



18 July 2020

Ministry of Education  
PO Box 1666  
Wellington 6140

Via email: [Ras.Review@education.govt.nz](mailto:Ras.Review@education.govt.nz)

Dear Sir or Madam,

### Feedback on the NCEA Level 1 Provisional Subject List

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide feedback to the Ministry of Education on the NCEA level 1 provisional subject list. Appendix A provides our detailed submission and Appendix B provides more information about CA ANZ.

#### Key points

- We support the idea of a broad-based foundational curriculum for NCEA level 1.
- We believe that the merger of Accounting, Economics and Business Studies into a single NCEA level 1 subject presents opportunities for students to obtain an integrated and multifaceted view of business.
- The Ministry has signalled that the combined subject is likely to have very little accounting content. We disagree with this approach and find the Ministry's rationale unclear and unconvincing.
- Accounting remains a popular subject choice for NCEA level 1 students. The gradual decline of enrolments over time does not signal the need to remove all Accounting content from NCEA level 1, rather an opportunity to refresh the syllabus.
- Accounting education provides students with fundamental life skills including financial literacy.
- CA ANZ is a TEQSA<sup>1</sup> accredited body, with expertise in accounting, business and education. We are happy to provide support to the relevant subject expert group as they embark upon the review of the level 1 Commerce achievement standards.

Should you have queries concerning the matters discussed above, please contact Charlotte Evett via email at [charlotte.evett@charteredaccountantsanz.com](mailto:charlotte.evett@charteredaccountantsanz.com) or phone on +64 4 910 1130.

Yours sincerely

**Peter Vial FCA**

Group Executive New Zealand & the Pacific  
Chartered Accountants Australia and  
New Zealand

**Charlotte Evett CA**

New Zealand Government Relations Leader  
Chartered Accountants Australia and New  
Zealand

<sup>1</sup> The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent national quality assurance and regulatory agency for higher education

## Detailed submission

Our comments relate solely to the the Ministry's proposed subjects for NCEA Level 1, specifically the proposal to merge current subjects Accounting, Economics and Business Studies into a single subject provisionally named Commerce.

We agree that a broad-based foundational curriculum for NCEA level 1 is desirable. It is logical and reasonable to consolidate closely related NCEA level 1 subjects, thus ensuring that students are exposed to a relatively broader range of subjects prior to greater specialisation at NCEA levels 2 and 3.

In particular, the combination of Accounting, Economics and Business Studies as a single NCEA level 1 subject presents opportunities for students to obtain an integrated and multifaceted view of business. This will enable them to determine whether they are interested in pursuing further study in any or all of the subject areas in NCEA level 2 and beyond. We encourage the Ministry to take this opportunity to further engage students by refreshing the content of the merged subject via the combined use of authentic business data and technology to bring basic accounting, economic and business concepts to life.

But for students to benefit from the combination of multiple subjects into a single broader subject, the merged subject should incorporate key ideas from *each* of the contributing subjects. We would therefore expect Commerce to expose students to basic accounting principles and concepts, basic financial statements, and basic analysis and interpretation of financial information *in addition to* similar key concepts from the current NCEA level 1 Economics and Business Studies syllabus. However, a footnote to the provisional subject list states that "*Commerce is likely to have very little Accounting content due to the practical constraints of the subject and the ability to access the subject directly at Level 2 in most settings*".

We question how students will benefit from a broad-based foundational curriculum when the curriculum base is narrowed by deleting subjects as opposed to broadened by combining them. It is also unclear what the practical constraints of accounting are that prevent it from being included in the merged Commerce syllabus.

Further, there is a very low likelihood that students not engaged in a subject at NCEA level 1 will go on to engage in that subject during NCEA level 2. This calls into question the justification provided for the absence of accounting content in NCEA level 1, being that it is included as a subject in NCEA level 2.

We suggest that starting accounting education at NCEA level 1 not only builds a base for further study in accounting in NCEA 2 and 3, but more importantly exposes students to concepts central to basic financial literacy. Being able to read, navigate and analyse a set of basic financial statements, familiarity with accounting concepts such as profit, loss, capital, cashflow, PAYE, GST, and the definition of an asset and a liability form the building blocks of an education in accounting, but more importantly are the building blocks of basic financial literacy which are vital to students as members of society and consumers of financial services.

Whilst we acknowledge a gradual decline in NCEA level 1 Accounting enrolments over the past five years, a high level of demand for NCEA level 1 Accounting remains with almost 10% of NCEA level 1 students (4,757 students) enrolled in 14 or more Accounting credits in 2018. Also, the gradual decline in enrolments over time is not unique to accounting. In fact, a similar decline has been experienced in French, History, and Economics. As opposed to a lack of interest in these subjects (which has been used as justification for the removal of Accounting as a NCEA level 1 subject), we suggest the gradual decline in NCEA level 1 enrolments most likely results from a limit on the number of courses students can select (usually 3 optional courses for NCEA level 1) combined with the introduction of a range of 'modern' subjects such as digital technologies, psychology and media studies.

We see a true merger of the current subjects, Accounting, Business Studies and Economics into a single offering as an exciting opportunity to removed outdated material and to refresh the syllabus. The new subject, Commerce, should be both relevant and engaging and informative to students.

CA ANZ has extensive experience in Tertiary level accounting and business education. We are accredited by TEQSA<sup>2</sup> to award the Graduate Diploma of Chartered Accounting (GradDipCA) postgraduate qualification level 8 under the Australian Qualification Framework (AQF). We are happy to provide support to the Ministry as the new subject, Commerce, is developed and are very interested in engaging with the relevant subject expert group as they embark upon the review of the level 1 Commerce achievement standards.

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<sup>2</sup> The Tertiary Education Quality and Standards Agency (**TEQSA**) is Australia's independent national quality assurance and regulatory agency for higher education

# Appendix B

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 125,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation professional accountants across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.