

AUSTRALIAN UNIVERSITIES QUALITY AGENCY

Report of an Audit of the
Australian Capital Territory
Accreditation and Registration Council

March 2004

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Level 10, 123 Lonsdale Street
Melbourne, VIC 3000
Ph 03 9639 1100
Fax 03 9639 7177

admin@auqa.edu.au

www.auqa.edu.au

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GLOSSARY

Accreditation	‘A quality assurance process that provides certification that the standards of a course are appropriate to the award to which it leads and that the course and methods adopted in delivering it are likely to achieve the purpose of the course.’ (Source: ACTARC - Higher Education Guidelines, p4)
ACT	Australian Capital Territory
ACTARC.....	ACT Accreditation and Registration Council (ARC)
ADF	Australian Defence Forces
Approval Processes	The combined processes for HE provider registration and course accreditation
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework (VET Standards for RTOs and State and Territory Registering/Course Accrediting Bodies)
ARC.....	Accreditation and Registration Council
AUQA	Australian Universities Quality Agency
CAP(s).....	Course Assessment Panel(s)
CCC(s).....	Curriculum Consultative Committee(s)
CIT	Canberra Institute of Technology
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
DEST	(Commonwealth) Department of Education, Science and Training
DEYFS	(ACT) Department of Education, Youth and Family Services
<u>ESOS Act</u>	Educational Services for Overseas Students Act 2000
HE.....	Higher Education
HEC	Higher Education Committee
HERO(s).....	Higher Education Recognition Officer(s)
MCEETYA.....	Ministerial Council for Employment, Education, Training and Youth Affairs
NSAI(s)	Non Self-Accrediting Institution(s) (largely non-university HE providers)
Overseas Student	‘A person (whether within or outside Australia) who holds a student visa, other than one exempted by the ESOS Regulations 2001. Students on other classes of visa are not included’. (Source: National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students, Commonwealth of Australia, 2001)
Providers.....	Persons or organisations that provide HE courses to students
QA	Quality Assurance (arrangements to ensure achievement of quality objectives)
QMS	Quality Management System (definition is given in Section 3)
Registration	‘A separate process to the application for accreditation of a higher education course and requires the completion of a separate application.’ (Source: ACTARC - Higher Education Guidelines, p13).
RTO(s).....	Registered Training Organisation(s) (VET)
SAI(s)	Self-Accrediting Institution(s) (normally a university)
TAE	Training and Adult Education (a section within DEYFS)
<u>TAR Act</u>	Tertiary Accreditation and Registration Act 2003 (ACT)
<u>VET Act</u>	Vocational Education and Training Act 1995 (ACT)
VET	Vocational Education and Training

OVERVIEW OF THE AUDIT

Background

This is a Report of an audit by the Australian Universities Quality Agency (AUQA) of the quality assurance systems in place within the Australian Capital Territory (ACT) with respect to its higher education (HE) registration and accreditation responsibilities. Responsibilities for HE provider registration and program accreditation are shared by a number of entities within the governmental structure, most notably the Training and Adult Education (TAE) section in the Department of Education, Youth and Family Services (DEYFS), the Accreditation and Registration Council (ARC), and the Higher Education Committee (HEC) of the Council. For the sake of convenience, and except where referred to separately and specifically, these are collectively described in this Report as the ACT Accreditation and Registration Council (ACTARC). A brief description of the ACTARC can be found in Appendix A.

AUQA has been established to carry out audits of the Australian universities and other self-accrediting institutions and the state and territory HE accreditation agencies. AUQA's terms of reference ('objectives') are listed in Appendix B. AUQA is carrying out the first cycle of audits over the period 2002 to 2006, auditing about 10 organisations each year. In February 2003, AUQA appointed an Audit Panel, the membership of which is listed in Appendix C, to carry out this audit of ACTARC. In addition to the Audit Panel members, there was an observer from the Higher Education Quality Council of the Republic of South Africa.

As the Audit Panel were aware, this audit took place during a period of transition for ACTARC, the Secretariat staff, and their clients, from governance being under the Vocational Education, and Training Act 1995 (VET Act) to the Tertiary Accreditation and Registration Act 2003 (TAR Act). There was some concern that conclusions and recommendations pertaining to the governance arrangements may have been superseded by the time of the publication of this Report. However, the Audit Panel was advised by ACTARC that as the Council had been pro-active in anticipating the legislation, little change was expected to the core business processes being subject to audit. Therefore, it is expected that most of this Report will be equally valid after the introduction of TAR Act (2003) as at the time of the audit.

The Audit Process

AUQA bases its audits on each organisation's own stated objectives, together with the relevant regulatory instruments (see Section 1 in the body of the Report). In the case of State and Territory HE regulatory agencies, the most important of these is the National Protocols for Higher Education Approval Processes (DETYA, October 2000 - see Appendix D). In this case, the objectives were interpreted as including the ACTARC's Terms of Reference as set out in the TAR Act, and the planning goals set out in The ACTARC Directions for 2003-2005 (see Appendix A for details of both). The major aim of the audit is to consider and review the procedures that the auditee has in place to monitor and achieve its objectives and implement the Protocols. Full details of the AUQA audit process are available in the AUQA Audit Manual, which is available at <http://www.auqa.edu.au>.

ACTARC submitted an evaluation of its performance (herein called the portfolio – quotations from the portfolio appear with the source page number and are identified as 'PFp') to AUQA prior to the due date of 29 August, 2003. The Audit Panel met on 10 September to consider the portfolio. The Audit Panel Chairperson and the AUQA Audit Director undertook a preparatory visit to ACTARC on 23 October, 2003. Prior to and during that visit, clarification of a number of items was effected, additional information was sought and in excess of 75 documents were obtained, and arrangements for the audit visit were reviewed.

