

The potential for introducing a quality
mark system into the export education
sector.

A background paper for Education New
Zealand

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Executive summary

- i. The purpose of this report is to give an overview of how New Zealand industries use quality marks, to inform a consideration of whether the export education industry has anything to learn from such a system.
- ii. The study was undertaken in the first half of 2007, and included interviews with a range of education and government stakeholders, evaluation agencies and companies with quality mark systems in place. Internet-based research was also undertaken on quality marks in industry and international use of quality marks in the education sector.
- iii. A number of key themes emerged from the discussions with stakeholders. It was often difficult for them to pinpoint what constitutes quality in export education. There was scepticism about the ability of the sector to develop clear quality indicators. However, discussion led to a list of characteristics of quality for the sector.
- iv. Stakeholders noted that education providers often wanted to differentiate themselves from others in the export education market, and there were some significant sectoral gaps. It was acknowledged that quality marks may be a useful way to differentiate.
- v. The discussion of quality factors isolated a number of important aspects, including: size, cultural responsiveness (and what that meant in practice), staff experience, pastoral care, integration of international with domestic students and consistency in treatment.
- vi. There was agreement that the export education sector does not market itself well, although some institutions do so. The main barrier is the competition between providers within the sector. Some providers mentioned the role of the media in playing up difficulties within the sector and ignoring its strengths. Some mentioned that students returning to their home countries are an important potential source of market awareness.
- vii. Stakeholders were asked to give their views on the potential effectiveness of a quality mark system. There were a wide range of views. Those who looked on the proposal with some favour saw it as an evolving process, and as a way to attract 'discerning' students. Barriers to implementation were the need for robust indicators and the need to win the consent of the sector.
- viii. Those against the quality mark either opposed it in principle or saw insuperable problems in putting it into place. Others, again,

did not wish to give an opinion, but were concerned about its meaningfulness in the education sector.

- ix. Stakeholders were invited to think about what a quality mark would look like. Three options were discussed: a benchmark, a star rating system or some kind of hybrid 'benchmark plus' system. Each was seen to have its strengths and weaknesses.
- x. Stakeholders discussed how high the bar should be set under such a system. A high bar would exclude certain providers but give a better assurance of quality, while a low bar may send the wrong messages. Some discussed the need to use the quality mark as an industry improvement strategy to raise standards.
- xi. Stakeholders also expressed their views on current and future market opportunities.
- xii. Stakeholders were of the view that such a system would need to be funded from the international student levy currently in place. There was concern that such a system would be very expensive, and thus could not be self-funded. Some, however, thought that the scheme should be self-funded and voluntary.
- xiii. Stakeholders believed that either Education New Zealand, or a new independent agency, would be best-placed to run a quality mark scheme for the export education sector.
- xiv. The functions of the four current evaluative agencies in the education sector (ERO, NZQA, ITPQ and NZUAAU) were outlined. They were asked whether their outputs could be used to inform a quality mark system. Most believed that it would be possible.
- xv. The evaluators were cautious when asked whether a quality mark for education was currently possible. Like the other stakeholders, they noted that it would be highly contentious. However, one organisation, ITPQ, has previously investigated the potential for a quality mark in its sector.
- xvi. The stakeholders thought that domestic students would not use a quality mark system as much as international students, but that it would be important to extend access to them.
- xvii. Evaluators were asked how current evaluations could be enhanced. Three points were made: evaluating organisations on programme completion; making student experience and student ratings central to evaluation; and a focus on improving rather than merely maintaining practices.
- xviii. A range of industries (around 12) were examined in terms of their quality mark systems. Each is discussed in turn in chapter 4.

- xix. At the end of that chapter, the main reasons given by each industry for introducing a quality mark are discussed. There were three main reasons: the ability of quality marks to help producers meet national and international regulatory standards; to assist in international markets; and to raise the quality of products in the industry.
- xx. The following chapter describes how quality marks are administered in the various industries. The source and basis for developing quality marks differed markedly between the industries, with most basing their decision on consultation within the industry and leadership by an umbrella body.
- xxi. Quality marks are commonly administered by a small staff working out of the industry body, and bolstered by a team of auditors. Many are also overseen by industry groups, or use volunteers from within the sector. There are a variety of ways, including levies and direct payments, that industries fund quality activities.
- xxii. Most of the schemes reviewed here are voluntary, relying on individual opt-in, although some are compulsory, either by virtue of external (e.g. legal) requirements, or because of the way the industry is run.
- xxiii. A key reason for setting up quality marks is to provide producers with a one-stop-shop for their regulatory requirements, by detailing benchmark requirements. Some are heavily governed by external requirements. The aim is to save producers time and money. Most schemes incorporate a standards-raising process.
- xxiv. Standards are therefore usually based on a combination of external regulations and internal guidelines or benchmarks. Agencies such as HortResearch or the NZ Food Safety Authority play an important role in helping to define standards in relevant areas.
- xxv. Standards are presented in three main ways: the 'quality manual' (akin to a code of practice), external review and advice and a process of formative evaluation which usually accompanies the summative quality mark assessment.
- xxvi. Quality assessments are either undertaken by a dedicated team within the industry (although this is unusual), or by a contracting-out process (usually, in the agricultural sector, to AgriQuality), or by the use of volunteers from within the industry, who make up teams to undertake quality assessments.
- xxvii. Most audit processes involve form-filling or self-evaluation, followed by an audit visit and assessment. Most opt for annual assessments.

- xxviii. Most systems are both summative and formative. The dual focus on current outcomes and future quality improvement is very common in the industries considered here. The main concept used in this respect is 'continuous improvement'.
- xxix. Finally, the producers get a range of benefits from belonging to a quality mark system. Benefits include: improved access to the industry requirements; access to a quality evaluation system; in some instances access to markets; and recognition of standards reached.
- xxx. A variety of success factors in industry quality marks are outlined. These are: product identification; quality assurance; industry development; recognising industry strengths; inclusive as opposed to exclusive systems; voluntary or compulsory systems; and the organisation of quality systems (especially as low-cost units).
- xxxi. Two main international uses of quality marks within education are explored. The first is the English quality mark for 'supply' teachers, and similar English initiatives. The second is the developing system for ensuring the quality of offshore education in Australia. This is still being considered, but the working party minutes are available on the website. Both models are relevant to the current project and shed light on how quality systems may work in education.
- xxxii. The final chapter isolates key considerations in setting up a quality mark in the export education sector. The twin themes of the need for industry development, and the fear that a quality mark system will not be effective, are discussed.
- xxxiii. The first key consideration is whether such a system should be voluntary or compulsory. There are advantages in both. A voluntary system would bypass any opposition to a scheme: institutions would simply not opt in. On the other hand, an industry development model may require a form of compulsion.
- xxxiv. Relevance was a key consideration throughout the report. There would be a clear onus on developers of a quality mark to ensure that its systems, processes and content were relevant and, preferably, actively reduced compliance workloads.
- xxxv. Another issue was whether a single mark could encompass the whole sector. Examples were given from the industry case studies of how different systems deal with diversity. While apparently a big issue with education providers, most industries find difference quite easy to deal with.
- xxxvi. The advantages and disadvantages of a star rating graduated mark against a benchmark were discussed. Most industries use a

benchmark system, and there appears to be no good reason for a star rating approach.

- xxxvii. Various views were given by industry representatives on how the education sector might begin the process of developing a benchmark. They stressed the need for full consultation with the sector.
- xxxviii. The final key consideration was the need to ensure a quality system had the effect of improving the sector overall. If it did not do so, it was noted, there would be little point in putting it in place.
- xxxix. A final section looks beyond that process to opportunities to better utilise research and development, and industry development funding, to work towards export education sector improvement.
- xl. The appendices contain copies of the research questionnaires used, and also a copy of a quality certificate from one organisation.

1. Background

This study arose from focus groups undertaken by Education New Zealand with providers in 2006. A key theme that emerged was anxiety over the quality of the export education sector as a whole. This anxiety was also reflected in other studies. The evaluation of the Code of Practice for the Pastoral Care of International Students (called the 'code of practice' in this report) also unearthed concerns. Many institutions noted the importance of the whole industry having high standards, because the industry's reputation was not dependent on the quality of some providers, but of all of them.

This study was researched and written during the first half of 2007. The industry context for export education was further falls in international student numbers after the bulges of earlier years.

The core of the research presented here came from a very simple idea: examine how quality marks work in other New Zealand export (or, in a couple of cases, domestic) industries, as a preliminary to considering whether such a strategy might raise quality and improve market share in the export education industry.

It was decided to slightly expand the focus of the study, in particular to garner the views of education stakeholders and current evaluation agencies, and to consider whether and how educational agencies in other countries have used quality marks.

The three survey instruments used in the study are included in an appendix to this report. Interviews were transcribed and analysed using the NVivo qualitative research program.

Collecting the information on quality marks involved significant internet searching, phone calls to and interviews with industry players. We found a wide range of responses from the private sector agencies. Many were very happy to help, but others were not co-operative at all. One person proved extremely helpful but required payment for the hour spent being interviewed. However, we believe we got our money's worth out of him, because his energy and enthusiasm for the project, once it was discussed with him, were infectious.

Our aim was to answer seven questions in this report. They are:

1. What kinds of quality assurance are already being used, or are able to be used, in the export education industry?
2. What are the characteristics of quality mark systems which are currently used in New Zealand export industries at the present time?

3. How are quality marks developed, administered and funded, and by whom?
4. How are quality marks regulated and reviewed, and what are the specific responsibilities this entails for different kinds of mark?
5. What are the factors that ensure the success of a quality mark in both raising the level of service in an industry, and in promoting it successfully?
6. What kinds of quality marks are used in educational industries internationally?
7. What considerations need to be taken into account in setting up an industry quality mark system in the export education industry?

These questions roughly translate into the chapters of this report. Probably the longest chapter is the next one, which aims to summarise the full range of views about quality marks in education from a number of education and government stakeholders. Some stakeholders enjoyed the opportunity to investigate the proposal, but others were dismissive or worse.

The following chapter provides more detailed information from four stakeholders: those agencies that already carry out evaluations of export education quality.

Chapters 4-7 discuss the case study organisations and their quality marks. The focus was on what the industries wanted from their quality marks, how they organised them, the 'nuts and bolts' of doing quality assessments and the factors that made the schemes successful.

Chapter 8 provides a brief overview – two case studies really – of developments in quality mark systems in English and Australian education. While the English system is useful as an example of how a voluntary system operates in the education sector, the Australian proposal, currently being set up by a wide-ranging consultative group, is 'close to home' in more ways than one.

The final chapter provides a brief summary of a number of the key themes that continually emerged during the study.

The idea of a quality mark may, or may not, bear fruit in the New Zealand export education context. However, whether or not it finds favour, there is a surprising range of issues to be considered when comparing progress in quality systems in the export education sector with that in other sectors.

There are no recommendations in this report. It is, as the title notes, a background paper only, meant to stimulate discussion around issues of quality within the export education sector.

Many of those who have contributed to discussions will also read the report. We want to say thank you to the many stakeholders who were interviewed for the project. Our aim at all times has been to provide a balanced account of what you said to us.

Special thanks to the education evaluation agencies. All of you not only contributed your knowledge and enthusiasm, but also corrected and improved the chapter which outlines your issues.

Thanks also to the various case study industries, both for their contributions and also for allowing us to use your quality marks and other images to illustrate this document.

We have learned a lot in carrying out this study. We hope that those who read the report also find it instructive.

2. Issues around quality mark systems for education

This section canvasses issues raised by the range of stakeholders interviewed for the project. Stakeholders were defined as leaders within the export education industry or in agencies closely associated with it. They were chosen because it was expected they would have a range of views on the question of the introduction of a quality mark system for export education. Most interviewees noted that the views expressed were individual ones rather than an agency perspective, because organisations had not formed a view on this issue. The next section deals specifically with the views of stakeholders who are reviewers of educational organisations. Agencies interviewed for this section were as follows¹:

NZ Trade and Enterprise	Ministry of Foreign Affairs and Trade
Ministry of Education (International)	Ministry of Education (Code Office)
NZ Vice Chancellors Committee	School Trustees Association
APPEL	Education New Zealand
Intl Education Appeals Authority	NZ Association of Private Providers
Business New Zealand	Chinese Students Association
Representative of secondary school principals	

Because each of the above was interviewed personally, the research team collected a very large amount of data, which was partially transcribed. There were a range of views but few typical views. In this section, then, the commentary is interspersed with a number of quotations, which are either enclosed in speech marks or are presented as an indented paragraph. In this chapter, anonymity is preserved, but the following chapter on evaluation identifies the various agencies, with their permission.

A key contextual issue is that there were as many views on this topic as there were agencies and individuals responding. It is important to note that there was no consensus at all, and the team therefore focused on trying to understand the particular views that were held, rather than to put groups into particular camps.

It should be noted that agencies were extremely generous with their time and views, and even those who strongly opposed the idea of a quality mark system for education were prepared to examine the range of issues.

¹ Other organisations were contacted but in discussion it was decided that they would not assist this study. These included MAF and the Food Safety Agency.

What is quality?

A prerequisite for implementing a quality mark system is a thorough and shared understanding of what constitutes quality in the export education sector. In terms of the stakeholders and evaluators interviewed, a common remark was 'quality is in the eye of the beholder'. We took this to mean, essentially, that different people or groups were looking for different things from educational providers. However, such a response begs the question of whether clear, shared quality indicators can be developed for the sector.

This section will briefly summarise the factors people thought were important in determining quality, and also the barriers to making global judgements about quality. The first point to be made was that there was significant scepticism within the sector that a set of quality indicators could be developed for the export education industry as a whole. The main reasons given for this were as follows:

1. In the education sector, quality is defined equally by the inputs (the students) as by the outputs, and therefore cannot be measured independently.
2. There is such a diversity within the sector in terms of level, types and aims of education that no single set of quality indicators could encompass the lot.
3. Education is a highly complex human enterprise with numerous factors affecting quality; too many to measure.
4. Often the perception of quality in educational provision comes from intangible factors that are impossible to measure: a helpful staff member or the ability to interact easily with one's peers, for example.

These four issues can be summarised as input differentiation, diversity, complexity and intangibility. Some combination of these reasons led a number of stakeholders to the conclusion that a comprehensive quality rating system for the export education sector was not possible, or if possible not desirable.

While there was little consensus over what constitutes quality, there was agreement that there were quality issues relating to all aspects of the industry, from specific provisions, through academic programmes, services and cultural or language support. Often emphasis was placed by stakeholders on the less tangible aspects of quality, such as the need for cultural integration or for adaptation of the curriculum.

Respondents believed it was important to provide a consistent quality of experience. For example, high quality marketing must be backed up by high quality enrolment procedures, responsive staff and excellent courses.

Most stakeholders also commented that the compulsory code of practice for pastoral care has provided improved quality in relation to a range of services. There was some difference of opinion over whether the code was an industry baseline – the lowest common denominator – or a benchmark. The difference between these appears to be that compliance with the former cannot ensure quality provision, but a benchmarked service may be linked to quality.

The issue of the relationship between quality and price appears to be more relevant for the private sector than the public, as a representative of the PTE sector noted:

Yes. Well there are always differences in quality, and partly driven by ... the price that people are prepared to pay. There are significant price differences within the sector, and significant differences in funding that providers get....

The need for differentiation

As noted above, one main reason for considering a quality rating system for the export education industry is to allow some providers to differentiate themselves from others, and especially from any provider that may tend to bring the industry into disrepute. Most interviewees agreed that: "There are quite significant differences in quality" between providers.

I am certainly aware that the market for international students over the past few years has become an inherent part of some schools. And for most schools there is a financial motive - they are making money out of it. So I can see that they may be concerned that they can get dragged down by others. It doesn't take much for disrepute to come through. So for schools that are doing a good job, I can see that they would be concerned that the bar is set at a high level.

It was fairly common to see differences as sectoral. The view was frequently given that the market tends to perceive that public sector educational institutions are of higher quality than private providers, but this view was not universally held:

There have always been differences within the sector. There is a spread of small private providers to large tertiary institutions. The general perception is that the public are

better than the private. This is a perception but it's not always the reality. This is because the core business of many PTEs may be international students. Their whole business depends on catering for this group, and so they need to do it really well.

Some stakeholders noted that the extent to which a quality mark system could allay fears within the sector about poor providers is questionable; the main question is whether any system can give an *assurance* of quality.

