertiary education system and international best practice. Change is needed to the legislative requirements for PTEs and the trust and agent requirements for student fees, the more transparent New Zealand Qualifications System, enforcement, and international education to enable the tertiary education system to contribute to government policy in the future.
54. The amendments relating to PTEs will ensure that the now 20 year old regime for initial and continued registration of PTEs is fit for today's conditions, is flexible enough to adapt to changes in outyears, and is clearly based on a user pays regime. The changes will ensure that the owners, directors and managers of PTEs are fit and proper persons to be providing education to international and domestic students, and their conflicts of interest become transparent.
55. The legislation needs to clearly signal that PTEs must be financially viable, and it needs to consolidate the requirements relating to protection of student fees and apply them to the people (usually known as recruitment "agents") who take student fees prior to PTE involvement. The quality assurance regime should be clearly applied through the legislation, the current regime being the self assessment and external evaluation and review model, accompanied by compliance monitoring. The introduction of a requirement to operate as a PTE within a fixed time limit will mean that PTEs will be in the business of supplying quality assured education rather than using their registration status for other reasons. We need to address the lack of protection required for student records, and ensure one set of student enrolment data is maintained for use by all agencies with an interest (*NZQA, Immigration, Studylink, Public Trust and the Ministry*).
56. The recently introduced New Zealand Qualifications Framework replaces the Register of Quality Assured Qualifications, and has far better coherence than did the Register. The Register did not have its infrastructure made transparent in the Act, and at present neither does the New Zealand Qualifications Framework. This needs to be addressed, so that when New Zealand or international readers look at the legislation, they will see New Zealand's overarching qualifications system, including the New Zealand Qualifications Framework.
57. The details will be set out in Rules to be made through NZQA and by the Minister. The actual Framework itself will exist on the NZQA website and will list available qualifications (above 40 credits) with descriptive data at the high level. The focus for reducing proliferation of qualifications has been at Diploma Level 6 and below (for qualification developers other than universities). However the New Zealand Qualifications Framework will be flexible enough to manage proliferation at graduate and post-graduate qualifications (Levels 7 – 10).
58. The quality assured programmes of study leading to the qualifications, and the owners of those programmes will be linked to the qualifications. Providers with accreditation to provide the quality assured programmes will in turn be linked to those programmes. There is a Directory of Assessment Standards which will comprise of standards used in qualifications of 40 credits or more and in training schemes (*such as First Aid workplace training which gains 4 credits but also a certificate*). Training scheme approvals will be available for short courses under 40 credits.
59. Where either a qualification or training scheme involves standards, the provider will also need a consent to assess against standards. The winding back of qualification proliferation will be achieved over time, as it was not possible to achieve it all at once. A transition regime is built into the New Zealand Qualifications Framework that allows the move over time towards more manageable numbers of qualifications.

60. The current offence regime was created prior to the Companies Act 1993 with an assumption that governing bodies of PTEs could be separate legal entities from the establishment itself. This has complicated the offence provisions. The reality is that currently registered PTEs are single legal entities, which is the way it should be. There are better models for wording of false advertising offence provisions, such as in the Fair Trading Act 1986. There are also some behaviours that are not currently offences but should be – issuing false qualifications, not maintaining student records (this can be used to mask fraud), and advertising or supplying cheating services.
61. For NZQA to be able to properly manage its regulatory role, it needs low level enforcement powers such as an ability to enter provider premises, access and copy information, and question people about compliance issues. It also needs the ability to issue compliance notices under section 255A of the Act that relate to failing to supply information, and also for ongoing requirements so that providers do not comply with a notice for a short time then revert back to non-compliant habits.
62. There are opportunities through amendments to the Act to open new areas for export education. Standards based education and training can be delivered based on a programme approval or a training scheme, with an allied consent to assess against standards, however apart from some narrow exceptions the current provisions effectively apply a prohibition on teaching international students where it is based on consent to assess against standards. The education provider must have a programme approval and accreditation to deliver the programme. The prohibition differs between PTEs (where no international students can be enrolled, irrespective of course length unless it's an exempt course) and institutions (universities, polytechnics, and wānanga where they can enrol any international student on courses less than three months and not have them quality assured).
63. With the introduction of the NZQF there will be greater quality control over standards based education and training through approving training schemes when consents to assess against standards are processed. Where programmes are standards based or include standards based components, the consent to assess against standards will be part of the accreditation. Training scheme approvals can also be used for non-standards based education and training. Providers therefore should be allowed to enrol international students in any education and training that is quality assured through NZQA approvals and consents, and the current distinctions between the ability of public and private providers to deliver education and training to foreign students should be removed to create a level playing field for all providers.
64. Additionally, there should be no barriers to component based education and training, where an international student might complete a qualification in blocks of study at different times, with the provider having accreditation to deliver components of programmes. As an adjunct, the prohibition on providers teaching international students would then apply to education and training that is not quality assured through NZQA approvals and consents.
65. There are some other small tidy ups needed in the Act. These relate to removing the object provision in section 247 (which is out of step with NZQA's actual role and there are other role and objects provisions already applying to NZQA), to a use it or lose it approach to PTE registration, accreditations and training scheme approvals (and so weeding out providers that use the label of NZQA quality assurance but do not deliver quality assured education), and to some consequential changes that are needed around delegation and degree provisions (sections 254, 260, 264, and 292).

Implementation

66. The changes required for implementation of the NZQF are already underway. The changes proposed in the Bill will provide the legislative basis for them.

67. The new requirements around PTEs will come into forces immediately upon passage of the Bill. Any new applicants to enter the sector will be required to comply with new information requirements from that date. There will be transitional arrangements in place for existing PTEs, with new information to be collected from existing PTEs by NZQA in tranches over the next three years.
68. ITP Quality have already handed back their delegation, and NZQA are set to take up quality assurance in the ITP sector immediately. The legislative change itself has no further implementation implications.

Legislative timetable

69. In order to allow for the passage of the Bill in the first half of 2011, the Bill should be introduced in February 2011 and referred to the Education and Science Committee.
70. There is a risk that Bill No. 3 may not be passed in 2011, as it will be an election year. To mitigate this risk, the Select Committee time can be contracted from the usual six months.

Communications

71. Key messages for speaking with the sector will include emphasising the drive for quality in the sector, the need for a system that can deliver on the changes proposed in government policy and consistency of quality assurance across sub-sectors.

Transitional arrangements

72. The Minister will report back to Cabinet on the details of the transitional arrangements that are not already included in the Bill.

Monitoring, evaluation and review

73. There are no plans to specifically and separately monitor, evaluate or review the proposed changes. The effectiveness of the changes will be seen through NZQA's compliance work, and through the external evaluation and review system showing the level of confidence in the educational outcomes, self assessment, and performance of providers.