The Audit Panel then undertook three confidential surveys. The first was of HE providers subject to the ACTARC processes. Two responses were received from the eight providers surveyed (a 25 % response rate). The second survey was of Course Assessment Panel (CAP) members. 14 responses were received from an invitation list of 52, comprising a sample of all CAPs convened since 2000 (a 27% response rate, although three were returned as wrong addresses, in effect meaning a 29% response rate). A third survey was sent to self-accrediting and non self-accrediting institutions subject to CRICOS registration in the ACT. Ten responses were received from an invitation list of 24 giving a 42% response rate. The results of these surveys were used as additional contributing information to the Audit Panel's overall deliberations, along with the submitted materials and audit interviews.

In terms of number of courses and delivery sites involved, the Australian Defence Forces (ADF) is the major client group of ACTARC. Due to logistical difficulties in arranging sessions for all three arms of the ADF, the three Victorian members of the Audit Panel and the Observer visited the Williams RAAF Base at Laverton in Victoria on 7 November 2003. The main audit visit to Canberra took place over 12 & 13 November. The Audit Panel spoke with approximately 55 people during the audit visits, including an education advisor for the ACT Minister of Education, senior management, management and staff employed by DEFYS and ACTARC, the Chairperson and members of the ARC who also serve on the HEC, chairpersons and members of Course Assessment Panels (CAPs), and representatives of HE providers, some serving on Course Consultative Committees (CCCs) and other HE stakeholders, a freelance consultant within the ACT, and HEROs and officers from agencies in other jurisdictions. An additional session was set aside to allow any stakeholder or agent of ACTARC to meet with the Audit Panel, but no one took this opportunity.

Three pieces of information provided after the audit visit were taken into consideration for the purposes of this audit report. Two documents were submitted by ACTARC: Confirmed ACTARC Defence Audit Program for 2003/04; and, Department of Defence - QETO Audit Activity 2000-2003. These documents were deemed admissible as referring (primarily) to activity planned prior to the audit visit. AUQA also sought information on issues raised during the course of the audit, and on which the Audit Panel requested further information as a result of the audit visit, including a legal opinion (See sections 5.3 & 5.5).

This Report records the conclusions reached by the Audit Panel based on the documentation provided by ACTARC as well as information gained through the surveys, interviews, discussions and observations. While every attempt has been made to reach a comprehensive understanding of ACTARC's activities encompassed by the audit, the Report should not be relied upon to identify every instance of quality assurance procedures and their effectiveness or shortcomings.

The Report contains a summary of findings together with lists of commendations and recommendations. These suggest possible improvements and in some cases endorse actions already being undertaken. It is acknowledged that recommendations in AUQA audit reports may have resource implications, and that this may pose difficulties for auditees. Accordingly, AUQA does not prioritise these recommendations, and recognises that in this case it is ACTARC's responsibility to respond in a manner consistent with the local context.

The content of this Report is not structured according to the National Protocols, but by the core 'approvals' processes and ACTARC's own Terms of Reference. Given that the accreditation, registration, and endorsement processes span several of the Protocols, they are reported on generically in Sections 1 to 4, followed in Section 5 by a comment on ACTARC's quality assurance arrangements for each Protocol not covered in the body of the Report. It is important to note that the commentary on the National Protocols in Section 5 includes some observations on issues that go beyond the jurisdiction of the ACT.

The Report was approved for release by the AUQA Board on 26 March 2004.

CONCLUSIONS

This section summarises the main findings and lists the commendations and recommendations. It should be noted that other favourable comments and suggestions for improvement are mentioned throughout the text of the Report.

Summary of Findings

The findings of this audit in relation to the ACT Accreditation and Registration Council (ACTARC) need to be considered in the context of the ACT regulatory and operational framework, and readers are reminded that at the time of the audit, that context was in a transitional state due to the introduction of new legislation and new systems. The discontinuities to which this gave rise made the audit process a particularly complex one for both the Agency and the Audit Panel, as it was difficult to achieve clarity about a number of yet-to-be-resolved issues. And because of the complexities, some of the issues are necessarily raised at a high level in an early section of the Report, and this then requires cross-referencing to observations and findings made in a later section of the Report.

The salient features of the regulatory and operational framework for the approval of Non Self-Accrediting (higher education) Institutions (NSAIs) in the ACT are set out in Section 1. On balance the Audit Panel believes that the initiatives taken in the ACT now provide a good foundation for the NSAI approval processes, but that there is a need for further work to be done.

A number of the recommendations in this Report revolve about the possible deleterious effects of ‘system blurring’, whereby practices that were originally developed for accreditation and registration approval processes in Vocational Education and Training (VET) have been adopted or adapted for use in higher education (HE). These concerns should not be construed as a negative reflection on the Agency for attempting to gain ‘constructive synergies’ from its involvement in both VET and HE per se. However, noting that there are only two HE-only NSAIs registered within the ACT, it appeared to the Audit Panel that some practices have been adopted more for the convenience of some of the ‘dual sector-providers’ who are approved to operate in the ACT across both the VET and HE sectors, rather than because the practices in question are deemed to be appropriate for HE quality assurance application in their own right.

The most obvious example of ‘system blurring’ would be the adaptation by ACTARC of the AQTF Standards for Registered Training Organisations to provide the ACT Standards for Non Self-Accrediting HE Provider registration, but there are a number of other less tangible examples where the Agency’s familiarity with processes developed for VET application, affects the way that things are done in HE, such as the way in which Course Consultative Committees and Course Assessment Panels operate in the two sectors, or the role of compliance audits for RTO registration, compared to site-visits for HE course accreditation. The Audit Panel would like to see more attention being paid by ACTARC to develop more distinctively higher education QA practices, to ensure that NSAIs in the ACT can achieve ‘at a standard similar to those of a university in Australia’ (PFp15).

However, there are a number of commendations to ACTARC for some of the innovative approaches that it has developed in the ACT, and for changes that it has introduced that are acknowledged to be improvements. There are also commendations that recognise the valuable contribution of the leadership and staff of the Agency in bringing these improvements about.

There are also some recommendations that relate to HE quality assurance practices that appear to have developed because of the close relationship that the Agency has had over time with its two main VET clients – the Australian Defence Forces and the Canberra Institute of Technology, and there are also recommendations and observations that relate to the National Protocols because they raise matters of an extra-jurisdictional nature.