There is also a view that New Zealand provides high quality education by world standards, and that one approach is to emphasise this overall quality:

The question we are most often asked by prospective students is 'which is the best school or university or whatever?'. And our answer is always 'we don't have a best in New Zealand' ...

Quality factors identified by stakeholders

This section briefly summarises factors identified by stakeholders that they believe affect quality. Size was considered important by some, and it was noted that over the years a rationalisation has taken place in the PTE and English Language sectors:

There used to be huge variations in size, and now the largest providers have got smaller and many of the smallest providers have closed.

Most stakeholders were of the view that the larger the institution, the better the range of services offered to international students. But this was not a universal view. Around 5 interviewees expressed a range of concerns about, in particular, the situation of international students in the universities, where the efforts of international office staff may be inadequate to offset poor practices in the wider institution:

Small international offices in institutions are undone by the wider university which fails to or is under resourced to do the job. In some respects this is why PTEs do a better job – because they work on both capturing and keeping the student. Public institutions go all out to capturing students but not retaining them.

A range of academic issues topped the list of quality factors. These included the experience of staff, the nature of the curriculum and the extent to which it is (or should be) adapted to

international student needs, and the range of appropriate facilities:

Depends what they want. Are they looking for a university education delivered in a Western style? How does one assess whether needs have been met? Is the teaching style of a western degree appropriate for international students? And does it mean it is higher quality or lesser quality as far as that student is concerned?

In the classroom and treatment generally. Whether the curriculum is broad enough.

Experience was a factor discussed by a range of stakeholders. In particular, high levels of staff turnover were seen as a real problem, because: "I think it's an industry in which people burn out. Some of the people involved in pastoral care do burn out, so there are vast changeovers in staff".

The second set of factors relate to pastoral care, and most stakeholders expressed satisfaction with institutional provision around this. Issues raised were the reception of international students by institutions (this was acknowledged to have improved in recent years) and accommodation needs. One stakeholder noted a belief that pastoral care was not a big quality issue for students:

Pastoral care not an issue so much for students – they care about the quality of education, outcomes, ability to get jobs and so on. But it is important for government.

One issue that was discussed by a number of stakeholders was the level of integration between international and domestic students, which was often presented as very low.

One stakeholder with many years of experience in the sector thought institutions were not presenting a consistent approach to students, especially before they arrive:

Sometimes the responses to enquiries by prospective students are very poor. The person gets on the web, reads about a provider, and sends an enquiry. The they get a very poor or inadequate or disinterested first base response. The institutions spend all this money on marketing but are cumbersome and bureaucratic when it comes to responding to enquiries.

A number of stakeholders argued that many international students are looking for both an educational experience and a tourist one. Thus student enjoyment – a positive experience - was high on the list of quality factors:

A place that cares, where people model all the things they are trying to get across. Make the place an enjoyable experience.

The range of activities available is really important, especially when they are here for only six weeks and they may be more interested in the field trips and so on.

I think schools do a great job in promoting their product. They go through their academic offerings and other non-academic subjects. But they do stop short of working with other schools e.g. go and stay at the hostel of St Andrews in the South Island during the holidays I think there are some very good schools that have got this covered, in terms of what students might do in the holidays if they stay in New Zealand, but others stop short of this.

In short, stakeholders generally listed a wide range of factors that contributed to a quality export education industry. It is fairly evident from the answers to this question that many stakeholders had not thought about the issue of quality in such terms before. This is in contrast with some of the business organisations discussed later in this report, which have often employed significant resources in thinking through and acting on quality factors in their industry.

Marketing international education

There was agreement among most stakeholders that the sector does not market itself effectively overall, although individual institutions may do a good job. One main reason given is the level of competition between providers, which is seen to act as a barrier to a concerted approach:

My initial thought is that as far as the success as the education sector in terms of marketing, it seems we don't market New Zealand education well as opposed to individual institutions. There is a bit of institutional rivalry that gets in the way. It is difficult to market New Zealand education separately from individual institutions. This is in some sense a source of frustration.

Specific examples were given from incidents experienced by stakeholders. In one case, a school with a booth at a trade fair was heard to actively discourage an agent from considering another New Zealand school, noting that the other school was low decile and thus poor quality. In another example, an attempt to get institutions to share their alumni lists of people living overseas, in

order to engage in an integrated marketing approach, failed when some institutions declined to share that information.

Every sector, to the extent they are able to give a sectoral view, will consider their own sector to be good quality and the other sectors to be suspect. And that is true of the universities saying that... and certainly the language schools would say we believe we give good quality, and we do not believe the universities provide good quality simply because they are state guaranteed.

As well as intra-sectoral rivalry, there appears to be quite a lot of distrust between the various sectoral groups representing providers of international education, which prevents the development of a united view:

You've got tertiary providers, the likes of English NZ (which has strong networks) and you've got high schools and then others. Internally, they all have very strong views about the other sectors. Externally I do not believe they are presenting a united front.

One provider noted: "I think it needs a whole rethink of the marketing strategy".

We asked a number of stakeholders about the role of the code of practice for pastoral care in marketing export education. This is because we were aware there was a view that the code was a cumbersome marketing tool, and yet had real potential to attract students because of the government-directed national standards for pastoral care. Most agreed that it was a positive feature, but a number queried whether pastoral care would be a key 'selling' factor for New Zealand's international education.

Finally, a number of stakeholders noted the role of the media, especially in presenting a negative image of the sector, by large-scale coverage of institutional failures and issues affecting individual students. Many people are concerned that such factors do affect the market in negative ways, and some stakeholders do blame a part of the downturn in student numbers on negative publicity over the years.

I think it is a big issue in terms of not just poor performance but also the highlighting of that poor performance and the exaggeration of it. I am talking about the media and government. There were some high profile closures a few years ago. For the last 3 years the problems have disappeared because of the fee guarantee scheme.

A corollary to this point is the stories that students themselves take back to their home countries about New Zealand. A number

of stakeholders raised this as a concern, noting that there appears to have been no research into this area, and that student word-of-mouth is potentially a key marketing tool.

Negative views have definitely affected the market. In the past there were positive views which we gained from (especially under the Colombo Plan). Now the number of international students has grown but there has been no sectoral plan or strategy to cope with the increased numbers. In particular, integration has become a real issue.

A quality mark system?

Each stakeholder was asked to express their position on whether some kind of quality rating system should be introduced for the export education sector. This section outlines the responses. It is important to note that these are preliminary responses, not the sector's final views, and many respondents noted this, stating these were 'personal' and 'off the top of my head'.

Those in favour of some kind of quality mark system believed it would attract "discerning customers", from the international market, provided that it was comprehensive and had some validity: "The key thing is the perception of quality".

Some see a quality mark system as a further stage in the evolution of the export education market:

I think things have moved on. I think pretty much at the early stages we were out there trying to attract international students. There was probably not a huge amount of thought given to what that might mean when we have got them here, and I think to some extent the code of practice has started to bring some rationality across that...

And now I think there is probably a need to have some sort of system - call it a quality mark. I suppose the only issue is that it has got to be workable and well understood in terms of what are the things that are going to give you that.

Those who were in principle in favour believed that there were two main barriers to the implementation of the system. The first, as noted in the above quotation, was that whatever system that was introduced would have to be workable and trustworthy. As one person put it:

Whatever the qualmark does, it must be based on quality. The market collapse in China was partly around quality. A lack of quality was perceived by the Chinese. The collapse of New Zealand providers at that time affected that view.

The second was that, as one stakeholder put it, “you would have to win the consent of almost all the 900 providers”.

Those who were against a quality mark system saw insuperable problems in putting it into place, relating to the nature of education, sectoral difficulties, the problems of getting and enforcing a high quality rating system, and so on. As one stakeholder put it:

It could be done, it would be a hell of a lot of work. But I see problems immediately: every public institution will be a five star and everyone else will be lower. And that’s not fair. The playing field is stacked.

Some stakeholders were strongly opposed in principle to such a system. As one person put it: “preposterous”. At the other end of the scale, some were opposed simply because it might entail a lot of work for little return: “I can’t see how it would make that big an impact”.

Others again wondered whether a compliance approach would not be more effective, by avoiding the difficulties of accurate ratings:

I can see why people would want a quality mark, but on the other hand wouldn’t it be better to sell all New Zealand schools and tertiary institutions as well-monitored and hence satisfactory?

A range of other interviewees were reluctant to give a view on whether a quality mark system would be a good idea. Some were quite keen to see a firm proposal, and mused over what it might look like:

There is the difficulty of making it meaningful to education. There are some things we could actually rate. The quality issues - quality assurance infrastructure Things happen in some universities in spite of systems. I think there are ways universities can improve. Variability of institutional support is an issue we have raised in our reports. TEC performance indicators can also be used as measures. I would prefer to see any qualmark based on those kinds of systems issues...

It would be hard to do and there are distinct categories. Accommodation is just what you can see but with ed it is more difficult. It’s about how you rank teaching services, staff student ratios, curriculum internationalised, activities that foster integration.

Others again pointed to the problem of determining what was being measured:

What does a quality mark mean? Does it mean: If you see a quality mark here, it means that you are going to be looked after; OR does it mean: If you see a quality mark here, your education is going to be delivered by the top Professors in the field.

Finally, a number of stakeholders saw some advantages in a quality mark system, but had a range of unanswered questions around it:

Possibly but who is going to police it and how is it going to be set up?... There is the possibility of having a qualmark system provided every provider public or private is rated the same way. It would be beneficial from a marketing point of view.

One question is whether a quality mark system would in practice attract international students. The views of a Chinese student representative were canvassed (note this is a single informed view). She said that, in general, what Chinese students were looking for was the international status of an institution and other quality indicators, the ease of getting a student visa for a country and the tuition fees. She said that families looked for value for money: high quality and cheaper fees. She noted that in a recent study she had undertaken, New Zealand does still constitute value for money compared to other countries, despite rising fees and a high exchange rate.

The quality message is important for international students. It is, however, complex. They will be wanting academic support and opportunities for integration with other cultures. On the other hand, they often choose institutions which have high levels of other international students, and once here often stick with other students from their own country. All students look for what other activities may be offered in the country or by the institution. Things like tramping and sports tend to be more attractive to European students, while Chinese students like games and movies (although she did note it was important not to stereotype people). This means that the clean, green image of New Zealand may only work in some places as a marketing tool. However, once here Chinese students often really enjoy the peacefulness of New Zealand.

She noted that perceptions of safety and good pastoral care were very important for Chinese parents (possibly less so for the student). She said that because most Chinese families only have one child, there is great anxiety over whether the young person will be safe and secure.

In short, this representative considered that a range of identifiable indicators could be usefully combined into a quality mark to attract international students. She did think that the New Zealand education sector failed to present a positive overall image in its marketing, although she was not sure whether this could be fixed.

What would a quality mark look like?

In interviews with stakeholders, we took the opportunity to engage them in discussions about what a quality mark system might look like. The basic issue was summarised succinctly by one stakeholder as follows:

So you'd need to have some criteria, some indicators, and they would need to be well known and consented with across the whole sector.

The quotation below summarises the two main approaches to a quality mark that were discussed with stakeholders.

There might be a need for more differentiation from an international perspective. I mean you can go about it in two ways. You can say that New Zealand has a very high standard in all its schools, and we have a code of practice that ensures quality pastoral care, so we could go for that [a single stamp approach].....

Or you could go for A, B and C, which sounds easy from an international point of view but is hard to deliver on. That would help them, but how could we do it here? Because in New Zealand we want all schools to be good for kids. We know they're not all, but that is our aim.

A third, hybrid model might combine the two approaches, as one person described it:

The ABC and single benchmark could be combined to be a sort of benchmark plus.

There was a range of views on which of these approaches would work in the education sector. To an extent, the approach chosen would depend on what the quality mark was to be used for. For example, the following comment suggests that a single stamp approach might be useful as a marketing tool:

A single stamp would probably work best if you did nothing but tried to market the existing system better, making it meaningful.

People perceived any further differentiation as being very complex and difficult to implement:

Graduated [approach] can get very complicated very quickly. It's not like the accommodation industry. Also if you did graduate it, it would be hard to get it right because you'd probably need to look at different sub sectors. And the universities wouldn't put up with it - all would have to pass it at maximum rate. But it would be a joke internationally if all universities were at five stars.

If it was going to any sort of qualmark it would have to be a legitimate form of rating. Just to put a stamp, it wouldn't mean anything unless that standard were somehow defined. So to put a NZQA stamp on an organisation - what exactly would that mean? it would just mean that NZQA has audited you and that you meet our minimum requirements. With a star rating, would give the client or the audience a little bit more than 'registered by the authority', it would mean that you are very, very good with four stars, which is probably why I have a degree of concern. I don't like the stamp that says the NZQA thinks you are brilliant I also don't like the stamp that means that the guy down the road is better than you.

Three key issues underpinned the discussion around what a quality mark might look like. They were: what is being measured, what is it possible to measure and compare, and what might the sector agree to. It is, of course, very early days for these kinds of discussions. To a great extent this kind of consideration should not happen until some kind of consultation process takes place (if indeed it does) following on from this report. However, having elicited a smattering of views on these three issues, it seemed useful to outline them briefly.

The question of what is being measured lies at the heart of the quality mark issue, and many of the objections to it. The question is what is being measured, whether academic or pastoral, or overall performance, or, as in the following quote, specific applicability to international students:

You can have a star for being really good at educating all the students, or a star for being really good at educating international students. Do they want to know that the school is really good at providing education for all of the students, or for international students? Two different types of quality.

While there was quite widespread concern about what a graduated system might signal, others also suggested that it could be used as a tool which essentially summarises current evaluations

in the sector. It was suggested that reviews and audits are not easily accessible to international students, but could be made accessible by some kind of profile rating system which summarises detailed information into a graph or chart.

You were suggesting having a little bit of a checklist sort of thing which... a series of one to fives which would be the only way to address the complexities. So there is a possibility to just aggregate the current ticks into a summary rating table.

Others took up this idea, noting that quite a wide range of factors could be rated:

Pastoral care, achievement, staffing and a range of other things....if people are going to pay out a substantial amount of money then they will want to know that they are getting a pretty good service.

But at the same time there was widespread concern about such a system, in particular what it would signal in terms of providers which receive a low overall rating:

My problem around that is how do you interpret what a one star school means.... what about two stars? You can't start from ground zero when dealing with education institutions.

Once again the issue of consent was seen as crucial to the development of an effective system. The following stakeholder was quite supportive of a quality mark system, but saw major problems in the school sector, in particular, in making a differentiated system work:

It's really important for our education, we've got to think about it as important to New Zealand but I do think about schools... if someone else did it working from ERO reports.... That might be better and if the focus was strongly on international education. What would upset them would be rankings that some schools are 'A schools' and that this was applied domestically as well as internationally.

Standards

We had some interesting discussions with stakeholders about standards and benchmarks for international education. As one person put it: "What is the basis of promoting the sector? Where is the benchmark going to be set in terms of quality?"

There is a need to know where the bar is going to be set. Benchmarking of some description would not be inappropriate. I think there is probably an argument for some differentiation for what is acceptable and what is not. The trick is, of course, to know how to do it.

Three different positions can be identified in the responses. The first is the view that current benchmarks, as set through existing evaluation processes, constitute the only reasonable basis for a quality rating system.

Every provider has to adhere to the code, so that's a start. Quality of delivery in courses is controlled by NZQA against a benchmark. A problem is that new providers do not get audited for a long time.

If you are going to have any grading system, you have your benchmark, and any grading system that sits above the minimum. I have some difficulty thinking of it as a system that starts below the given benchmark and grades up from the bottom. Because people are investing significant resources in these educational institutions as well as entrusting their children to them. There will always be a question mark about what is the point.

A second view is that the benchmarked standards should potentially lie above current actual standards, in order to ensure that the sector is competitive with other countries:

We want to have something which is benchmarked for high quality competing in an international market – to compete with the USA and so on. So it must be a high benchmark if we are serious about competing in the international market.

Do you want your qualmark requirements to be up here in terms of minimum requirements (a benchmark which is higher than the current standards)?

A third view might be called the 'incrementalist' view. This is based on the notion that a quality rating system can actually be used as an instrument for sectoral improvement.

There has to be a raising of the bar. The code of practice went some way towards that but we must go further.

... start small and get it up and running, and then in later years we can look to... adding to it. Start rating on baseline. Let's have the industry start to take quality seriously. If we go screaming over the top, we'll never get there.

Finally, a key question asked by many of the stakeholders: “I have a problem with that one. It is possibly a good idea but who decides the benchmark?”

Opportunities

Stakeholders often commented on current and future market opportunities from their own sectoral perspectives. Some had firm views on where students may come from in the future:

Japan and South Korea are becoming important again now the Chinese market is falling. French Polynesia, New Caledonia... these are serious markets which have been there for 20 years or more. Then there are a range of niche markets developed by specific sectors. Other areas: Saudi Arabia, South America... there are a few problems immigration-wise in that it can be difficult to get visas from the Middle East. There can be significant delays and you can be turned down.

Stakeholders were asked to consider whether a quality mark system could assist with market diversification, with some noting it could assist in further market development:

The market is falling so I guess the competition is fairly fierce, but there's no reason why we have to settle for the share we have now.

Some stakeholders noted that much of the work for the development of new markets had to be done at the government to government level, and that quality indicators were useful in such negotiations.

At the same time, concern was also expressed (as noted above) that New Zealand's export education industry did not market itself well, and often seemed invisible at trade fairs. One view, expressed by several stakeholders, was that education needed to work more closely with the tourism sector to benefit both:

The sort of thing we need to look at is combining education promotion with tourism promotion for particular regions, for example.

Many of the agents in South America are also travel agents... People come here for holidays and as a result decide to send their children to New Zealand for education.

Another potential area identified for research was the factors that make students finally decide to come to New Zealand, in a competitive market.

How would a quality system be funded?

Most stakeholders believed that a quality mark system, if introduced, would need to be funded from the international levy currently in place.

By the international levy....

Funded by levy or government.

Each of these [international] students pay towards the levy, and I was involved in discussions on that at the time and it was designed to produce between 1 and 2 million. Whether or not that levy could provide towards the creation and maintenance of somebody I don't know.

There was, however, some concern that a system of quality rating would be very expensive, and that the money may need to be provided directly from the government. It was thus the view of most stakeholders that a scheme could not be put in place that was self-funded by the industry (except through the current levy).

A minority view was that the scheme should be self-funded and voluntary. The issue of voluntariness or compulsion was not explored in much depth with most stakeholders, as it only arose on the final day of interviewing as a separate issue. However, it is our perception that most of the earlier interviews had assumed a compulsory, across the board scheme. The idea of a voluntary scheme which providers could opt into, or not, and which was self-funding, is a different type of option. As it is the dominant industry model, it is discussed and explored later in this report.

Who would run a quality mark scheme?

Stakeholders did not have firm views overall on who would run a quality mark system if introduced into the export education sector: "I don't have the answer but I don't think there is any organisation that is a neat fit".

Because such an organisation would be cross-sectoral, none of the existing evaluation agencies were considered appropriate as a home for a quality mark function, and indeed none of those agencies saw their role in this way (see next chapter).

Some saw Education New Zealand as the obvious home for any quality mark rating system.

I dare say it's possible. I would have thought Education New Zealand would have been the body for that.

However, there was also some support for the notion of an independent agency

If there were to be a qualmark and it was to be based on a range of certain criteria, I think there would need to be an overall [independent] body to undertake it.

If there was a completely independent agency that took all the information from all the other rating bodies and marketing agents and collated all this information and used a very succinct set of criteria to come up with a star rating based on the collated information, well yes it could happen.... But whether the sector could agree amongst themselves...

Another stakeholder emphasised the importance, in some countries at least, of government assurances of quality:

In theory there are further opportunities for developing the market, but the question is 'who does the quality control'? China epitomises a lot of the problem. In the end the Chinese government looked to the New Zealand government to provide assurances of quality. Whoever authorises quality has to be seen as competent themselves.

Some stakeholders raised the question of the difficulty of the task, and who would have the skills to undertake it:

In education inputs are variable and they change, there are opportunities, intangibles and variable inputs. This needs to be looked at carefully. Complex enterprise. lots of variables and very open-ended expectations.

Again, some people were particularly opposed to setting up a new, independent agency to do the work: "Not separate. Not more cumbersome".

In summary, respondents were torn between not wanting to set up a cumbersome and bureaucratic system that might be expensive and time-consuming, but wanting a body that was independent of any particular sector or influence.

Chapter summary

This chapter has provided a detailed overview of qualitative material drawn from interviews with stakeholders. While there is clear agreement among most stakeholders that there is space for quality improvement within the export education industry, there are marked differences of view on what should be done about it.

On the one hand, many stakeholders point to existing quality systems, including review processes and the Code of practice, as providing the basis for quality improvement, industry by industry. On the other, there is recognition that the whole industry is bound together in the eyes of the international community, and what affects one provider affects all.

Most providers are sceptical about the efficacy of quality mark systems, even while agreeing that quality development processes are lacking in the sector. Barriers to improvement include a divided sector, with some suspicion and dislike between sectors. This is acknowledged as an uncomfortable situation, but few solutions were promulgated during the interviews.

The question that stakeholders returned to on many occasions was the difficult one of what 'quality' means within the export education sector. This is a critical question, and is considered in depth throughout the rest of this report.

Stakeholders were happy to discuss and debate the potential for, and implications of, a quality mark system. Key concerns, apart from the question of how to measure quality, were who would undertake the service, how it would be run, and what would the compliance costs be. There was a measure of disbelief that a single system could encompass the diversity of the sector.

3. Current quality assurance systems for export education in New Zealand

This chapter reports on the current systems of quality assurance in place in the New Zealand education sector. The four main evaluation agencies covering the school and tertiary sectors are ERO, NZQA, ITPQ and NZUAAU. Each of these agencies provides an overall evaluation of relevant institutions within their sectors, although the approaches taken, methods used and outputs differ significantly between the sectors. Each agency also has a special contracted function in relation to compliance with the code of practice for the pastoral care of international students. Apart from this, there is no particular focus in the evaluations on export education or international students.

The first part below provides a description of the processes and outputs of each of the agencies. The second part provides the evaluation agencies' views on the need for and possibility of a quality mark system for export education.

The Education Review Office (ERO)

ERO reviews all schools in New Zealand on a three year cycle, although schools which are below the expected standards will be subject to a supplementary review within 12 months, until the standard is reached. These additional reviews will focus on specific areas for improvement.

The reviews focus on three separate areas. The first part is the school's own self review of specific areas, looking in depth at specific topics nominated by the school.

The second part is a review of specific priorities which change over time. Currently, for example, reviews are examining the education of gifted and talented children. Last year, one area was the question of what schools know about the progress of their students, and the summary of this led to the publication of a national report on the issue².

ERO notes that it has in the past considered the international students as a separate group as part of the review of priorities, and it would like to do so again in the future.

The third part examines the school's compliance with national rules and guidelines (this includes the code of practice for signatory schools).

² Education Review Office (2007) The Collection and Use of Assessment Information in Schools Wellington: ERO. <http://ero.govt.nz/ero/publishing.nsf/Content/AssmntInfoSchlsMarch07#Executive%20Summary>

A draft report is provided to the school, which is able to comment on it. A final report is then produced and is published on the ERO website for anyone to access.

New Zealand Qualifications Authority (NZQA)

The NZQA has jurisdiction over the whole tertiary education sector except for universities, including PTEs that may be offering sub-tertiary courses. The NZQA has a dual role: it provides registration of PTEs, and also undertakes audits. NZQA has delegated responsibility for quality assurance of Institutes of Technology and Polytechnics to ITP Quality.

The audits are undertaken on a cycle of one, two or three years. The organisation is tested against a range of requirements related to financial and organisational function, personnel, learning resources, learning support, programme delivery, assessment practices and meeting its own targets and objectives.

The main quality outcomes of the audit are:

1. Ongoing registration of the auditee as a PTE and the determination of the audit cycle which, may be less than a year, one year, two years, or three years.
2. An audit report which will be made available on the NZQA website unless the PTE instructs otherwise.
3. For signatories to the Code of practice, a separate report on compliance with the Code a copy of which is made available to the Ministry of Education (Code Office).

NZQA notes that the audit report is a form of summative evaluation, but auditors are there to give advice and guidance to institutions at the same time:

Well, on the one hand you are carrying out a regulatory function and on the other you are providing advice and guidance. So our function is both summative and formative.

NZQA notes that this dual role can sometimes be a point of contention between auditors and providers.

Institutes of Technology and Polytechnics Quality (ITP Quality)

The ITP sector conducts audits according to twelve sector-agreed quality standards. The audit is conducted by a team of external

auditors. Once an institution has successfully met the twelve standards, it is granted 'quality assured' status for a period of four years. ITP Quality also conducts a review of quality after two years.

The audit cycle is now commencing its third round, and the quality standards are under review. All relevant institutions currently meet the standard.

Summary reports are available on the ITP Quality website for the current round of audits started in 2006. Therefore about half the reports for ITPs are accessible at the moment. ITPQ also audits code of practice compliance for the Ministry of Education.

New Zealand Universities Academic Audit Unit (NZUAAU)

The NZUAAU audits each university once every four to five years. It takes a somewhat different approach to the other evaluation agencies, evaluating universities against their own goals and priorities. With the development of the charter and profile, and one, five and ten year planning cycles, it is fairly easy to identify institutions' own goals. The audit reports make recommendations and the expected outcomes are the enhancement of educational provision in the institution. The NZUAAU also evaluates compliance with the code of practice for the Ministry of Education.

Audit reports are on the NZUAAU website. The Unit's Director noted that the audit is: "...summative in the sense that it provides a summary against the plans. Formative in that it identifies how they need to move on. The main emphasis is on enhancement".

Using existing evaluation systems for a quality mark

Most stakeholders had a big concern at the level of compliance and cost that may be involved in developing a whole new system of evaluation for quality mark purposes. One view is that it would not be possible to use existing evaluation agencies because there is neither enough similarity in terms of what they do, nor enough cross-sectoral confidence in the agencies, to provide the basis for a common quality mark assessment. From this view, there would need to be an independent agency which carried out assessments against given criteria.

Early on in the interviews, the suggestion was made that an appropriate process might be for an independent agency to take the results of existing reviews and audits, and, using a set of criteria, translate them into some kind of quality rating.

We asked the evaluation agencies specifically whether the outputs of their current reviews or audits would be able to be used as a basis for assessing quality, under a quality mark system. Both ERO and NZQA thought that it would be possible to do this, in terms of the information already collected:

Well it could be. It might be harder with a ranking system, but it is not impossible, it's just that we don't do it presently.

Would it change the nature of your evaluations?

Primary schools are very much against rankings but secondary schools are used to it through media publishing of NCEA results.

There is no doubt that it would be possible, because as we have already discussed we do that already by awarding these audit cycles. There's no reason why we couldn't instead of saying less than year, 1 year, 2 years, 3 years we could say one star, two stars, 3 stars.... It's not an option that I would support but there's no definitive reason why it couldn't happen, based on what we do.

There wouldn't be any legislative barriers because part of our function is to provide such information anyway, but the main barrier we're dealing with a summative system - would be our compliance function because we want to be able to say to institutions you do or you don't, not that you partly do.

For ITP Quality, the standards provided adequate information to analyse according to standard criteria, although the stakeholders at that organisation raised the question of what was to be measured:

You wouldn't necessarily give the manufacturer the tick, but the product.

For the NZUAAU, it would be very hard to use existing audits to feed into a standards system, because each institution is evaluated according to its own stated criteria. However, that agency also undertakes a standardised audit of compliance with the Code of practice, which could be benchmarked to particular criteria.

In summary, most stakeholders thought the obvious approach would be to use existing reviews and audits for the purposes of a quality mark system, rather than 're-inventing the wheel'. It appears that such an approach is broadly possible, but would need significant work in some sectors.

Is a quality mark possible currently?

Stakeholders were very willing to talk in hypothetical terms about the possibilities around a quality mark system. However, when asked whether it would be possible to implement such a system, they were very much more cautious.

The first point that was made was that such a scheme would be highly contentious, especially if it was implemented as a compulsory system:

There would have to be a strong focus on consent. They would agree because they can see it would be fair.

This is very contentious. Everyone who complies with the code of practice would be pretty upset not to get the quality mark. Here's one organisation saying we have met the standards and now here is another set of standards that we have not passed.

We were told, for example, that even the current audit process is often highly contentious in some sectors. The following comment discusses the PTE sector, but could equally apply to the others:

In the PTE sector I have my doubts about whether this would occur, because we have our own problems with people who get awarded these various cycles and dispute them, so if they dispute the cycles they are very likely to dispute any rating system that's put in place.

The general view was that such a system was possible, and had been proven so because there were already a range of evaluative models evident in the education sector. However, how existing schemes would translate into a quality mark system, and how much agreement could be attained for it, were questions that needed to be answered:

Yes it is possible, because nothing's impossible. Because there is monitoring by quality assurance agencies. There is enough information there. If the sector wanted it and as long as it was properly defined, and if the sector knew exactly what the achievement outcomes of this rating system were to be, then there wouldn't be a barrier.

It would be possible to develop a set of criteria and indicators. But how would it be possible to judge the success of the institution in applying these?

It would be crucial to use transparent, research-led criteria.

One organisation, ITP Quality, had looked at a quality mark system when its audit processes were first set up, and indeed the ITP Quality logo that appears on its letterhead and website has the possibility to be used as a 'mark'. The stakeholders noted:



When we developed this logo as part of rebranding we thought this could potentially be a qualmark. What held it up then was the concern that if we had audited eight polytechs but not the rest, would the others be disadvantaged? That was the main barrier we faced at the time. Because of that we decided not to go down that road then, but it is interesting that we could now, if we wanted to. We would obviously have to discuss this with the sector.

Extending a quality mark to domestic students

One question was whether a quality mark system developed for the export education industry would, either ideally or necessarily, be extended to (or used by) domestic students. Some stakeholders were of the view that any quality rating system would inevitably be used by domestic students. This may point to a dearth of summary information available to local students. Others were of the view that domestic students use other methods to select their educational providers:

There are fewer implications for domestic students... they choose on other factors such as family, location, particular person or discipline...

However, one stakeholder pointed out that there would be a political problem in introducing a quality mark service for international students but not for domestic students:

I would have thought there would be a political drive in terms of the equity of provision and support in relation to domestic students.

Improving current evaluations

Both evaluation agencies and some stakeholders were asked how current evaluations may be enhanced, if at all. Three main improvements were suggested by various people. The first was the possibility of evaluating organisations according to "successful completion of programmes".

A second view was that the student experience and student feedback should be central in the allocation of quality ratings. After all, it was noted, it is students who are in the best position to judge the effectiveness and experience of export education for them as consumers:

I believe the student experience is of primary importance. How many institutions actually survey their international students and use that feedback to change?

Finally, evaluation processes should be encouraging providers to improve rather than maintain their practices:

Encourage institutions to get into a process of continuous improvement.

NZQA currently only puts its audit reports on its website with the permission of providers. One suggested improvement would be to place all reports on the website, without asking permission. This would give additional information to potential students:

... instead of asking PTEs whether they would allow us to put their reports on the internet, just to put them on without asking. That would probably have an impact for some institutions.

It is possible that a consultation process over a quality mark system may also provide an opportunity to collect views on how existing evaluations can be improved.

Chapter summary

There is significant evaluative activity in place throughout the education sector. It takes both summative and formative forms, and focuses on areas of improvement in individual organisations. Evaluation agencies had a variety of views on the necessity or efficacy of a quality mark system, but were united in the view that it would be difficult and disruptive to put in place a complete new system of quality evaluation for the sector. Most felt that much of the evaluative work, especially that undertaken by ERO and NZQA, and all the Code of practice reviews, could be used to inform a quality mark.

4. Industry marks of quality: an overview

A range of industries in New Zealand have introduced quality mark systems, many in recent years. This kind of approach is predominantly associated with two industries: primary industries and tourism. However, there is at least one such mark that has already been applied in the education and training sector: Screenmark, operated by the New Zealand Screen Council. This will constitute one of the case studies examined in this report.

Methodology

Our goal was to examine up to ten industry 'case studies' of quality mark systems, analyse these and use them to provide information that may be useful to the education sector. The underlying question, then, is 'what are the features of quality mark systems in New Zealand industries and how may these inform the export education industry?'

We have found some significant difficulties in undertaking the case studies, especially an unevenness of information. Some industry groups were very pleased to talk with us, others did so reluctantly and we had several refusals.

Rather than ten case studies, then, we have gathered together a range of information from a pool of industry groups. Some of these are currently in abeyance or undertaking significant change, others are new and/or growing, and others again are highly established. Information for the cases has come from three main sources: interviews with relevant industry representatives, material available on websites and information provided directly to us.