Summary lists of commendations and recommendations are provided below. They are listed in the order in which they appear in the Report and are not prioritised by the Audit Panel.

During the audit, but independently of it, the AUQA Board approved a policy whereby those recommendations that relate to matters identified and prioritised for attention by the auditee would be classified as ‘Affirmations’ rather than ‘Recommendations’. The policy will not come into effect until the first audit beginning after the policy was approved, as it requires a change to the audit method that affects the entire audit process. However, had the policy been in place prior to the start of this audit, there are some recommendations below that may well have been classified instead as affirmations in recognition of ACTARC’s own process of self-evaluation and improvement.

Commendations

1. AUQA commends ACTARC for being pro-active in the development of new legislation and in recognising the deficiencies in the quality assurance regime for HE approvals that could be taken from the VET Act (1995); and, for adapting and adopting new quality systems and processes that begin to address these deficiencies..... 13
2. AUQA commends ACTARC for the initiative of reducing bureaucracy by seeking to adapt the AQTF Standards for Registered Training Organisations for use with dual sector providers. 17
3. AUQA commends ACTARC for the initiative shown in introducing a two- stage accreditation application process in the ACT, in a desire to minimise wasted effort and rework. 20
4. AUQA commends ACTARC for initiating the design and development of the Quality Management System for core business processes in both sectors of tertiary education and training in the ACT. 29
5. AUQA commends ACTARC for introducing Mid-term Reviews. 30
6. AUQA commends ACTARC for introducing an Annual Forum for Higher Education Providers in the ACT, which is proving to be a useful network for exchanging information and ideas between ARC and its clients, and for involving providers in both the SAI and NSAI categories. 31
7. AUQA commends ACTARC for developing approval processes which its customers consider add value to their operations..... 31
8. AUQA commends the staff of the ACTARC Secretariat for the professional and customer focused approach to their work. 32
9. AUQA commends the Chair of Council for the leadership demonstrated in the development of policies, systems, and processes for the quality assurance and improvement of higher education provision by NSAI in the ACT. 33

Recommendations

1. That ACTARC take steps to strengthen its planning with respect to HE by aligning the objectives of the Draft Council Directions for 2003-05 with the 'Quality Objectives' for higher education listed in Section 4 of the AUQA Performance Portfolio; and approving the outcome as a statement of objectives for higher education..... 13
2. That ACTARC review the new ACT Standards for Non Self-Accrediting Higher Education Providers by conducting a pilot study using the re-registration of existing registered HE-only providers; and that ACTARC receive feedback on the effectiveness and usefulness of the Standards for HE use, prior to implementing them, *ab initio*..... 17
3. That ACTARC liaise directly with the Department of Education and Training in NSW, in order to clarify and resolve the registration and accreditation status of the Canberra College of Theology for operating within the ACT..... 18
4. That ACTARC disaggregate the CRICOS endorsement process for HE providers completely from the process for RTO registration in VET. 19
5. That ACTARC review the use of terminology in the higher education accreditation application process, and to ensure consistent use across all forms of documentation. 20
6. That ACTARC review the current approach to the briefing, induction, and training of CAP Chairs and panel members; and that the briefing/training incorporate any changes to the approval procedures resulting from actions implemented in response to the recommendations of this Audit Report. 21
7. That ACTARC ensure that site visits are carried out as a compulsory requirement of the HE course accreditation/re-accreditation process in the ACT, separate from site visits associated with RTO approval processes..... 22
8. That to avoid the possibility or perception of a conflict of interest, ACTARC avoid contracting any third party to act on the Agency's behalf in a HE approval process, if that same party has been contracted separately by the applicant to act for it as a 'proponent representative', or in similar capacity, in the same (or an inter-related) HE approval process. 23
9. That, in line with the National Protocol 3 criteria that a course should be comparable in requirements and learning outcomes to a course at the same level in a similar field at Australian universities, ACTARC recruit additional suitably-credentialed university-based academic discipline and subject experts to serve on CAPs, especially more widely from universities located outside of the ACT..... 25
10. That ACTARC include an approved statement of objectives for higher education in the QMS documentation. 28
11. That ACTARC review the higher education quality assurance processes covered by the Quality Management System against its own goals and objectives; take into account the recommendations and observations made by AUQA in this audit Report; and the QMS documentation be revised, as appropriate..... 29
12. That, following evaluation of the trial processes, ACTARC consolidate the two sets of guidelines into a single, consistent Mid-term Review process. 30
13. That ACTARC bring forward plans to protect the Agency's corporate knowledge, by adopting a comprehensive approach to succession planning, and by providing tailored

- training and development opportunities for individuals in its governance structures who demonstrate the potential for handling more senior responsibilities.33
14. That the ACTARC review the efficacy of its overall records management for HE applications, with a view to reducing risks to the integrity of the data, seeking efficiencies, and ensuring that complete and accurate records of all statutory processes are maintained.34
15. That ACTARC review its current procedures for the communication of all policy and procedural changes to all stakeholders, with a view to improving the quality of communication, both in terms of timeliness and clarity.34
16. That, as foreshadowed, ACTARC develop, seek approval for and, as required, implement regulations for the appointment of people with appropriate university credentials and experience on any advisory panel set up to consider an application to establish a university in the ACT under National Protocol 1; and liaise with other jurisdictions to develop more detailed guidelines, and so promote national consistency in university approvals.35
17. That, as foreshadowed, ACTARC develop, seek approval for and, as required, implement regulations for the appointment of people with appropriate university credentials and experience on any advisory panel set up to consider an application to establish a foreign university to operate in the ACT, under National Protocols 2; and liaise with other jurisdictions to develop more detailed guidelines, and so promote greater national consistency in the approval of foreign universities.36
18. That the ACTARC consult with the appropriate ‘responsible authorities’, including the Commonwealth, and any other state or territory authorities, that they may collectively resolve questions of extra-jurisdictional responsibility for the proper regulation of HE provision by the Australian Defence Forces under National Protocol 3.37
19. That, as foreshadowed, ACTARC consult with the Office of the ACT Minister for Education, Family, and Youth Affairs, in order to confirm the need for, and the nature of regulations for the implementation of National Protocol 4 in the ACT.38
20. That, in order to ensure that there is clearly stated delegation of jurisdictional authority, for the endorsement of HE courses for overseas students, ACTARC reference the Commonwealth ESOS Act (2000) and CRICOS in the ACT TAR Act (2003) Regulations.38