We would like to thank the industry people who were prepared to make time for us and speak with us, and in particular the handful who embraced our project with enthusiasm.

The information provided in this chapter, and the following three chapters, aims to provide a 'nuts and bolts' introduction to the use of quality marks, and quality rating systems, in New Zealand industries. This chapter gives an overview of the range of schemes in operation here, and considers the role they play in the industry. It then lists the various reasons that industries give for introducing quality marks into their industries.

The next chapter examines how quality mark systems are administered. Two concerns raised frequently in stakeholder interviews were that a quality mark system would be extremely expensive, and secondly that it would place unbearable compliance costs onto providers. By examining how the systems actually work, it is possible to assess the level of intrusiveness, and

likely costs, if such a system were introduced in the export education industry.

The following chapter examines how industries regulate their quality standards for the purpose of maintaining a quality mark system. Again, this is a practical overview of how these schemes run. Who sets the standards? How are they policed? Are they developmental (incorporating industry improvement strategies)? How do they work?

The final quality mark chapter provides a summary of key points, examining the factors that each industry sees as the benefits of using a quality mark system. While industries are naturally enthusiastic about their own systems, it is important also to clarify what the objective gains have been from such systems. To the limited extent that this is possible, it will be done here.

Industry quality marks

This section briefly introduces the quality marks that are considered in this report, examining the mark itself, who owns it, who uses it and its source.

New Zealand winegrowers

The export wine industry is highly regulated under law. The Wine Act 2003 provides a legal framework for the making and export of New Zealand wine. The processes that allow an exporter to meet the requirements of the Act are administered by the New Zealand Food Safety Authority (NZFSA) and carried out under contract by the Wine Export Certification Service, which is managed by New Zealand Winegrowers in Auckland.

The objective of the legislation is to “safeguard the reputation of New Zealand wine in overseas markets” (www.nzwine.com/certification/). The compliance relates to both the wine (only certain wines are subject to this) and also to the winemaker. New Zealand Winegrowers is an association of winegrowers and wineries. It provides an overview of the industry, represents the industry nationally and internationally, markets wine overseas, undertakes research aimed



at improving the industry and provides the wine export certification service.



It also runs a 'sustainable winegrowing' programme, with voluntary membership.

New Zealand Winegrowers was formed in 1975 and is funded by membership fees. It is noted in the latest annual report that the fee for participation in the association's generic marketing programmes has been reduced in the current year to encourage involvement. No further information on funding is available. New Zealand Winegrowers declined to be interviewed for this project, and further attempts to contact them failed.

New Zealand Screen Council

The New Zealand Screen Council is a trust set up by key people in the film and television industry to facilitate the growth of the industry.



The Council has developed the Screenmark as a way of regulating quality among training providers in the provision of courses related to

the financing, pre-production, production, post-production and distribution of film, television, animation, commercials and music videos. The website notes that Screenmark courses have:

- Been awarded an industry stamp of approval
- A high success rate in graduate job placements
- Been rigorously audited by a team of industry professionals
- High-quality, practical, tertiary-level training.

The website lists the names of institutions that have accredited courses. Clicking on the name of an institution brings up a box with contact information about the provider and a list of approved courses.

The Council is looking to the further development and growth of accredited courses. At the present time the accreditation service is undertaken for no charge, but it is noted that, as it develops, there may be an accreditation fee. The application form notes:

"If your accreditation application is successful, you earn the right to use the *ScreenMark* logo, as contracted with the Screen Council, together with text supplied by the Council, in marketing, advertising and promotions associated with the qualifying course. For example, in relation to

promotional publications, text books, course materials and websites”.

Avocado Growers' Association

AvoGreen® is a pest monitoring programme for those involved in the avocado industry. It uses a combination of methods to keep pest populations at levels below those that can cause economic loss and provides quality and safety assurances to customers.

In order for growers to be issued with an AvoGreen® compliance certificate they must enter into a contractual agreement with approved operators who will operate the AvoGreen® system. Operators of the AvoGreen® programme are accredited by the Avocado Industry Council (AIC). Operators are in turn audited by AIC approved auditors.

The Avocado Growers Association developed the quality assurance programme, testing it over a period of six years. The Association based its programme on a set of principles called Integrated Pest Management. From this it developed a standard to define AvoGreen® for both growers and customers.

Operators pay an annual administration fee of \$200 and an additional fee of \$25 per accredited pest monitor that the operator uses. A pest monitor must apply to become a monitor and must attend training. Pest monitors then may work for operators. Operators are audited by AIC-approved auditors and must meet the direct costs of the audits.

Fernmark Quality Programme

The Fernmark Quality Programme was developed by an organisation called WoolPro. It then was transferred to the Meat and Wool innovation organisation, but then resided with Tectra, a newly-formed company that offers training and quality resources to meat and wool industries. Tectra itself is apparently now closed down, and the programme is now only available in certain regions.

The Fernmark programme set standards to meet the technical and quality needs of brokers, private merchants, exporters and manufacturers. It also addressed consumer issues, including product performance and ethical concerns. It is noted that the programme is designed to add value to New Zealand's international profile in the wool area. However other marks, like New Zealand Merino, are fast taking over the Fernmark role. The failure to maintain an industry wide quality mark is put down to

factors such as the overall instability in the industry, rather than a problem with the scheme itself³.

Zespri



Zespri is both the name of a company – Zespri International – and a trademark. The ZESPRI trademark was introduced in 2000 as part of a rebranding of the kiwifruit industry. Zespri represents an integrated industry structure that brings together all export sales of kiwifruit under one umbrella. A single point of entry regime means that the Zespri brand has a New Zealand monopoly on the international market. The company is owned and controlled by kiwifruit growers. The company aims “to become a full-time marketer with an integrated, world-class production and delivery system that positions us far ahead of competitors, wherever they may originate, so that we are the preferred supplier and marketer of kiwifruit”.

Growers have a loyalty contract with Zespri which offers support to growers in return for the single point of entry system (this is quite complex and we did not examine it in depth). The effect is that Zespri is continually trying to reward its growers better with higher prices and dividends, in order to maintain its monopoly position.

New Zealand Gap



The New Zealand GAP (Good Agricultural Practice) quality assurance programme was launched in 1999 by Vegefed. In 2000 the New Zealand Fruitgrowers Federation joined and in 2003 flower growers also adopted the programme as a standard for their industry. It is one of New Zealand’s largest quality assurance programmes; covering 80% of all New Zealand domestically marketed fresh produce.

The New Zealand GAP programme was set up to address two concerns. The first concern was that of consumers relating to food safety, the environment and quality assurance issues. The second concern was that of growers who wanted an efficient and cost effective management and production system which would remove the requirement for multiple auditors.

³ A report prepared for Merino NZ (inc), SFF project 03/105, June 2005.

The programme identifies and manages relevant production, packaging and distribution risks. It requires producers to meet a set of standards. Once they do this, they become New Zealand GAP Approved Suppliers. An Approved Supplier can use the logos and promotional material developed in association with the programme for their own marketing purposes.

The programme recently expanded to include export markets by benchmarking to the international quality assurance programme EUREPGAP and the Global Food Safety Initiative.

Deer QA

Deer QA is the quality assurance programme run by the Deer Industry of New Zealand. The Deer QA programme has a very broad definition of quality. This includes animal welfare, animal health, food safety, identification and traceability and environmental issues.

The Deer QA principles of quality include: a quality control approach, preventing defects from occurring; consistency and reliability in the quality chain; independent assessments and audits of exporters and farmers; a customer driven focus and focus on continuous improvement.

The programme has brought together and co-ordinated a range of quality requirements into an industry-wide approach.

Qualmark

Qualmark is New Zealand tourism's official quality mark agency. It is a government/private sector partnership between Tourism New Zealand and the New Zealand Automobile Association. Qualmark grants licences to New Zealand tourism businesses to use the Qualmark, which is tourism's official quality mark. The Qualmark helps international and domestic travellers select places to stay, things to do and ways to get around. Qualmark is run on a not-for-profit basis as a service to travellers and the tourism industry. The Qualmark quality mark, a stylised fern, is incorporated into all of Tourism New Zealand's promotional programmes (this information is straight from the website).



The Qualmark is used in two ways. The first is the star grading system. This is familiar as the way in which most forms of accommodation are graded in New Zealand, from one to five stars.

However, the Qualmark (the 'Fernmark') is also used as a 'threshold mark', a form of quality assurance available to a wide range of operators. It is used for a range of tourism-related businesses, including, for example, camper-vans, adventure activities and a range of services (e.g. university hostels). Under the Qualmark endorsement system, the business undergoes a detailed and independent quality assessment. It assesses businesses first against generic criteria. It also further assesses against sector specific criteria. There is a tertiary assessment option for niche or specialist fields. This tiered system allows the rating system to be used for a wide range of businesses under one umbrella.

New Zealand Olive Association



This mark of quality aims to ensure that New Zealand olive growers meet international standards in their production of extra virgin olive oil. The olive oil carrying the mark must meet certain chemical and sensory analyses. It is a single standard aimed at meeting international requirements and fostering both domestic and international markets. The purpose of the Olives New Zealand certification program is therefore threefold.

- To provide producers and marketers of New Zealand olive oil with a "standard" method for establishing that their oil is of extra virgin quality, as defined by the International Olive Council ("IOC"), and that the oil also meets the higher quality standards established by Olives New Zealand.
- To provide consumers with assurance that the oil they purchase is in fact of New Zealand origin and of extra virgin quality.
- To provide producers and marketers who meet the certification standard with a means of distinguishing their products in the marketplace by the use of an Olives New Zealand Seal.

Pipfruit Integrated Fruit Production

Integrated Fruit Production (IFP) is a system that was developed to lessen growers' dependence on pesticides, in order to meet changing international standards. The New Zealand pipfruit IFP programme commenced in 1996 and was adopted industry-wide over the following four years. It is underpinned by a continual programme of research undertaken by HortResearch. It now constitutes the minimum standard for apples exported from New Zealand.

The aim of the IFP programme is to ensure that production methods are sustainable and as safe as possible for the environment and human health.

New Zealand Beef and Lamb



The industry body for the beef and lamb quality mark is Meat New Zealand. The mark was developed in 1997. It covers only the domestic market, and is therefore of limited interest to this project. Perhaps the most interesting thing about it is that the quality mark is administered by the NZ Beef and Lamb marketing bureau, which is engaged in a wide range of marketing and promotional activities. This industry provides the most active example of a linkage between quality systems and marketing activities. Unfortunately, while the CEO of NZBL was happy to be interviewed when first contacted, subsequent attempts to make contact with him failed. The website, however, provides an interesting and informative model of the quality/marketing nexus, at <http://www.nzbeeflamb.co.nz/>.

Reasons for introducing quality mark systems

Industries in New Zealand have introduced quality mark systems for one or more of three different reasons. As these schemes are mostly developed on a user pays basis, there is a strong need to make them relevant and cost efficient for participants. These exigencies have led to quite focused and purposeful approaches.

Meeting regulatory standards

All industries face a range of government regulations that affect how they are able to operate their businesses. In certain export industries, and in food industries in general, producers and others face major administrative costs in keeping up to date with changing rules and ensuring compliance. For example, horticultural producers face regulations relating to employment, health and safety, use of materials, food safety, pesticides etc, and further regulations if they wish to produce organic fruit and vegetables.

National and international standards

A second important reason for developing quality marks relates to the dual issues of meeting international standards and also the marketing of goods and services. From this perspective, New Zealand quality marks can be used to indicate that the goods or services meet particular benchmarked international standards. Where an international standard is required in order to provide access to markets (the EUREPGAP system in relation to European supermarkets, for example), adherence to the New Zealand mark can be a necessary or even the sole step required to gain that international standard.

Within the international market, a New Zealand mark of quality plays a range of further roles. It acts to identify and raise the profile of the goods as New Zealand goods. It provides the possibility of country-based advertising that links products to the broader promotion of New Zealand, especially in terms of the 'clean, green' image. The association with New Zealand, especially in terms of the positive profile this nation has internationally at present, provides the potential for other products to be accepted internationally.

One particular issue in this category is the ability of quality marks to be used as a vehicle for raising the status, and thus the price, of a particular range of products. The best example of this has been the success of New Zealand wines in commanding a premium price on the international market, over similar competitor countries. For that industry, a range of strategies over about a 20 year period has been successful in presenting New Zealand wines as a premium product across countries. These have included linking New Zealand's overall image with that of its wines, a range of planned events in key countries which emphasises quality, meeting with the 'movers and shakers' in the world wine industry and so on. A useful chronology of the development of the New Zealand industry, with a focus on the export industry is available at <http://www.nzwine.com/reports/>, under the title: 'A brief history on New Zealand wine exporting'.

Raising the quality of products

The third reason for having a quality mark is to benchmark quality so as to improve the industry overall. The method for doing this is one of continuous improvement, whereby benchmarks are increased over time on specified aspects of an industry. Examples given to the team from the horticultural industry were reduced pesticide use or increased size of fruit. This approach provides a common basis for industry development, rather than relying on each individual product or service to strive for increased quality. This kind of quality improvement can only be introduced by an industry consensus; it is not a punitive measure but a developmental one.

Conclusion

A range of industries in New Zealand currently use quality mark systems. In all cases they are voluntary, but participants see a range of advantages in participating in the schemes, even though they have direct costs (most are self-funding) plus indirect compliance costs. However, these are seen to be outweighed by (a) the services offered to suppliers through the various systems, (b) access to markets here and internationally through quality

assured systems, and (c) the co-ordination of compliance requirements to reduce the administration requirements of individual suppliers.

5. The administration of quality marks in industry

The question of how a quality mark system would be administered came up frequently during the stakeholder interviews. This chapter examines how the various organisations administer their systems, what they cost and how they are funded. More information was provided from some organisations than others in this regard.

Quality mark systems are usually run by umbrella industry organisations, and sometimes by stand-alone organisations. Examples of the use of industry associations to run quality marks are:

New Zealand Olive Association
New Zealand Winegrowers
Horticulture New Zealand (formed by the amalgamation of Vegefed and the Fruitgrowers Association).

The main stand-alone quality mark system is Qualmark, which is jointly owned by a government agency, Tourism New Zealand, and the New Zealand Automobile Association, on a 60/40 split.

Screenmark is a bit unusual. The body that runs it is a Trust with industry links, which exists to promote and support growth in the industry. While it has strong links, through personnel and possibly through resources, to industry bodies (SPADA, Screen Directors Guild, Actors Alliance and the Writers Guild), it is separate from them.

This chapter explores how the quality assurance agencies are run, funded and administered. The first section examines how the quality agencies/functions emerged and were developed. The second section looks at how they are run today.

Developing quality systems in the industry

All the organisations reviewed in the previous chapter are responsible for administering quality systems. Some agencies devise the standards themselves, but most contract or sub-contract research organisations (such as HortResearch), or look to national or international benchmarks for appropriate standards (e.g. Zespri). Others (Deer QA is a good example) use the whole industry to set standards, by setting up committees that have expertise in various subsectors. One industry, New Zealand wine, is governed by legislation covering export wines.

DeerQA provides a good example of how quality systems can be set up. The Deer Industry of New Zealand (DINZ) formed DeerQA as its quality arm. The scope of DeerQA is very large, although the overall industry is comparatively small. It co-ordinates and administers industry quality assurance programmes for: deer farmers; deer processors; stock and station agents; transport operators and velvet product industry standards.

The New Zealand GAP programme commenced from a much more diverse base in the horticulture industry, and has been built up over a period of time. A voluntary scheme, funded through fees, it is administered by Horticulture New Zealand. The main role of the GAP programme was to bring together all the regulations and standards governing the horticulture industry (including specific crops within it) within a single quality programme: if a grower meets the GAP standards, then all New Zealand legislative and regulatory standards are met. Recently, the programme has also extended to meet EUREPGAP standards, which means those who qualify (it is a voluntary extension to the NZ standard) are able to export their produce to the European market, including supermarkets.

The Screenmark programme was developed in 2006 by the New Zealand Screen Council. This programme constitutes around one half of the work done by the Council. Recently, the first seven recipients of the mark were announced. The mark is awarded to "high quality, relevant, successful, practical tertiary level courses in the screen industry" (Press Release, 20.4.07).

Quality systems in the wine industry are heavily regulated by legislation (the Wine Act, 2003) and regulation under the *Wine (New Zealand Grape Wine Export Eligibility Requirements) Notice 2006* (known as the Export Eligibility Notice). This legislation and the regulations were developed by the government at the request of the wine industry, concerned at the need to maintain and improve standards in export markets. It is the only sector reviewed in this report in which the QA requirements are imposed directly by legislation. The standards are developed and overseen by the New Zealand Food Safety Authority but administered by the industry body through the Wine Export Certification Service.

The use of a legislative process to ensure compliance is fairly unusual in the business sector, where voluntary systems are usually preferred. It is interesting that this process was adopted for the wine industry, in order to protect export markets from sub-standard wines. One way to put this is that the industry voluntarily submitted itself to mandatory requirements. It is also interesting that the quality standards, while administered through devolved authority to the industry body, are developed and maintained by a government agency.

The beef and lamb quality mark was developed by Meat New Zealand but is administered through its marketing agency, NZ Beef and Lamb. The aim is to provide the quality mark to high quality processors, wholesalers, retailers and marketers of beef and lamb. The quality mark includes the Heart Foundation 'tick'. It is a voluntary scheme which aims to improve tenderness, trim fat and improve standards of processing, distribution and storage of meat for the domestic market. As noted above, the most interesting thing about this organisation is the link between marketing and quality assurance. As a result of this link, the aim is less on input factors, such as the effect of various feeds on the animals, but on output factors, especially tenderness of the meat, lower fat levels and good presentation.

Qualmark is the only stand-alone quality agency surveyed for this study. The agency has been involved in administering the star rating system for accommodation for many years, which is based on overseas models and is internationally recognised. In 2002 the system was significantly enhanced and expanded, in line with the 2010 Tourism Strategy. New options have been developed around the 'Fernmark', allowing for a wide range of tourism ventures beyond accommodation to be quality rated and endorsed. New areas are transport operators in the tourism sector, tourist activities such as bungy jumping or kayaking, and tourist services. It should be noted that only tourist accommodation is rated on a star rating; all the other systems are rated on a benchmark (called an endorsement system): they either meet the standards or they do not. In interview, it was noted that, were Qualmark to be responsible for rating export education, the benchmarking system would probably be considered better than a star rating.

In the pipfruit industry, a crucial element in the development of the quality standards was the involvement of HortResearch, which helped develop the 'integrated fruit production' model. The standard is voluntary for the domestic market but now constitutes the benchmark for export markets.

In summary, quality systems and marks are usually developed by, or on behalf of, industry bodies. Most are voluntary, and it is up to the body concerned to describe and explain the benefits of the programme. The wine industry export certification process is compulsory, and is partially funded by the government. Funding has also been supplied by New Zealand Trade and Enterprise to fund the development of the Screenmark, and as a result the certification process is currently available at no charge to the sector.

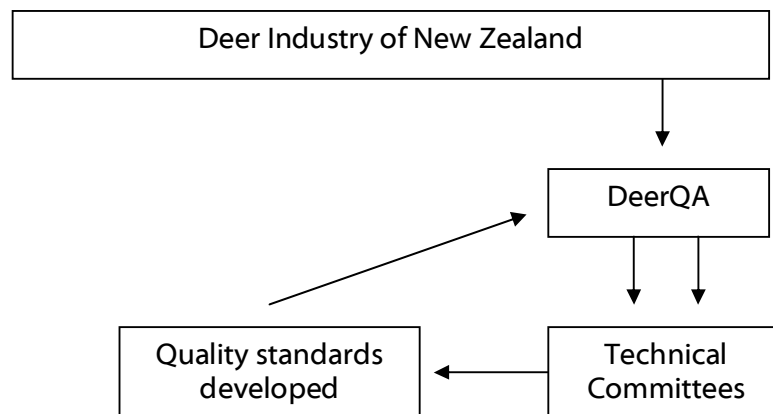
Because of the voluntary and self-funded nature of the programmes, many of them are run on a shoestring budget, and are reliant on the businesses to support them. This, plus the fact that most are owned by industry umbrella groups, has

significantly shaped the nature of the programmes. Most have a developmental aspect: that is, they aim not only to assess and mark quality, but also to develop it, support agencies in meeting external requirements and some also provide a marketing service. The voluntary nature of the systems also means that they need to keep the costs low. As a result, most are administered on tight budgets. The administration of the schemes is discussed below.

The administration of the QA programmes

The most common model for the administration of quality schemes within industry umbrella groups is a small staff, assisted by voluntary groups selected (by a range of processes) from the industry and formed into committees to develop quality standards. A fairly standard model is that of the Deer Industry. DINZ has a board of around 8 persons and a management staff contingent of 6, one of whom is responsible for quality assurance (he is called the quality manager). He runs the operation known as DeerQA. This is not a separate company, but a banner under which the quality assurance programme is carried out. It is diverse: many aspects of the industry are subject to review.

For each industry area, the development and maintenance of quality standards is managed by a relevant technical committee, drawn from the relevant parts of the industry. This is a large task: committees meet up to four times a year to set and review standards, consider national and international trends and consult with the industry.



DINZ is funded by a levy payable by producers of venison and velvet at the point of receipt at processing facilities. DINZ in turn funds meeting costs for the technical committees. This means, in essence, that participation in the QA programme is compulsory for those producers who process deer products. This is possible because the deer industry appears to be highly integrated and, being a fairly new industry, DINZ takes strong overall leadership

including information sharing, sector research, conferences and other developmental tasks.

The NZGAP programme is run on a similar model. In this instance, the parent body is Horticulture NZ offices, and the programme is run from that body's offices in Wellington. Staffing includes a business manager, administrative assistance and the contracted auditors (discussed in the next chapter). The programme is administered by a committee in accordance with criteria, standards and operating procedures set out in the Approved Supplier Programme Manual, the programme's 'bible'. The GAP scheme's main role is to translate industry requirements into a set of standards for application to each grower. If the grower is compliant with the GAP standards, s/he is also compliant with all industry and legal requirements. Individual growers/companies pay a fee for the NZGAP service. This fee is several hundred dollars per year. It is a voluntary scheme, but has seen widespread uptake within the industry, including in new areas (e.g. flower crops) that were not included in the original model.

Screenmark has been developed by the New Zealand Screen Council, a new organisation that operates, in total, with a Board, a Director and two part time administrative and communications staff. It has taken about two years to develop fully, and now has its accreditation systems in place. In April this year, the first Screenmarks were awarded to courses in tertiary institutions. The Screen Council's quality mark systems are currently free of charge, funded through a NZTE grant.

Zespri provides another example of a grower-led quality standard system. Zespri is owned by 2,500 kiwifruit growers, and is a full-service agency including marketing and selling kiwifruit internationally, promoting research into healthy crops and new varieties, and looking to continually improve systems. As it is stated (in rather more poetic terms) on the organisation's website:

The ZESPRI™ story begins on carefully tended orchards where healthy kiwifruit vines grow and fruit, nurtured by sun, rain and fertile soils. It extends in a documented and unbroken chain through to the retailer's shelves. It is a story based on continual quality improvement, exacting standards and a partnership between grower, suppliers, ZESPRI International and customers to ensure safe, premium quality food for the consumer.

The quality system meets the ISO9001 standard and is also government certified. All suppliers must comply with the quality standards, so it is in effect a compulsory system.

The best example of the alternative to the industry-run system is Qualmark, although arguably one or two other schemes also have

a degree of distance from the industry body (e.g. Beef and Lamb). As noted above, Qualmark is a stand-alone quality agency which was formed in 1993, and is owned by Tourism New Zealand, a government agency, and the New Zealand Automobile Association.

While an independent agency, Qualmark works closely with sector agencies, through its board and also through other avenues. The box below (from the Qualmark website) describes how the various industries have been brought together to consider future strategic roles for Qualmark.

Our strategic direction

Qualmark plays an important role within the tourism industry - one that sees us working with many different sectors to ensure tourism's quality licensing system meets the needs of the industry and travellers to the best possible extent.

For this reason, the Qualmark Development Forum has been convened to provide direction, and champion the cause for the quality programme. That role is to help further build the momentum that's been gathering around the industry's quality strategy since it was articulated in 2001.

The Forum has been drawn from many different sectors of the tourism industry and features prominent industry figures...

The role of the Development Forum complements that of Qualmark's Board of Directors, which represents shareholders Tourism New Zealand and New Zealand Automobile Association. Chairman of the Qualmark Board, George Hickton, says the Forum will provide industry direction and guidance on the development and focus of the Qualmark® licensing programme, while the Board of Directors deals with governance.

Qualmark has a staff of around 22 full time equivalent, of whom nine are assessors. The organisation has a small marketing department. The main purpose of this is to market the quality rating system and support and advertise those operators which have been quality rated. Thus the website allows for a range of searches to take place.

A one-off joining fee is charged, and then a graduated licence fee payable annually of between \$600 and \$1,000 (more for larger organisations). The licence fee allows for use of the Qualmark by the organisation, a listing in the annual guide and on the website, assessment services and other consultation if necessary. A range of other services are also available, some with additional charges. The income from Qualmark services is around \$1.3 million in the current year.

Conclusion

Most industry quality systems are administered through umbrella organisations, developed by voluntary industry groups or through technical services such as HortResearch or the NZ Food Safety

Authority. Most work efficiently on a small amount of funding. There are three sources of funding: funds received generally by the umbrella organisation (e.g. DINZ), government funding (Screenmark and, partially, the wine industry), or a specific annual fee to participate (NZGAP, Qualmark etc).

There is a mixture of voluntary and compulsory participation. A number of sectors (pipfruit industry, wine, deer) have, in effect, a compulsory system. Others (accommodation, beef and lamb, NZGAP) are purely voluntary, and rely on the effectiveness of their service to attract customers. As noted in the previous chapter, there are a variety of different reasons that industries set up quality systems, and a variety of different reasons for uptake. However, it is clear that organisations have been effective in tailoring their services to industry needs, as all the models examined were, as far as could be ascertained, popular with their sectors. Indeed, unpopular ones could not survive and, in the wool industry, for example, it appears that the independent system set up by Tectra may not have survived (it has been impossible for us to confirm this). That programme, relaunched from an earlier failed scheme in 2004, which provided the Fernmark Quality System at a cost to producers of \$400-\$550 per year, may now be completely in abeyance.

This chapter has focused on the administration of the schemes. The next chapter looks at how they run their quality assurance programmes.

6. The regulation and review of quality standards

This chapter breaks down the regulation and review process into a series of parts, and examines how various case study industries tackle each stage. The previous chapter looked at the genesis of quality systems, mostly within umbrella organisations, and the relationship of the quality function to the industry. This chapter provides a nuts and bolts approach to examining how organisations undertake their quality processes.

Regulatory requirements

One of the main reasons given by organisations for developing a quality mark system is to provide a one-stop-shop for regulatory requirements imposed externally, either as requirements (e.g. wine or pesticide standards) or voluntarily by the industry (e.g. improving the size or flavour of produce, or lifting skills within an industry through quality courses).

There are a range of regulatory requirements that govern the various industries and which affect the shape and scope of the quality systems. In some of the systems, the quality system is heavily regulated. The most extreme example of this is the wine industry, where export wines are completely regulated by legislation and regulation:

Every New Zealand grape wine intended for export for the purpose of trade must meet the export eligibility requirements set out in the Wine (New Zealand Grape Wine Export Eligibility Requirements) Notice 2006. This means that the wine must:

- Be free from obvious fault; and
- Have a related set of audited wine making records that enable traceability and accuracy of label statements to be determined.

All grape wine samples submitted for export eligibility approval will undergo a sensory evaluation to ensure that the wine is free from obvious fault.

In exchange for accepting this strong regulation (which the industry requested of the government), the laboratory cost of testing wines for export to European Community countries only is funded by the government.

Many of the food-growing industries are subject to numerous and increasing regulations, arising from factors such as fertilisation, use of pesticides, size and quality of the product and so on. Additional

standards are required in some areas, such as the rules governing 'certified organic' products. Quality mark schemes such as NZGAP exist mainly to combine all the regulatory requirements into one set of standards, in a way that producers can be assured of complying with all, if they hold the mark.

Most schemes also include a component for raising standards in the given industry area, and some, like Screenmark, exist primarily for this purpose.

In a recent report on eight agricultural quality schemes, MAF notes that:

Quality schemes developed by ...exporting industries were mainly established for supply reasons, or for niche marketing reasons. The schemes developed to secure supply from farmers generally only address that part of each farm system that directly affects product specifications. They contain minimum standards that describe and encourage common farming practices. These schemes discourage farm management that is atypical of the norm. Product supplied through these quality schemes is marketed as excluding non-conforming behaviour by farmers, e.g. practices putting animal safety at risk. An important benefit of these schemes for exporters is that they maximise marketing flexibility because their specifications (and premiums) enhance access to more than one or two markets without the need of further processing. Flexibility also means that processors and exporters aren't restricted to sourcing their (conforming) product only from producers within the schemes⁴.

Thus standardisation, and raising standards, are important elements of these schemes. How this is delivered is examined in the next section.

What are the relevant quality standards?

In the export industry sector it is crucial to develop the right standards for each industry, balancing out desirable features against production costs and so on. As noted above, the source of standards are either regulations imposed from elsewhere (including government requirements, requirements from export countries and so on), or benchmarks developed to guide and improve the industry over time. Most often, the quality mark standards are a combination of both.

⁴ <http://www.maf.govt.nz/mafnet/rural-nz/sustainable-resource-use/best-management-practices/on-farm-quality-assurance/saf983-18.htm>

In the agricultural sector, organisations such as HortResearch and the NZ Food Safety Authority play important roles in developing standards for these industries.

There are three main ways in which standards are presented to suppliers.

The first way is the 'quality manual', which is akin to a code of practice for various elements. Those suppliers who sign up to NZGAP receive an Approved Supplier Programme Manual, and a checklist. Producers self-develop and audit according to the manual and checklist, and then are subject to external audit. Similarly, the pipfruit industry's standards are developed by HortResearch and passed on to growers. The deer industry has a series of manuals which are updated on a regular basis by technical committees. In the wine industry, the regulations constitute, in effect, an operations manual, and the avocado industry also operates on a set of firm criteria.

The quality manual is most relevant to systems where a series of benchmarks are set in relation to various parts of the industry, such as production methods, product specifications, pesticides, packaging, storage, health and safety and environmental issues. In such a method, the emphasis is on self-development and self-review. While most industries have an external audit process, the role of the auditor is to check and confirm the work that has already been done, rather than to assess the producer from the ground up.

The second method emphasises external review, and is most effectively used by Qualmark and the Screenmark process. This approach is very time-consuming and expensive. The Screenmark programme is able to work this way because (a) it has some government funding; (b) industry members are prepared to assist as auditors, and (c) the number of applicants for the mark is currently very small (13 in 2006/07).

For Qualmark, a team of nine assessors undertakes the review work on the accommodation side. It would be very difficult to have a variable rating scheme, like the Qualmark stars, without having a strong audit focus. The Qualmark endorsement system (which is a benchmark) also involves external audit, according to a set of criteria which are discussed below.

The third element of the quality standards is a process of formative assessment to go alongside the summative assessment process. As with the education evaluators discussed in chapter 3, while summative assessment fixes the current position of a producer, formative elements provide pathways, linked to evaluative criteria, for improvement. Qualmark, for example, sends out an assessment

report “detailing quality scores, comments and improvement opportunities in each area of the assessment” (Qualmark booklet).

In summary, most quality mark industries have, at least, a set of criteria available to suppliers to assist them in meeting benchmarks. Some have very detailed manuals which are updated regularly. Others rely on their audit and review teams to provide a summative evaluation and formative approaches to improvement. Most organisations do build in an improvement process, which is discussed below.

Who does the quality assessment?

The potential size of an audit team is seen by many as a barrier to the setting up of a quality mark system in education. It is assumed that such a team would be extremely expensive. In fact, by far the biggest and most expensive team is employed by Qualmark, and this is because the chosen model of audit is very time-consuming. For those using the manual plus checklist approach, costs are very much lower.

Several organisations reviewed here use the services of AgriQuality Ltd, a wholly government-owned SOE which spun off from MAF and now has links to a number of Crown Research Institutes. This organisation undertakes many different roles within the agricultural sector, but, in its own words (from the website), its audit functions are as follows:

AgriQuality provides independent audit, inspection, verification and certification services to producers, processors and retailers across the food and agricultural sectors. Our team of 200+ dairy, meat, seafood, horticultural, wine, organics, food, arable and forestry specialists carry out more than 100 different types of audits and inspections and complete more than 10,000 reports every year. Our information systems capture quality assurance data during the processing, packaging, storage, distribution and serving of food agricultural products. This information can be integrated with the New Zealand Food Safety Authority's and Biosecurity New Zealand's electronic certification systems for food, horticultural and forestry products destined for export markets.