1 ACTARC AND THE ACT REGULATORY & OPERATIONAL CONTEXT

The purpose of this Section of the Report is to provide readers with an outline of the regulatory context within which the work of the Agency has been considered. As noted above, at the time of the audit, that context was in a transitional state due to the introduction of new legislation. The discontinuities to which this gave rise made the audit process a particularly complex one for both the Agency and the Audit Panel, as it was difficult to achieve clarity about a number of yet-to-be-resolved issues. Some of these issues are raised here and are cross-referenced to later sections.

1.1 *Scope of the ACT Regulatory & Operational Context*

The Australian Capital Territory (ACT) is a self-governing territory of the Commonwealth of Australia under the Crown. The responsible authority in the ACT for both Vocational Education and Training (VET) and higher education (HE) approval processes (i.e. Registration of Providers, including endorsement for CRICOS Registration, and Accreditation of Courses) for Non Self-Accrediting Institutions (NSAIs), is the ACT Accreditation and Registration Council (herein called ACTARC). With respect to the AUQA audit of the quality assurance arrangements that the ACT currently has in place for HE, there are a number of legislative and regulatory codes and a formal governance structure within which ACTARC works. Therefore, the audit was approached from within the current governing regulatory framework in the ACT, which comprises the:

- Tertiary Accreditation and Registration Act (2003) (see section 1.2 below);
- The ACTARC and subsidiary governance bodies established by that Act (see section 1.2.1);
- Australian Quality Training Framework (and derived standards for HE – see section 1.3 below);
- National Protocols for Higher Education Approval Processes (see section 1.4 below, Section 5 following, and Appendix D);
- National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students and the corresponding Education Services for Overseas Students Act 2000 (see section 1.5 below); and the
- Draft Council Directions for 2003-05 (see section 1.6 below).

1.2 *Legislative Framework and Governance under the TAR Act 2003*

The 1995 Vocational Education and Training Act (VETA (1995) - henceforth in this Report called the VET Act (1995)), as notified in 1996 did cover HE approvals, but amendments were enacted in 2000 to strengthen Council's powers to approve courses and providers in the HE sector. At the time of the audit visit, the legislative framework for HE approvals was that set out in the Tertiary Accreditation and Registration Act (2003) – henceforth called the TAR Act (2003).

The TAR Act (2003) now covers both VET and HE within the ACT and formally establishes an Accreditation and Registration Council with the authority to accredit HE programs and to register providers of HE within the ACT, subject always to ministerial direction. The Act also stipulates the delegations by Council of the exercise of its functions, to: (a) a council member; or (b) a committee of the council; or (c) a council staff member; or (d) a person or committee under the regulations. The new legislation also formally establishes the Minister as the responsible authority for approvals under National Protocols 1 & 2, which were previously handled administratively. The full Terms of Reference of the ACTARC provided by the new legislation is at Appendix A.

Because the TAR legislation was passed in the ACT only days before the audit visit, a number of the supporting regulations were still in the process of being drafted and several of its key provisions had yet to be implemented. Despite this, the Audit Panel was encouraged to audit the processes described in the Portfolio against the new legislation, because the Panel was advised by ACTARC that: ‘as the Council has been implementing policy and procedure consistent with the National Protocols for the last three years the introduction of this Act will not significantly change the business of Council or its requirements of non self-accrediting institutions already registered with Council’ (PFp8). Little change was therefore expected to the Agency’s core processes that were subject to the AUQA audit.

However, it should be noted that at the time of the audit visit, no provider had yet been audited against the new standards for HE provider registration in the ACT (see 1.3.2 below), no Ministerial Advisory Committee had yet been convened under National Protocol 1 or 2, the preparation and approval of the regulations for Protocols 1 & 2 had not yet taken place, and it was not clear what was to be done in relation to National Protocol 4.

The Audit Panel also noted that the TAR Act (2003) was completely silent in relation to Protocol 5, and comment is made on this in section 5.5 below. Thus, although the panel accepted the request that the audit be conducted from the perspective of the new legislation, it found a number of instances in which to do so was somewhat premature with respect to the evidence before it, and therefore confusing.

In the Forward of the portfolio it is stated that ‘for its size, the ACT is a major provider of higher education’ (PFp4). However, during the audit ACTARC’s involvement in HE was described to the Audit Panel as being fairly modest in scale compared with its regulatory activity in the VET sector, and consequently, its policies and processes for HE were less extensive and less fully developed than those for VET.

1.2.1 Governance arrangements

Under the TAR Act (2003) governance is provided by:

- The Accreditation and Registration Council (VET & HE); and
- The Higher Education Committee (HEC - higher education only).

The work of these bodies is supported by the ACTARC Secretariat, and TAE, which are also responsible for administration of both VET and HE approvals.

Under the TAR Act (2003) the composition of the Council now includes university representatives, but membership is still strongly skewed towards VET because of the balance of applications made in the two constituencies, with six of the eight ACT providers on the ACT Higher Education Register being also VET providers. The Audit Panel noted the lack of a requirement for HE representatives to be present for the Council to be able to do business, and considered that this could be problematic if decisions about HE matters were taken in the absence of members with appropriate expertise.

On matters pertaining to higher education, Council takes advice from the HEC. The Committee comprises the HE representatives appointed to serve on Council: one from the University of NSW at the Australian Defence Force Academy, and one from the University of Canberra; as well as representatives selected for their professional expertise from the two largest non-university providers in the ACT – namely the Department of Defence (DoD) and Canberra Institute of Technology (CIT). HEC is currently chaired by the chairperson of ARC, and it is serviced by the ACTARC Secretariat. HEC meets as necessary, which the Audit Panel learned may mean up to four times per year.

In the portfolio it was claimed that because of the: 'joint provider status of some providers and dual responsibilities of Council for HE and VET accreditation and recognition' both Council and the Secretariat benefit from 'various constructive synergies in (VET & HE) accreditation processes' (PFp24). The Audit Panel had the opportunity to verify the existence of such synergies in the ACTARCs operating processes and procedures as these were applied to joint providers to both sectors. The Audit Panel sees ACTARC's responsibilities for both VET and HE as being paradoxically a source of strength and a source for some concerns. The concerns are expressed in various recommendations and observations in the sections that follow, and the strength is mentioned in various commendations.

Because of the broad powers to delegate and the overlap of Council/HEC membership, and the direct participation of client representatives in the decision making processes, the Audit Panel had some concerns with respect to possible conflicts of interest, and noted that all Council members are required to declare potential or real conflicts of interest in advance, and leave Council/HEC discussions when necessary. The Audit Panel found this to be an appropriate safeguard at the governance level, but identified some potential conflict of interest concerns at the operational level that need to be addressed. These concerns are addressed in Sections 2 and 3.

The Audit Panel examined documentation relating to the operation of the Council and HEC, and in particular, agenda papers and minutes. It was surprised to find the latter to be quite sketchy and drew the conclusion from them that the ARC and HEC operated somewhat informally, with for example, no mandated frequency of meetings (though it is noted that the full ARC has never met less than four times per year) key decisions often made by circulation; and a lack of clarity about delegations. It was not always clear to the panel if decisions on recommendations were recorded as being 'noted' as an information item, rather than 'approved' or 'agreed'. Given that Council is the 'responsible authority' in the ACT and has the actual statutory authority to register providers and accredit courses, a more formal and complete record of its deliberations and decisions would seem appropriate and reflective of good management practices.

Despite some specific reservations developed in the body of this Report, the Audit Panel believes that the HEC is an appropriate body for providing authoritative process and policy advice on HE accreditation matters to the statutory authority. However, the Audit Panel supports an increased higher education membership for HEC, and observes that the current arrangement for the scheduling of HEC and Council meetings may contribute to delays in processing applications, if only because of the two-stage application process adopted. Further comment on the effectiveness of these processes follows at Section 2 below.

1.3 *Quality Frameworks for HE and VET*

The regulatory framework for the approval of VET activity is the national Australian Quality Training Framework (AQTF). Two sets of AQTF Standards apply to ACTARC's role in VET: Standards for Registered Training Organisations (RTOs) – these being national standards that RTOs must satisfy to gain approval for registration by the ARC; and, Standards for State and Territory Registering/Course Accrediting Bodies – these being national standards for agencies, with which the ARC itself must comply.

In VET, most of the established quality processes have adopted a 'standards-based' approach: RTOs and agencies are audited for their compliance against the AQTF standards; and accreditation of the quality of 'curriculum' has been overtaken by the approval of 'training packages' that must demonstrate compliance with 'national competency standards'; and noting the VET sector is also very familiar with using the ISO9001 international quality standard to develop quality management systems.

In HE on the other hand, accreditation is concerned with the more abstract notion of assessing appropriate 'academic standards', quality management systems tend to be based on university-

type academic QA processes, and AUQA uses ‘fitness-for-purpose’ for its working definition of quality. AUQA does not audit state or territory registering/accrediting agencies or NSAs against AQTF standards. They are mentioned in this Report because as indicated at 1.3.1 and 1.3.2 below, ACTARC had drawn upon these VET standards to develop QA processes for use within higher education. These developments are described below.

1.3.1 ACT Standards for Non Self-Accrediting Higher Education Providers

For the registration of non self-accrediting HE providers in the ACT, the ARC has developed and adopted a modified AQTF-type quality framework, consisting of ten ‘standards’ that have been ‘adapted specifically for the needs of higher education approvals’ (PFp20). The Audit Panel examined the suitability of this VET-derived quality framework for use with HE providers and comment is made on this in Section 2 below. As mentioned above, at the time of the audit visit, no HE provider had yet been audited against the ACT Standards for Non Self-Accrediting Higher Education Providers, this being their official title in the ACTARC Higher Education Guidelines (p13).

In the VET sector, a training organization must be registered if it wants to issue VET qualifications on the Australian Qualifications Framework (AQF). To obtain and maintain registration, providers must demonstrate compliance with the Standards for Registered Training Organisations.

1.3.2 Standards for State and Territory Registering / Course Accrediting Bodies

Although these standards clearly apply only to ACTARC’s VET-specific quality functions, as required under the AQTF, they have also strongly influenced the development and the design of the Agency’s own integrated Quality Management System (QMS), which also incorporates processes for the management of the HE approvals processes, as witnessed by the following statement:

‘The QMS meets the requirements of the Standards for State and Territory Registering / Course Accrediting Bodies under the Australian Quality Training Framework, as well as the Australian Universities Quality Agency, which is responsible for the quality assurance of all higher education, including universities and non self-accrediting providers of higher education. It is the intent of both ARC and AUQA to be able to demonstrate accountability through quality assurance and improvement.’ (Guidelines to QMS, p2)

In the performance portfolio, ACTARC identified the QMS as being one of their distinctive strengths: ‘The quality system is believed to be an example of best practice among accrediting agencies’ (PFp27). And, as noted above, ACTARC states that the QMS meets the requirements of AUQA for the quality assurance of higher education.

The Audit Panel tested both these claims, and notes in particular that the Standards for State and Territory Registering / Course Accrediting Bodies make explicit reference to requirements for handling of conflicts of interest, and to contracting. Further comment on ACTARC’s handling of these issues, and how they are treated in the QMS, is examined in Section 2 and Section 3.

1.4 *National Protocols for Higher Education Approval Processes*

In March 2000, the Ministerial Council on Education, Employment and Youth Affairs, comprising State, Territory, and Commonwealth Ministers responsible for higher education, approved the National Protocols for Higher Education Approval Processes.