There are significant advantages for organisations in employing the services of AgriQuality. For example, in his interview for this project, Peter Ensor of NZGAP noted that 15 auditors are needed to get around the full range of producers each year, but they are needed only during a critical ten week period. Using AgriQuality, the right number of trained auditors can be in place at the right

time. A further advantage is alluded to in the above extract from the AgriQuality website: that the organisation has in-depth knowledge of a range of national and international benchmarks, and can assist with integration activities, for example the adoption by NZGAP of EUREPGAP standards, in order to ensure access by New Zealand producers to the European supermarkets.

Qualmark has the biggest industry-specific group of assessors, with nine in total. There are advantages in organisations having their own assessors, in terms of building up expertise and capability. The Qualmark website introduces the assessors as follows:

Qualmark assessors are fully trained and qualified to undertake Qualmark assessments, and come with commercial experience in hospitality, accommodation management and/or assessing. As well as conducting the assessment, their goal is to add value to your business.

Each assessor will, on average, visit up to 200 properties a year. That gives them a rare and valuable insight to what's happening in the accommodation marketplace. They're happy to discuss your ideas, offer suggestions or try to add value to your business in whatever way possible.

Most assessors have a background in either tourism operation, management or education.

A number of organisations undertake their own assessments by using teams of industry volunteers, for example DeerQA and Screenmark. This also has some advantages, chiefly the opportunity to share expertise and get an overview of industry development. No downsides of this approach were noted, but we think there may be a questionmark over assessments being undertaken by people with no experience of evaluation. There is always a risk in such approaches of people sharing bad or dogmatic beliefs rather than best practice. Separating the doing of an activity from its evaluation has been accepted in the education sector for a number of years now, and has proved successful (after a shaky start) through the Education Review Office and NZQA.

The assessment process

Once the regulatory standards are understood, the quality criteria developed, the audit team assembled, and the organisations to be assessed are enrolled (if voluntary) or contacted (if compulsory), the next step is to undergo the audit process.

As noted above, this will differ quite markedly depending on whether there is an initial process of self-review or not.

For those without a self-review process, the initial contact is made by the filling out of forms. During the course of this research, several type of forms were provided to us. The most relevant, however, is that available on the Screenmark website at: <http://www.nzscreenouncil.co.nz/training/screenmark.htm>.

This is not included in full in this report because it is 27 pages long. There appears to be no legal or ethical barrier to Education NZ downloading it and examining it, however, and the Screenmark group are aware of and happy about our interest in their work.

The Screenmark audit process is described as “rigorous”. It includes a three-stage process. The training provider fills out an application form and provides ancillary information on the programme being applied for (note: Screenmark accredits programmes, not providers). An audit team drawn from the industry goes into the organisation and assesses the programme. Finally, industry feedback on the ability of course graduates is taken into account in awarding (or not) the mark.

Qualmark has a standard approach to the star rating system, which is based mostly on the assessment process face-to-face. But for the endorsement system, there is a more complex system. This is worth exploring in depth here, because it provides one partial answer to a question frequently asked by stakeholders: how can such a complex enterprise as education be assessed fairly? As the interviewee from Qualmark put it:

We’ve got 129 different types of providers- bungy jumping, kayaking, wine tours - everyone said the same thing “how can you possibly develop a product that covers all that?”

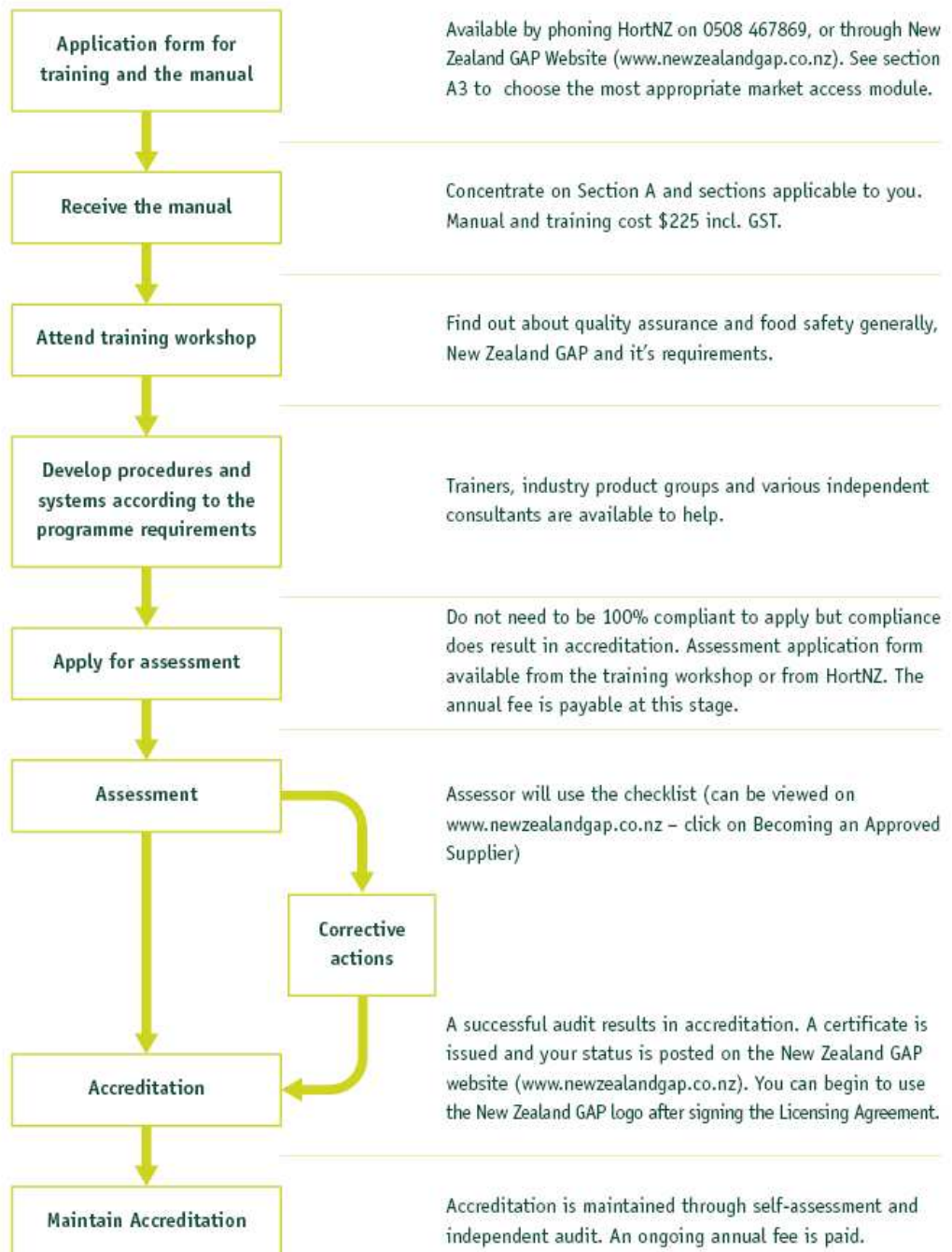
Qualmark examines complex organisations for the Fernmark endorsement programme (which is a benchmark, not a star rating system) by using a three-tiered questionnaire. The first tier is a generic survey covering customer service and feedback, product sales and purchase, facilities and equipment, staffing, environmental and cultural matters, safety and welfare and overall business operation. Questions are assessed on a 1-5 scale.

Most operators also fill out a secondary assessment form, which is targeted to particular industry groups. The example provided for this project was ‘adventure tourism operators’, but others could be boat tours, bungee jumping or tourist shops.

Finally, there exists a tertiary assessment survey to be filled in by operators with an unusual and specific approach, when there is a further level that needs to be assessed for quality. An example

might be Heli-skiing, where a number of elements require specific analysis. It is this three tiered system that provides the key to Qualmark’s ability to rate a diversity of organisations effectively.

The assessment process undertaken for NZGAP accreditation is laid out below, in a flow chart taken from the programme’s information for suppliers, showing the process from application form through to maintaining standards over time. The emphasis is on self-development, supported by the manual which is updated regularly and the assessor evaluations.



Thus a range of information is assembled about organisations before any quality audit visit is commenced. Interviewees thought that this was important, to be able to get a multi-dimensional view of the organisations and be able to assess and assist them better.

Frequency

Most quality systems examined require annual audits. This is essential in industries like wine, where year-to-year fluctuations are part of the business. It is also important in those industries that have modelled their quality assurance on a continuous improvement model. Finally, it provides regular feedback for those organisations using self-analysis and record keeping models of evaluation.

Although the frequency of visits is much greater than the education sector is used to, their intensity is somewhat less. The average visit by a Qualmark assessor is only 2-3 hours in length, except in the largest and most complex organisations.

Screenmark accreditation is valid for 'up to three years', but may be cancelled or suspended as a result of 'random' visits to any course by Screenmark representatives.

Annual assessment appears to have some ancillary benefits, when a central element of the quality mark system is developmental and formative, and where the assessments are run by the industry umbrella agency. They are an opportunity to share best practice, to consider new trends, to compare across the industry and between sectors and to foster good relationships within the industry. If the system is voluntary and dependent on the payment of an annual fee, in return for that fee, agencies can receive the quality mark, annual updates on trends, continuing advice about its own services and links to other organisations. Thus the quality mark also becomes part of an industry development strategy.

It is likely that such a system would be reinforced by a quality-related newsletter available up to four times a year. This would be needed because the focus on quality would inevitably mean that standards would change.

Record keeping and self-analysis

Many of the organisations promoting quality mark systems are keen to foster the value of independent quality evaluations undertaken against stated criteria. This is seen as building the capacity of the industry to focus more effectively on key quality issues. For example, New Zealand Winegrowers has produced a

Record Keeping Code of practice which provides guidance to help wine makers meet export eligibility requirements.

This process allows a focus on what indicators are important in promoting quality in specific industries, and also acts as an ongoing information-gathering exercise that can assist in developing institutional knowledge about the industry.

Benchmark or development?

In practice, few quality systems are either wholly summative or wholly formative in operation. Most combine aspects of both in a range of ways, especially through the important role of auditors and industry bodies in assisting and advising on best practice within a given industry.

The term most commonly applied within the industries studied here was 'continuous improvement'. This required quality agencies to actively engage with the industries in a four step process:

- to examine current practice,
- to analyse the legislative, regulatory and market contexts,
- to apply effective standards. and
- to disseminate them throughout the sector.

The focus on improvement is one of the most important parts of the quality systems evaluated here, especially in those industries where standards change on a regular basis. This provides the basis for the sharing of good methods, practices and ideas. It is an element evidently missing in the export education industry at present, where each provider effectively invents their systems from scratch.

Outcomes

What does the industry 'get' from quality mark systems? Is it worth all the trouble? Are they good value for money? The results of this piece of research confirm that in most areas (the main exception being the wool industry), quality mark systems are heavily subscribed, popular and effective in meeting their goals. The costs vary from industry to industry, but in most cases add up to less than \$500 per year for each provider, and are rarely over \$1,000, except in the biggest industries.

For this, each provider gets access to quality standards put in place by the industry concerned. These vary from simple evaluative material to a complex web of legislation and regulations which is reduced to a simple framework for easy application by a provider.

Second, the provider gets access to a quality evaluation that both tests current systems and offers a basis for future improvement. As we did not interview providers for this project, we have no direct evidence about how useful this is, but the quality agencies reported that this is one of the attractions of the service.

Third, in some cases the process allows access to markets which are otherwise blocked to the provider. The wine industry only exports wine which has an Export Eligibility Statement and unique identifier. This confirms to New Zealand Customs Service that the wine is approved as eligible for export. Export consignments are randomly sampled to ensure that they correspond with samples submitted for export eligibility approval. Random samples are chemically analysed to check for discrepancies. A final crosscheck against Customs records ensures that export eligibility statements are not misused once they have been issued. Thus there is a blanket surety on quality.

The kiwifruit industry has in effect a 'single desk' export system through Zespri, which appears to be voluntary but means that all, or almost all, export kiwifruit goes through that organisation. We did not explore this model in any detail, but it is an interesting one.

A third example of access provided by the quality system is the recent upgrading of NZGAP so that providers can choose to meet the further, more stringent, requirements of EUREPGAP. They would choose to do this if they wished to export to the European supermarkets.

Finally, there is the quality 'mark' itself. I have included a copy of a quality certificate from the NZGAP organisation in an appendix to this report (I omitted the name of the particular organisation, even though it is publicly displayed on the internet). For that organisation, the status allows the organisation to use the GAP mark for the specified period.

What appears to be important to all parties is a standard that is simply explained and understood, is consistent and, where relevant, in line with international standards, and can be appropriately and attractively displayed. The following account of the OliveMark gives a clear and concise overview of what the mark means:

The OliveMark is administered by Olives New Zealand. Sensory analysis of the oil is undertaken by the ONZ Sensory Panel at the HortResearch Sensory Science Facility in Auckland. The oils are evaluated for the absence of defects and the presence of the required desirable

attribute, namely fruitiness. Standards that must be met include bottling and labelling standards as well as the chemical and sensory criteria that Olives New Zealand has based on the International Olive Council (IOC) standards for extra virgin olive oil.

The main outcomes desired by the industries concerned are to expand markets and ensure that quality-assured providers get the lion's share of those markets. Those interviewed were confident that quality marked providers did benefit in both ways, although this is difficult to show.

The most interesting aspect of the potential outcomes is that most sectors saw the benefits for the quality mark accrued to both the industry as a whole and to the individual provider. In the stakeholder section of this report, it was this kind of two-sided strategy – increase the size of the whole industry by competing internationally, as well as providing the opportunity for individual institutions to promote themselves – that was seen as desirable. It appears that the goals of the export education industry are not so very different from the goals of other industries.

7. Success factors in quality systems

This chapter provides a brief summary of the elements that make quality mark systems successful in the industries surveyed here. Most of the points summarise material from chapters 4, 5 and 6, on what quality agencies think are successful about quality marks in practice.

Product identification

All of the quality marks used are heavily protected; in most cases we had to gain special permission to reproduce the quality marks in this report. Product identification plays two roles. First, the mark differentiates those producers which participate in the quality assurance systems from those which do not. Qualmark noted that, since developing its endorsement programme for non-accommodation tourism activities a few years ago, many operators had seen value in joining the scheme. It was seen as extending the well-understood 'umbrella' of the Qualmark to other organisations.

Second, quality mark systems provide either links into, and/or assurance for, export markets. By law, many types of wine cannot be exported without going through the certification process. This protects the industry and protects the 'New Zealand' brand on the international stage.

In some instances a quality mark for domestic markets has proved effective. The only example in the current sample was NZ Beef and Lamb, which links the quality mark with a continual process of marketing and publicity. It was interesting, for example, to see a TV advertisement recently for the 'Mad Butcher', New Zealand's only national chain of butcher shops, tout the quality mark as a reason for shopping there.

Quality assurance

Quality assurance systems do not merely measure quality; they also 'make' it. It has been extremely interesting to compare what is known about quality in the industries under consideration in this report, and compare that to what is known and understood about quality in education.

The quality agencies interviewed were able to demonstrate very conclusively what the key quality factors were and how they could be measured and improved. In the meat sector, quality was measured by tenderness and low levels of fat. For pipfruit, reduction in pesticide residues and larger fruit were highlighted. This is not to say that educational quality could be easily or

usefully reduced to one or two main features, but it does show that a focus on the quality mark forces better knowledge of what constitutes quality in a given industry.

Industry development

In most cases, quality mark systems developed out of concern for the overall quality within a given industry, not from a desire to give particular producers a competitive advantage. Any focus on the latter goal is usually in the context of achieving the former one. That is, industry development is the primary goal and organisational development the second.

A range of pressures led to the implementation of these systems in industries. Examples include quality concerns in the deer industry, reduction of pesticide use, increasing regulation and need for access to export markets in horticulture, workforce development in the screen industry, market development in Europe in the wine and food industries and so on.

However, success in industry development is not easy to measure. For example, Zespri claims significant success in bringing New Zealand kiwifruit to the world, pursuing new markets, and growing fruit offshore to ensure full-year supply, but it has difficulty in maintaining its sales and market share due to external factors. The strength of the focus on quality is in the detailed consideration it invites as to what constitutes a good product in the international market. Its weakness is that it is often difficult to measure success.