The National Protocols differ somewhat from the other components of the ACT regulatory framework, in that: i) though not in themselves framed as legislation (like the TAR and ESOS

acts), they sometimes refer to concomitant legislative requirements at either the Commonwealth and / or State / Territory level; and, ii) they apply exclusively to the provision of higher education, and not to both VET and HE (like the TAR Act (2003) and the AQTF and AQTF-derived standards for HE).

In the sections that follow, the central focus of the AUQA audit of ACTARC is on the HE approval processes covered by National Protocol 3 as most of the HE activities in the ACT fall under this protocol. AUQA however is required to ensure that all five National Protocols are being adequately addressed. Therefore, this Report concludes with a comment on the ACTARC audit findings in relation to each National Protocol in turn (see Section 5). The five National Protocols and more information about them can be found at Appendix D in this Report.

1.5 *Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students and the ESOS Act*

The Code of Practice and Commonwealth ESOS Act (2000) apply to the regulation of the process of endorsement of HE providers and courses for CRICOS registration, another approval process that is required under National Protocol 5. Further comment on this process is found at sections 2.1.5, and 5.5.

1.6 *Draft Council Directions 2003-05*

The Draft Council Directions for 2003-2005 provide the over-arching strategic planning framework for ACTARC (see Appendix A for details).

An area of concern identified by the panel was the apparent lack of emphasis given to HE in the high-level planning documentation. Apart from careful and detailed preparations for the AUQA audit, the Audit Panel did not find much evidence of a formal approach to planning for HE in the minutes of Council, and sometimes the panel received unclear advice about some forward planning priorities, such as the need for further regulations to address National Protocol 4 (see section 5.4).

ACTARC's commitment to quality is taken as given in the Vision, Mission and Values, and the Goals and Objectives as articulated in the Draft Council Directions for 2003-2005. This document does not make extensive reference to 'higher education', using the generic 'tertiary education and training' as indicating both HE and VET, however, a 'commitment to quality' is found in the Quality Management System (QMS) documentation.

Section 4 of ACTARC's performance portfolio for AUQA outlines the various mechanisms that have been established in the ACT to assure the quality of HE approvals in the ACT. The mechanisms are described in the performance portfolio as being 'discussed within a framework of *quality objectives* and the approaches that have been adopted to achieve those objectives' (PFp5 – *AUQA emphasis in italics*).

It was not made clear in the portfolio what the actual status of these '*quality objectives*' was, in that 'the quality objectives' listed at Sections 4.3, 4.4, 4.5 and 4.6 of the ACTARC performance portfolio (PFp20-23) are not those indicated in the Draft Council Directions for 2003-2005 (as approved by Council at meeting no. 32 on 18 September 2003), and also they are not included in the QMS documentation reviewed. Nor do these same '*quality objectives*' appear in the Council Minutes since 2001 as having been formally approved by Council. This lack of clarity prompted the Audit Panel to make the following recommendation:

Recommendation 1

That ACTARC take steps to strengthen its planning with respect to HE by aligning the objectives of the Draft Council Directions for 2003-05 with the 'Quality Objectives' for higher education listed in Section 4 of the AUQA Performance Portfolio; and approving the outcome as a statement of objectives for higher education.

See also section 3.1.1 of this Report.

1.7 Framework Evaluation

Concerning the adequacy of the current ACT regulatory framework, the Audit Panel concluded that ACTARC had now put in place the necessary foundations of a good HE approvals system in the ACT, and deserved commendation for being pro-active, and for identifying and addressing existing deficiencies in an effective manner.

Commendation 1

AUQA commends ACTARC for being pro-active in the development of new legislation and in recognising the deficiencies in the quality assurance regime for HE approvals that could be taken from the VET Act (1995); and, for adapting and adopting new quality systems and processes that begin to address these deficiencies.

It was clear to the Audit Panel that, apart from issues raised elsewhere in this report, ACTARC had taken the National Protocols into account when advising on legislation, and in devising its systems, policies and procedures for HE approval processes, however, there was concern over the adequacy of the practice of deriving some of the HE approval processes from established VET practices, and there is still some work to be done to ensure that all of the protocols were being adequately addressed, and that clients are being kept adequately informed of the changes during the period of transition.

2 HIGHER EDUCATION APPROVAL PROCESSES

The performance portfolio prepared by ACTARC for AUQA was entitled Approval of Higher Education in the Australian Capital Territory. Under the heading 'Council's Vision, Mission and Values' there is the following statement: 'Council is particularly concerned that its approval processes be recognised as among the best practices of Australian accrediting agencies' (PFp7). The Audit Panel took this statement as providing the benchmark that ACTARC had used in its self-review, and against which it was therefore audited. Throughout this Report, and unless specifically mentioned otherwise, the various processes described below are collectively referred to as 'approval processes'. The various processes are described briefly in section 2.1 immediately below. An analysis of the various processes then follows, and an overall evaluation of the approval processes in the ACT concludes this Section at section 2.7 below.

2.1 *Approval Processes under National Protocols 3 & 5*

In the ACT, the process for accrediting a course as meeting HE standards and the process of registering an institution as suitable to provide HE courses under National Protocol 3, and the process for endorsing designated courses as suitable for the enrolment of overseas students under National Protocol 5, are subject to what are described as 'separate processes', but they can also be described as parts of an inter-related approval process.

The various approvals processes involve the following main steps, which are typical of most state/territory agencies, and are consistent with the process for assessing applications under National Protocol 3 – 'The accreditation of higher education courses to be offered by non self-accrediting providers' (National Protocols for Higher Education Approval Processes, p17). NB - The main steps are set out below as a generic process, with variations noted in brackets:

1. An application is initiated by the prospective HE provider to ARC for an accreditation, registration or endorsement via the two-stage application process, and fees are set/collected;
2. The HEC vets the Stage 1 application with assistance from the ACTARC Secretariat and forwards it to the statutory authority, who convenes a panel: an 'Audit Panel' (for registrations and endorsements); or, a 'Course Assessment Panel' or 'CAP' for accreditations, and forwards the full application for Stage 2 consideration;
3. Panel members declare any conflicts of interest;
4. Panel (or a subgroup) undertakes: an Audit Visit (for registration and endorsement); Site Visit (for accreditation);
5. Panel conducts an audit / assessment;
6. Remedial actions are required, or not, and are made as the case may be;
7. Recommendations are made to the ACTARC;
8. Approved / not-approved decisions are made by Council; and
9. Relevant notifications and database updates made.

As noted, at the time of the audit visit, the new AQTF-derived HE provider registration process had not yet been implemented. The Audit Panel therefore focused on examining course accreditation approvals, though they also examined a number of registration applications processed according to the previous arrangements. Knowing that those arrangements are in the process of being superseded, the Audit Panel examined these cases primarily with a view to gauging ACTARC's general approach to quality assurance.

With the exception of the fees-setting & collection sub-process which the Audit Panel did not consider in detail, the main steps of this generic process are commented on in the subsections that follow. With respect to accreditations, the design of the approvals process appears to be mostly satisfactory, but there are specific areas where improvements could be achieved, and the Audit Panel had some serious concerns about how parts of the process were being implemented for one particular set of stakeholders that have some 'special needs' in the provision of higher education. These particular concerns are noted in the sections that follow.

2.1.1 Course Accreditation/Re-Accreditation Processes

Accreditation is described as 'a quality assurance process that provides certification that the standards of a course are appropriate to the award to which it leads and that the course and methods adopted in delivering it are likely to achieve the purpose of the course' (ACTARC Higher Education Guidelines, p4).

Under National Protocol 3, a HE course should satisfy the requirements set in the AQF, and be comparable in requirements to a course at the same level in a similar field at Australian universities (National Protocols for HE Approval Processes, p18). The TAR Act (2003) states that in deciding an application, 'the council must apply *the higher education standards*' (p51 – AUQA emphasis *in italics*), but the Act does not explicitly reference these standards to the AQF. Presumably then this statement refers to the need to assure stakeholders that a course is – 'equivalent in standard to a course leading to the same qualification level in a university' (ACTARC Higher Education Guidelines p6). But, there are no other explicit references to '*higher education standards*' in the ACTARC Higher Education Guidelines. There is however reference to '*a set of standards*' in the Quality Management System documentation, where the AQF is referenced and identified as an important accreditation 'process input' (QMS CBP 2b – Accreditation of Courses AQF 7 to 11). There is also an explicit requirement in the QMS documentation that the AQF *must* be referenced in making course accreditation decisions (p3), yet there is only one explicit reference to the AQF in the Course Accreditation Application Template, and this is in relation to 'indicative entry requirements' (PF Attachment G, p21). The Audit Panel makes the observation that *higher education standards* appear to be given fuller treatment in the QMS documentation than in either the ACTARC Higher Education Guidelines or the Course Accreditation Application Template, and recommends that this be taken into account by the auditee when it addresses Recommendation 5 (see p24) and Recommendation 14 (see p38).

It must be stressed at this point that decisions about the assessment of academic standards are properly made by the CAPs, and comment on their important role in the process is made in sections 2.3, 2.5, and 2.6 below.

The QMS documentation also contains this description of the accreditation process: 'In the first phase there is expectation and opportunity for TAE to assist and mentor the proponent.....However, since the process is involved in both advisory and regulatory functions, it is vital that they are clearly separate. It is in the second phase – assessment – that this separation of regulation from advice must be maintained' (QMS – CBP 2b).

The Audit Panel strongly endorses the clear separation of regulation from advice as an underlying principle of QA. Further comment on the audit observations in relation to this point follow in this Section (see Recommendation 8), and in Section 3 (see Recommendation 11).

Another issue examined by the Audit Panel concerns the practice of granting provisional accreditation. This option has been exercised by ACTARC with some clients on several occasions, and it requires that there be thorough scrutiny of the actions required by the applicant to gain full accreditation. The Audit Panel examined some case study material which indicated that ACTARC is paying due diligence to the follow-up of provisional accreditation requirements

placed on providers, but to ensure a systematic approach believes that this could be rolled into the Mid-term Review process being trialed.

For re-accreditation, an applicant must submit a proposal to seek re-accreditation of an existing course, as the Council does not simply extend the life of existing courses. The applicant must provide evidence that the accredited course has undergone continuous improvement and evaluation, and that it is still relevant. The Audit Panel strongly affirms this approach.

2.1.2 Provider Registration/Re-registration Process

An organisation must be a 'Registered Non Self-Accrediting Higher Education Provider' before it is able to offer higher education courses in the ACT. Notwithstanding the observations made in 2.1.1 above, registration is described as 'a separate process to the application for accreditation of a higher education course and requires the completion of a separate application' (ACTARC Higher Education Guidelines, p13).

In the QMS documentation the registration process is described as having three main phases: 'receipt and documentation of applications; assessment and advice and documentation of outcomes' (Sic – QMS, CBP1b, p4.) The critical part of the decision making process is described in the following terms: 'The critical decision is whether or not the ARC recommends the provider be registered. This is the outcome of an assessment which is undertaken by two subordinate processes – a desk audit and an on-site audit. However, since the process is involved in both advisory and regulatory functions, it is vital that they are clearly separate. It is in the second phase – assessment – that this separation of regulation from advice must be maintained' (QMS, CBP1b, pp4-5). There is further comment on the criticality of maintaining this separation in the sections that follow.

The TAR Act (2003) now requires that to become a Registered Non Self-Accrediting Higher Education Provider in the ACT, an organisation must be assessed, through an audit process, as compliant with the AQTF-derived ACT Standards for Non Self-Accrediting Higher Education Providers.

The Audit Panel examined the new HE standards closely to ensure that they had been appropriately translated for use in higher education. There are 12 standards for RTOs in the AQTF – the majority dealing with system management processes that are transferable across sectors. There are two AQTF standards (5 & 11) that were appropriately omitted for the HE variant, as they pertain primarily to VET matters. There are also a number of examples where VET usage deemed inappropriate for HE has either been deleted or modified.