Recognising industry strengths

Implementing quality mark systems requires a systematic analysis of the strengths and weaknesses of the given industry, seen in international context. A number of the industries surveyed for this study had funded and undertaken quite detailed research on strengths and barriers. Such research varies from the technical (how to produce tender meat, low-pesticide production methods for fruit and vegetables, the proper chemical profile for good wine and olive oil) to market oriented. A systematic programme of research and development is crucial to underpin any quality mark.

One interesting organisation is Qualmark, which does not engage in much baseline research, but relies heavily on user feedback in developing and allocating standards. From this organisation's perspective, what the client or customer thinks of the product is paramount. In discussions with the Qualmark representatives, it was pointed out that detailed student feedback appears lacking from the education sector, blocking out a key way in which the

sector could engage in self-improvement⁵. Many education institutions do engage in detailed student evaluation, but it is not clear to what extent this process is used to improve services, nor whether international students get a separate opportunity to review services.

The concept of 'continuous improvement' has been around for many years now, and is actively pursued by quality agencies in the business sector. Both research and feedback contribute to that. As well, export industries keep a close eye on conditions that may affect their business, such as legislation and regulation, international trends and market conditions. Being responsive through the quality systems to changing trends is considered crucial to success.

Inclusive or exclusive?

A question asked frequently by stakeholders in this study was whether a quality mark would be a benchmark that all could achieve, or a high level standard that some would not achieve. There are a variety of models in the case study industries. One of the newest of the marks, Screenmark, only accredited 7 courses out of 13 applications in 2007. However, that is quite unusual. Most industry areas have high standards but expect most, if not all, to achieve them. When a producer does not, there are a variety of processes in place to assist or guide producers to reach the quality mark.

The related question is what is the point of a quality mark if all can achieve it: does it devalue the currency of it? The industries said no, that their customers found it reassuring that there were clear and recognisable standards in place. The wine industry is a good example. Whether or not all or most of the wines passed the laboratory tests, the whole industry was assured that what was offered overseas was of good quality. For comments by education stakeholders, it seems reasonable clear that they also are seeking this kind of surety.

Voluntary or compulsory?

Most industries are not in a position to impose a compulsory quality mark, even if they wished to. These industries rely on the effectiveness of their quality mark systems to deliver markets and reduce compliance costs to attract providers. Examples include NZGAP, Pipfruit, Qualmark and NZBeef and Lamb. Some, like the deer industry and kiwifruit, are quasi-compulsory, because

⁵ The Ministry of Education has undertaken one international student satisfaction survey (in 2003), and a second is underway this year. However, the focus is on general indicators of student satisfaction, rather than factors to assist industry development.

membership of the industry implies membership of the quality assessment system, and commitment to certain standards.

The main compulsory system is the wine export industry. As we were declined an interview with the sector representative, we were unable to assess whether the application of compulsory standards through legislation and regulation has been well-received within the industry.

There is a presumption in the industry towards voluntary quality mark systems. This puts the onus on the quality body to ensure that the mark is effective, assists the industry in complying with external requirements, improves markets and offers surety across the industry. In the view of a number of interviewees, there should be no need for compulsion, because a well-designed and effective quality system will attract clients from throughout the industry.

Organising quality systems

It is quite possible to run an effective industry quality assessment system at relatively low cost and with few staff. Nearly all of the systems described in this report are run by a small team of administrative, marketing and publicity staff, and a small team of evaluators, often making use of the ability to contract in AgriQuality staff to conduct evaluations.

Most of the quality staff interviewed within industries considered that the education sector should make use of existing quality evaluations, but shape them where necessary to make them appropriate and effective for the quality mark. This process is described in the final chapter.

Conclusion

It is very difficult to know how successful quality mark systems are in improving market share, either as an industry or an individual producer. Apart from market share, the main reason companies enrol in quality mark systems is to simplify their administration (especially in the horticulture area) and provide an independent evaluation of the quality of their products. In the only education quality mark system evaluated here, Screenmark, there is little doubt that the industry-generated system will be a powerful tool for education providers. But this is an unusual case: the same people who assess the quality are hiring the young people who graduate from the courses.

Nevertheless, nearly all the voluntary systems examined here are heavily subscribed. Qualmark notes that it already provides a benchmark (non-differentiated) rating for university hostels in

some areas, so notes an emerging demand for independent assessments of quality in the education industry.

The focus on quality, and in particular on what service users are looking for, the need to keep up with international trends and the providing of benchmark quality standards are all interventions likely to lead to improvements in quality in any industry. The extent to which they have already been applied in other countries is examined in the next chapter.

8. The international use of quality mark systems in education and training

This chapter is included as much to show how seldom quality marks have been applied across the education sector, as to give examples of how they have been used. In earlier parts of this report, the Screenmark has been discussed. This New Zealand example of a specific quality mark being applied to an education course appears to be – as far as can be assessed from internet searches – quite unusual.

There are two main instances to be discussed in this chapter. The first is the application of ‘quality marks’ within the English education system in recent times. The second is a current process being undertaken in Australia to find an acceptable method to ensure the quality of Australian offshore providers of education.

Quality marks in English education

The first English quality mark, a joint venture between the Department for Education and Skills (DfES) and Recruitment and Employment Confederation (REC) for supply teachers (relief teachers), was developed in 2002. Since then, numerous agencies and sectors have come up with ‘quality marks’ to assert certain standards across elements of the education and employment sectors. The supply teacher mark remains the most developed of the various quality systems, and is examined in some depth here, in terms of its systems, changes over time and the services that are offered now.

At the end of this section is a brief overview of several other ‘marks’ now operating in English education and training.

The joint DfES/REC quality mark aims to provide standards for the recruitment, interview and performance management of supply teachers in English schools. An ancillary goal is to further change and improve practices.

The mark is aimed at two groups: employment agencies and local education authorities which “have been operationally trading for more than 12 months and provide supply teachers in England are eligible to apply”.

After two years of operation, the Quality Mark underwent significant change, moving into phase II, to meet what were described as changing legal and operational factors. This phase involved, in particular, a much higher level of external audit.

Specific changes were:

- Introduction of a re-assessment audit for QM holders who have had the award for two years.
- Introduction of an assessment audit prior to awarding applicants the QM
- Revised standard detailing an agency's/LEA's responsibility in recruiting overseas teachers and to reflect the Commonwealth Protocol Agreement
- Additional standard regarding the use of Limited Company Contractors

As the quality process has 'evolved' (to use their term) over the five year period, a number of changes have taken place. Essentially the range of services has expanded and the per capita costs, especially for additional services, has increased.

The REC has developed its own national inspection team, carrying out random inspections and ensuring compliance with standards. It has also put in place a self-audit system which is based on a self-assessment form. Each assessment is expected to last a single day. There is little information available on the scope of the assessment, except that it covers 10 key areas:

- Policy and Certification requirements
- Work Seeker Registration
- Work Seeking Services
- Work Seekers from outside the UK
- Terms of Engagement for Temporary Workers
- Payments to and From the Worker
- Initial contact with Clients
- Client Terms of Business
- Record Keeping and Data Storage
- Advertising

It is reported on the website that 89 agencies are currently participating in the scheme, with a further nine in the application process. The maximum market for this scheme is not known.

The current charges for the range of services offered by the scheme is reproduced on the next page. It is provided in full because there are two things of interest on it: the range of services offered and the charges for them. Given that it is recruitment services rather than education providers that are being audited, the charges appear high, but this may simply be a function of the UK as a higher cost country than New Zealand.

Quality Mark - 2007 Tariff

Quality Mark visits are conducted by the Recruitment and Employment Confederation (REC) on behalf of the Department for Education and Skills (DfES). While the scheme is funded by the DfES, agencies/LAs are required to contribute to the cost and these are itemised below and will remain in place for the duration of 2007.

New Quality Mark Application

Prior to awarding an agency/LA the Quality Mark they will need to undergo an audit assessment visit. Agencies/LA with more than one branch or site may require additional site visits to ensure consistency of practice throughout. We estimate one branch in five will require assessment. The cost of a Quality Mark application and audit assessment is £350 plus VAT and expenses for a one branch visit.

Re-Accreditation Visit

We need continued assurance that Quality Mark holders are maintaining the required standards and this is achieved by a 'Re-accreditation Audit'. These will take place every two years, approximately four weeks either side of the date the agency/LA was originally awarded the Quality Mark.

The cost is dependent on the number of branches or sites the agency/LA has. We operate a sliding scale and will be visiting one branch or site in five which equates to 20%. All figures below are subject to VAT and expenses.

1 Branch £350	2 Branches £600	3 Branches £850	4 Branches £1150	5 Branches £1400	6 Branches £1650	7 Branches £1900	8 Branches £2150
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Re-Audit

If during an application or a re-accreditation audit an agency/LA are found not to be fully complying with the standards, an action plan with supporting timescales will be put in place in order to help them achieve compliance. Depending on the level of non compliance a 'follow up visit' may be required. The cost of this will be £150 plus VAT and expenses.

Consultancy Service

REC offers a Quality Mark consultancy service that will equip agencies/LAs with the necessary tools and knowledge to assist with the preparation and compilation of their Quality Mark application. The cost of a one day consultancy is £750 + VAT and expenses

Working Towards the Quality Mark (WTQM) (available January 2007)

The WTQM programme is available to agencies/LAs that have been trading for less than 12 months and meet the application criteria. There are two types of consultancy for this service: -

- Full Consultancy Service – this will be for one day and will cost £750 plus VAT and expenses.
- Standard Consultancy Service – this will be for one day and will cost £550 plus VAT and expenses.

Health Check (available January 2007)

This service is designed to provide existing Quality Mark holders with either assurance that they are continuing to meet the required standards or support in ensuring this is done. It is a bespoke service that is tailored to meet agencies/LA individual needs as they continue to ensure the highest standards of practice in the operation of their businesses. The cost for a one day visit is £350 plus VAT and expenses.

Payment and Expenses

Payment is required prior to the visit taking place, with the exception of expenses that are based on actual expenditure and will be invoiced separately on the completion of the visit. The type of expenses you will be charged is listed separately. If for any reason you need to postpone a pre-arranged visit you will be liable to meet any direct costs incurred.

As noted above, there are a number of other UK initiatives that call themselves a 'quality mark'. These are listed below along with a small amount of information about each. The key characteristic that they all share is the aim of improving quality in areas of educational practice, and to highlight the need for good practice in certain areas.

Frank Buttle Trust Quality Mark is actually a Trust, launched at the House of Lords. The aim is to "recognise institutions who go that extra mile to support students who have been in public care". The mechanism is the presentation of awards to quality agencies.

BDA Quality Mark: The British Dyslexia Association has set in place a quality mark for schools. The website notes: “changing practice to accommodate dyslexic individuals often results in good practice for everyone. In the case of educational institutions, the BDA recognises that the majority of moderately dyslexic students will be taught in mainstream classrooms and by non specialist tutors. Therefore it is important that, as well as employing appropriate teaching methods, all environments are dyslexia friendly. This is what the Quality Mark strives to be”.

Another award based mark is the **British Learning Association Quality Mark**. The mark awards companies that take work-based training seriously. The website notes:

The Quality Mark has been streamlined since its inception, to make sure that the awards categories are up to date and relevant for a rapidly changing market. The BLA membership, from where a number of Quality Mark achievers have been drawn, includes agencies in FE, HE, adult community learning, local government, the *Ministry of Defence* (MOD), corporate and learning services supply.

The National Council for Work Experience (NCWE) has a Quality Mark for Work Experience, awarded in conjunction with the University Vocational Awards Council (UVAC) with development input from the pharmaceutical company GlaxoSmithKline.

HECSU has provided funding for the post of part-time Product Manager to help to develop standards for work experience and internships.

The idea behind developing the Quality Mark is to raise the importance of work experience and demonstrate how it can contribute to enhancing the employability of students. The intention is that employers who sign up to it are recognised for the quality of their work experience/ placement/internship programmes which indicates to students that it is a matter they take seriously because it is in their interests to do so (website).

Finally, with a slightly different focus, is the Newcastle Drug Education Quality Mark, developed by the Newcastle Healthy Schools Team. It is intended as an audit and planning tool for effective drug education in school. “The quality mark forms the focus of the support package offered to schools by the LEA drug education co-ordinators” (website).

The Transnational Quality Strategy (Australia)

The Australian Federal government is currently driving an inclusive strategy for providing quality assurance and support for offshore education⁶. This is defined as follows on the fact sheet:

Australian transnational education and training, also known as offshore or cross-border education and training, refers to the:

- marketing;
- enrolment processes; and
- delivery and/or assessment of programs/courses in a country other than Australia by an Australian-approved provider, where delivery includes a face-to-face component. The education and/or training activity may lead to an Australian qualification or may be a non-award course, but in either case an Australian-approved provider is associated with the education/ training activity⁷.

A working group, made up of representatives of every state and every provider type, a range of experts and others, has been set an 18 month timetable to put the strategy in place. At the time of writing this report, progress has been made on the strategy but it is not complete. The key source of information at this stage in the minutes of the working group meetings.

Key tasks listed by the working group involved in developing the quality strategy are as follows:

- Developing bi-lateral and multi-lateral relationships with other governments in relation to education and training activities;
- Developing opportunities to showcase education and training activities and promote co-operation;
- Further work on good practice elements;
- Collecting detailed data on existing arrangements;
- Undertaking quality assessment trials;
- Considering the reformulation of the draft *Code of Practice for Quality Transnational Education and Training* into a Provider's Declaration.

To all intents and purposes, the proposal emerging from the working group (which has another meeting scheduled for August 2007, so is now a bit behind schedule) is a quality mark system, benchmarked on what is to be a revamped Code of Practice, and supported by a system of quality assessment.

⁶ All information on the strategy is available on the website at: <http://aei.dest.gov.au/AEI/GovernmentActivities/QAAustralianEducationAndTrainingSystem/Default.htm>

⁷ Australian Government, Transnational Quality Strategy, 18 November 2005.

Offshore education providers will be asked to sign a declaration “of their commitment to transnational quality”, and to operate according to the Code of Practice. There will be a list of *Quality Assured providers*, which will be held by the government. Providers on the list will be subject to a quality assurance/ review process.

There are no details as yet on the quality assurance process that will be put in place. All that is known is that it is being trialled, and that the goal is to achieve the least cost way of assuring quality. While the strategy excludes international education delivered in Australia, which is covered by domestic quality assurance, it does include marketing activities and enrolment processes. This means that it would include, for example, the offshore work of agents contracted to enroll students for Australian education providers.

Various reports on progress to date are currently being prepared for this process, and more will be available once the planning phase is complete and implementation begins. The link for all information is provided in the footnotes.

Summary

An examination of international websites discussing quality marks in the education and training sectors demonstrates that there is a wide variety of models. Many are not quality marks in a concrete sense, but quality standards, often underpinned by an award or listing as a quality agency.

The supply teacher mark is the closest, in model, to the industry quality marks examined in earlier parts of this report. There are identifiable standards, voluntary participation, a professional audit and review team and clear outcomes. There is also a focus on industry improvement, which has been such an important feature of the NZ industry marks.

The Australian ‘Transnational Quality Strategy’ is also shaping up to look like a quality mark system, although it does not call itself that. This is also a broad strategy, aiming to be a wide variety of activities (most of them taking place out of Australia) under a single quality umbrella. Although the question of compulsion is not addressed in the public reports, there is a presumption that it will be a compulsory strategy, justified because of the importance of ‘getting it right’ offshore to the Australian domestically-based international market for students. The need to link quality standards with promotion, and high-level diplomatic initiative and with marketing, reflect some issues raised earlier in this report.

9. Key considerations in setting up an export education industry quality mark system

The brief for this project was the presentation of a coherent and relevant picture of how quality mark systems work in industry, in order to help the export education sector in New Zealand have an informed discussion about whether to pursue such a system in the sector. On a chapter by chapter basis the views of stakeholders and evaluators have been considered, and over four chapters quality marks in New Zealand industry have been discussed and analysed. Three areas: the development and administration of quality systems, their regulation and review, and the factors that led to their success, have been reviewed. The chapter preceding this one has taken a brief look at the development of quality mark systems in education in other countries.

This final chapter aims to put it all together: to link, in particular, the views of education sector stakeholders with those of the industry organisations running successful quality mark systems which, they say, enhance their industries.

It seems there are two main competing issues to deal with. The first is the wide acknowledgement that the export education sector is not very effective in marketing itself overseas. Many reasons were given for this by different people: that Education New Zealand was an ineffective marketing organisation; that the sector was fractious and divided and unable to present a unified face to the world; or that there are no effective mechanisms for marketing export education. There is, perhaps, a fourth: that the sector has no particular coherent view of what quality is in international education, and appears to have spent little time thinking about it or working through it.

The second is a fear that quality mark systems will be too intrusive, too important, too dominant if introduced, and yet will fail to adequately address the complexities of the education system, will fail to present an accurate picture and will be misused (rather than used) by the public. In other words, that the suggested 'cure' of a quality mark for export education may be worse than the problems it aims to resolve.

The presentation of these two elements as polar opposites is, of course, highly over-simplistic, but it is these issues that dominated the discussions with the education sector. The fact that various interviewees became heated, passionate and/or dismissive demonstrated a real strength of feeling around the issues. In essence, many stakeholders disliked the quality mark as a solution, even while acknowledging that a problem existed.

In writing this final chapter, we have remained very aware of the feelings of the sector. It is our hope that the contents of earlier chapters have provided a useful context for ongoing discussions. In this final chapter, we have linked what we have been told by the industries about quality marks into what we have been told about the export education sector. It is not our role to advise on whether a quality mark system for export education would be a good thing. Indeed, we have no particular view on that. Our role in this final chapter is simply to list and discuss those things that constitute material factors in considering whether to implement some kind of quality mark system for the export education sector.

A voluntary system?

The first thing we learned from the industry sector was that any quality rating system should be voluntary, unless there is very good reason why it should not be. This was in marked contrast to our interviews with education stakeholders, where it was generally assumed that such a system would, if introduced, be a compulsory requirement.

There was not much opportunity in this project to investigate compulsory quality mark systems. Of those that do exist, by far the most interesting is the wine industry model. After our attempts at talking with them were unfortunately unsuccessful, we got our information from the website. In that instance, the industry itself approached the government to provide legislation to ensure that only high quality wines were exported, with a focus on Europe. The government obliged with legislation, regulations and some free laboratory testing on certain wines bound solely for the European market. It is now a highly regulated area, and is presumably effective in maintaining the premium price that New Zealand wines fetch in Europe.

A number of things attract producers to voluntary systems. Chief among these are improved access to markets (the Zespri model and NZGAP) and the incorporation of numerous different regulations into a single standard, to cut down on compliance costs (Pipfruit and NZGAP). A third reason is that the quality mark may well improve the status of a course (Screenmark) or organisation (for example the 'Mad Butcher' adopting the NZ Beef and Lamb mark).

Having a voluntary scheme alters the dynamics of the quality system very greatly. From being a top-down imposition, however effective, it becomes a desired standard. The risk, for a sector like education, is that institutions will not be adequately convinced of the effectiveness of the mark. The mark, in effect, would need to be marketed to the sector.

If the aim of a quality mark is to develop the sector as a whole, there is a risk in making the system voluntary, because high participation will be needed to ensure that sectoral goals can be met. It would be worse than not having one, if New Zealand were to promote an export education quality mark in which few participated. In terms of the consultation done to date, it appears that quite a lot of work would need to be done before a voluntary system were introduced, unless it built in excellent incentives.

It is noted that the Australian Government is currently developing, through a highly consultative national working party, a compulsory quality assessment system for offshore education. This includes some elements that come within the purview of domestic institutions that provide export education, especially marketing, offshore agents and recruitment processes. This appears relevant to the issues considered in this report. There is a further matter: no doubt New Zealand is moving towards providing education offshore, too, like other countries. This is highly risky in terms of the visibility of such enterprises. How is quality to be assured?

A relevant system

Relevance is a crucial issue. Stakeholders described their concerns that a quality mark system would simply load an extra burden of compliance on to them. On the other hand, the industry representatives were clear that developing and maintaining quality systems which were relevant to producer needs was paramount.

The industry players focused on the need to provide services which facilitate the work of the sector and enhance it. There were three main aspects to this.

First, the quality system must bring together and simplify external regulatory processes in order to save individual companies time and money. The best example of that, because of the large amount of regulation that surrounds the horticulture industry, is the NZGAP system. The NZGAP manual is invaluable (we were told) in bringing together all the legislative and regulatory requirements of the horticultural industries. This means, for the producer, that if they are compliant with NZGAP, they are compliant with all other requirements. Providers can also choose to comply with the further, EUREPGAP, standard, if they wish to export their produce to European supermarkets.

Secondly, the quality mark must be perceived as providing a useful outcome in terms of marketing products. There is a need to work to ensure that the quality mark conveys the right messages

to particular markets. To this extent, the producer is reliant on the quality agency to promote its mark in the appropriate places and ways. On the other hand, the quality agency is also reliant on producers which carry the mark to enhance its value through their good practices. As noted earlier, it is particularly difficult to ascertain whether a mark itself is effective in expanding markets. But, to the extent that having the quality mark contributes to the visibility of an enterprise or sector in the international market, it has the potential to be effective.

The third area of relevance is the ability of quality mark systems to provide feedback on producer performance, annual updates on trends in the particular industry and the international market, continuing advice about services and links to other organisations. Thus the quality mark also becomes an industry development strategy. This is discussed further below.

Can one mark encompass the whole sector?

There was considerable scepticism among the education stakeholders that a single quality assurance mark could cover the full variety of educational options. Reflecting on the industry marks discussed here, however, it is not clear that education is more diverse than, say, horticulture or the range of industry sub-sectors covered by NZ Beef and Lamb, which quality marks anything from retail shops to distribution systems.

This was put into perspective by Qualmark. The Qualmark endorsement system (the benchmark system, not the star-rating) covers any kind of tourism-related service that exists, from retail stores, to transport to adventure tourism. Qualmark explained that they deal with such diversity by backing up generic quality indicators with specialised 'second tier' and even 'third tier' quality indicators, in order to ensure that each service is evaluated according to what quality means in that sector. This means that while there may be one quality mark, the criteria that has been used to benchmark a particular organisation may have been specific to that kind of organisation.

The concern that, for example, large publicly-funded institutions will always be quality-endorsed, while small private providers will always struggle, should not occur under such a system. Each organisation can be evaluated on its own terms.

In this respect, it was interesting that the Qualmark representatives argued that student feedback would or should be a very important element in determining quality in the education sector, because meeting students' education needs was what the industry was about. As Qualmark evaluates tourism services from

the perspective of the service user, they argue that a similar approach can be used for education organisations.

A graduated mark or a benchmark?

Most stakeholders thought that a star rating system would be unworkable in the education sector. A number of reasons were given, of which the following were the most important:

- The star rating would reflect the size and prestige of organisations, rather than the quality of the education;
- It is impossible to imagine that a one-star education provider could offer effective education – who would get a single star?;
- Education is too complex an activity to be summarised into a single quality rating;
- There would be significant resistance to ranking educational providers according to a star system; and
- There is a view that such a ranking could not be established fairly.

A third option to either the benchmark or the star rating was put forward by some stakeholders: a sort of ‘benchmark plus’ standard, whereby providers which displayed exceptional quality in relation to international students could get recognition for this.

Of the industries examined in this report, all, except Qualmark, used a single benchmark system. Further, it is only in the accommodation area that Qualmark uses a star rating, otherwise employing its endorsement system. The purpose of the star rating is to cater to the diverse needs of tourists for properties based on quality and price.

There appears to be no strong argument at this stage for a star-rating system for export education. While a ‘benchmark plus’ model may meet the needs of some individual institutions, there is no advantage to that model from an industry development perspective. The greater strength may lie in the use of the mark to clearly define what quality means in the sector, than in comparative weightings within it.

A consultative process

During the process of researching this report, we were able to ask industry representatives about how they would go about setting up a quality mark system in an industry like education. Naturally, their views were coloured by their own experiences. But they all emphasised that a quality mark system can only work if the sector supports it. The advice was quite strongly to put in place a voluntary system, and make it attractive so that education

providers would want to sign up to it, because its benefits would be clear to them.

In order to achieve this, the industry representatives noted that the education sector should go through a consultative process. They suggested that this current project, and in particular the report we were writing, could provide the basis for that consultation. There was a need to decide, across the sector, what kind of face New Zealand education wanted to show to the world, and then to create a quality system that served those needs.

In particular, there was the need for a careful, inclusive, impressive and informative set of universal criteria (possibly bolstered with a second tier of specialist criteria) to be developed as the indicators of quality in the sector.

Most said that they would then use the existing evaluative agencies for the quality evaluations. This may mean, in some cases, contracting the agencies to undertake additional evaluative work.

The next step would be for an independent group to receive the evaluative material and undertake the quality mark process. This would be a cross-sectoral group, called something like the 'Quality Mark for Export Education Group'. It would be important that this group was seen to be impartial and yet knowledgeable. The group would preferably be part of an umbrella industry body, so that quality systems could be linked to marketing, research and development, but might be wholly independent.

One alternative option discussed during interviews was the idea of contracting a company such as Qualmark to use their specialist and independent services to develop and run an endorsement system for the export education sector. This was seen as potentially appropriate because of the strong links between the tourism industry and education.

In short, a variety of options were suggested, all of which involved some clear consultation with the sector and a transparent process of developing and implementing appropriate quality indicators.

Several of the industries consulted engaged wholeheartedly and enthusiastically in plans to apply a quality mark to the export education sector, and believed quite strongly that the sector would benefit from it. We thank them for their enthusiastic participation in the project.

Making a difference in the sector

One strong message we got while undertaking this project was that there was no point implementing a quality mark system in education unless it was strongly linked to an industry improvement strategy. In other words, the main reason for the quality mark is not to give individual producers an award for quality, but to find and apply criteria that will improve the industry over time.

It was particularly interesting to us that this view was strongly promulgated by the industry sector but hardly mentioned by the education sector. It is fair to say that most of the stakeholders interviewed for this project did not have a strong consciousness of the need to improve the export education sector as a whole, even though there was recognition that New Zealand could do better in promoting itself overseas as an educational destination.

The concept most frequently used by the industry groups in describing the quality component of their systems was 'continuous improvement'. This is a well-known term in the education sector, but is usually applied to a programme or institution rather than to the sector as a whole. The question of 'how can a quality mark system be used to continually improve the (export education) sector' is not usually asked in education, but is to the forefront of others.

For example, the wine industry approached the government to put in place a compulsory quality certification process in relation to wine exports to Europe. The industry decided (presumably, after consultation) that it wanted only high quality New Zealand wines going to Europe. Wine companies would either have to improve their quality systems to comply, or would not be able to access that market (it is not suggested a similar procedure be put in place for export education, although it is noted that the code of practice is, in fact, the same kind of mechanism).

Research and development play an important part in some industries in improving practice and quality. A quality mark system can throw a spotlight on what future research needs are. For example, the NZ Beef and Lamb quality mark was able to focus on tenderness on the back of research that not only measured it but also explained how to produce it consistently. Most of the industries interviewed had a programme of research ongoing, usually focused on the key variables of their sector: tenderness, reducing pesticides, increasing the size of pipfruit, increasing the fruit in olive oil, improving the taste of wine and so on.

Final thoughts

This project began with thoughts about whether and how individual educational providers may, or may not, benefit from a quality mark. However, it has thrown the spotlight also onto the sector as a whole, including the lack of sectoral planning and development, the lack of a coherent and agreed positioning and the very individualised focus of many institutions.

Many education stakeholders asked what the benefit would be to them of a quality mark system. The answer is, on one level, simple: a clear set of criteria to which an institution could benchmark their practice and, preferably, improve it.

But the answer is also more complex: a focused programme on quality which aims to improve the industry as a whole and maximise market share, which is highly strategic and developmental and underpinned by research.

Although this was beyond our brief, we did find that there is little strategic industry resource going into the export education sector at present. There is possibly the scope for funding from a range of government sources, either research or development-based.

A quality mark system may or may not be the chosen path to such development. It is not always clear – although sometimes it is – that the quality mark as an industry strategy has helped build the various industries that have it. But an inclusive process to investigate the options seems a reasonable move at this stage.

Finally, there are new challenges to be faced, such as offshore education, trans-national educational partnerships and similar opportunities. How the sector is going to ensure quality as it diversifies is a key question for the future.

Appendices: surveys used in this research



FOUNDATION RESEARCH ON EXPORT EDUCATION
OFFICIAL MARK OF QUALITY
Stakeholder questionnaire

Do significant differences in quality exist between education providers in New Zealand, in relation to provision for international students?

What kind of factors affect quality of educational services for international students?

Currently, how do good or excellent service providers differentiate themselves from average or poor providers in terms of international marketing or perception?

Is there a need for a more formal system of differentiation? (if so, where does the need arise).

Some providers have raised concerns that the poor performance of a small number of operators in New Zealand can be seen to affect the status of all. Is this an issue for you/ in your experience/ in your industry?

Some providers have expressed anxiety over the extent to which the industry is failing to present a consistent quality-oriented image to the international market. Do you think this is a real issue and, if so, why?

Is there a need to consider some kind of official quality rating system for the export education industry in New Zealand?

Is the Code of Practice for the Pastoral Care of International Students able to be used as a marketing device? Please explain any strengths or shortcomings in such a use.

If consideration were to be given to an official mark of quality, what do you think it might look like? (single stamp v graduated rating etc).

If a quality mark system were brought in, who would run it? (independent or linked to existing agency etc).

How would it be funded?

How would it link to existing quality assessment agencies, if at all?



FOUNDATION RESEARCH ON EXPORT EDUCATION
OFFICIAL MARK OF QUALITY

**Additional questions on quality systems in
education (open-ended) for agencies involved in
the evaluation of educational quality**

As an evaluator in the [school, IPT, PTE, University] sector, what are the current outputs and outcomes of each evaluation you undertake?

Is your evaluation summative, formative or both (explain terms if necessary)?

Would it be possible for your evaluation system to provide information that could be used for a mark of quality system for international education in either a 'standard/ not standard' or ranking system?

What would be any barriers to such a move?

Do you think a rating system for export education is possible?

Do you think the industry could set up and fund an independent rating agency, such as New Zealand Beef and Lamb, or the Qualmark accommodation system?

What would be the barriers to such a move, assuming it was supported by the industry?

From your experience, what would such a move entail?

What implications would such a system have (a) for international students and (b) for domestic students, if any?

Are there any ways the outcomes of your own evaluation processes could be used more effectively to inform the international market about the quality of individual education institutions in New Zealand? (prompt any other ways...).



FOUNDATION RESEARCH ON EXPORT EDUCATION
OFFICIAL MARK OF QUALITY
Industry questionnaire

We are interested in quality rating systems used in various industries. Could you please begin by describing any quality systems used in this industry?

How did these quality systems (if several, deal with each in turn) develop within your industry?

How did your industry decide on a specific model of rating system (e.g. benchmark v graduated rating, etc). Has the decision ever been reviewed? Is the industry happy with it as it stands?

Who administers the system (separate or independent agency, or industry umbrella body, or other)? How many staff are involved? Please describe the functions of the staff.

In general terms, how much does it cost to run the quality system? How is it funded?

How does an organisation gain a quality rating in your industry? Please take me through the process (also ask for copies of documents and gain permission to reproduce if required).

What are the criteria taken into account in awarding a quality mark?

What review processes are in place to award the rating... and then to ensure that the particular standard is maintained? (how often is an organisation reviewed, self review etc).

Do you offer advice and support to organisations to meet rating standards and, if your system is graduated, to improve their ratings? More generally, do you think the standards have improved overall quality in the industry?

What is the coverage within the industry?

Do you think the public, and in particular customers of this industry, understand the nature and significance of the quality rating system?

Who is it targeted at – domestic or international customers?

Has the mark been useful in developing or maintaining the reputation of this industry?

How do you know if/whether the quality system is effective in maintaining and enhancing the reputation of the industry?

Finally, do you have any advice or views for the export education industry, if it is considering putting a quality rating system in place?

Appendix: Example of certification



CERTIFICATE OF ACCREDITATION

This is to certify that

[Redacted]

Has passed the assessment requirements of New Zealand GAP and is accredited as a:

approved Grower
approved Packer
Transport Operator
Input Supplier
Wholesaler / Broker

To supply markets which accept:

approved New Zealand accreditation
Global Food Safety Initiative accreditation (www.ciesnet.com)
approved EUREPGAP Equivalent accreditation (www.eurepgap.org)

New Zealand GAP Signatory: 

Manual Number: [Redacted]

Date of issue: 21-12-2006

This certificate is valid to 21-12-2007 unless otherwise stated on www.newzealandgap.co.nz



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