The Audit Panel was of the view that the translation had been done with sufficient care and attention to detail to ensure that inappropriate VET requirements do not apply in the approval of HE providers. However, the panel considered that this approach leads to a perception that HE activity can just be 'grafted on' to an existing VET base. The panel felt that not enough had been done to include some of the more distinctive elements of a HE approach to learning and teaching.

For example, in HE Standard 8 there is no reference to the nexus between research and teaching as a distinctive learning strategy in HE. Also, in HE Standard 7, there is no acknowledgement of the significant work now being done in the HE sector to identify and assess against 'graduate attributes' (or other statement of desirable 'learning outcomes'), as providing the HE equivalent of 'judgments about competency' under the AQTF system. The panel also makes the broader observation that in the HE sector curriculum must be assessed by independent academic experts, and not taken as a given from industry, as in the VET sector.

The Audit Panel affirms the value of the work undertaken by ACTARC to gain synergies from its considerable involvement in the VET quality regime, and to reduce rework.

Commendation 2

AUQA commends ACTARC for the initiative of reducing bureaucracy by seeking to adapt the AQTF Standards for Registered Training Organisations for use with dual sector providers.

However, the Audit Panel would like to see the ACT Standards for Non Self-Accrediting Higher Education Providers further developed, to ensure that the distinctive elements of a HE approach to quality assurance are not lost for all HE providers, and particularly, those HE providers that are not subject to audit under the AQTF.

The Audit Panel noted that the ACT has not yet re-registered its existing, approved NSAI higher education providers against its new ACT Standards for Non Self-Accrediting Higher Education Providers, and believes that piloting the new HE Standards for this purpose would provide an opportunity to test their fitness for purpose in a lower risk environment before using them for an initial HE provider registration. This would also provide an opportunity for ACTARC to receive feedback on the usefulness of the standards from HE clients with whom they already have an established relationship.

Recommendation 2

That ACTARC review the new ACT Standards for Non Self-Accrediting Higher Education Providers by conducting a pilot study using the re-registration of existing registered HE-only providers; and that ACTARC receive feedback on the effectiveness and usefulness of the Standards for HE use, prior to implementing them, *ab initio*.

It should also be noted that non self-accrediting HE provider registration (requiring compliance against these specified ACT HE standards) and a course accreditation approval processes (requiring the exercise of judgment by an expert panel against unspecified 'university standards') can now run simultaneously within the ACT, and also concurrently across more than one State/Territory jurisdiction (see section 2.1.3 following). This led the Audit Panel to question whether the reverse would then also apply, whereby a concurrent accreditation/registration managed by another jurisdiction would be accepted in the ACT without further scrutiny, and conceivably therefore without a compliance audit against the new ACT HE Standards being required?

2.1.3 Simultaneous Accreditation/Registration

It was noted that an application for provider registration may be submitted at the same time as a course is submitted for accreditation, or may be delayed until after the course is accredited. The Audit Panel noted that the guidelines allow that a panel may also conduct a site visit where the accreditation application 'is associated with an application to become a registered higher education provider' (ACTARC Higher Education Guidelines, p11). It was explained to the Audit Panel, that in practice, subordinate parts of the two HE approvals processes could be (and were being) substituted for each other. An example would be of an audit for provider registration being used to stand as a HE course accreditation site visit in an application by one of the Armed Forces. The Audit Panel has serious reservations about this aspect of the approvals process and these are commented on in the sections following.

2.1.4 Concurrent Applications and Cross Jurisdictional issues

There is a related process for the handling of applications for concurrent accreditation across the jurisdiction of more than one State/Territory, also under National Protocol 3. The ACTARC Higher Education Guidelines clearly indicate to applicants that: 'if you are intending to deliver

the course in another State/Territory other than the ACT, then concurrent accreditation/concurrent registration should be indicated in the proposal' and that 'If an applicant subsequently wishes to deliver a course in another State / Territory they must gain accreditation of the course and register to deliver the course separately in each State/Territory' (p8).

An issue of a cross-jurisdictional nature was discovered during the audit concerning the Canberra College of Theology offering a HE course developed by the Sydney School of Divinity, which is approved as a NSAI in NSW by the Department of Education and Training. The course was not approved in the ACT, and also it appears not subject to the concurrent registration/accreditation process.

After discussing the situation with both the Agency and the provider, the panel concluded that this particular case appears to be an oversight rather than indicative of a systemic problem, as the Audit Panel failed to receive a satisfactory explanation as to how it had happened. Nevertheless, AUQA recommends that ACTARC move promptly to resolve this situation.

Recommendation 3

That ACTARC liaise directly with the Department of Education and Training in NSW, in order to clarify and resolve the registration and accreditation status of the Canberra College of Theology for operating within the ACT.

Another type of 'cross-jurisdictional' situation relates to National Protocol 4 concerning the approval of delivery arrangements for HE institutions involving other organisations. The Audit Panel learned during the audit that a Bachelor of Business (Hotel Management) approved by ACTARC and being provided by the Australian International Hotel School in the ACT, was subject to accreditation by the Melbourne-based RMIT University (and prior to that as noted in section 5.2 of this Report, by Cornell University, U.S.A). However, the Audit panel was unable to get a clear response why this was the case, nor what the implications of it may, or may not have been, with respect to compliance with the requirements of the various Protocols involved. Furthermore, a SAI is not empowered to accredit other institutions, and it was not clear whether this was what RMIT was purporting to do, or whether the degree in question was in fact jointly badged.

As with the Canberra College of Theology cross-jurisdictional issue noted above, it appeared to the Audit Panel that there was either a lack of recognition of there being a problem that needed any attention, or a lack of concern to resolve an issue once it had been drawn to the Agency's attention. The Audit Panel believes that there is scope for Protocol 4 matters of this nature to be addressed by ACTARC through regulation (see Recommendation 19 in section 5.4).

Because the audit's other main findings in relation to concurrent accreditation/registration processes are also relevant to other jurisdictions, they are not dealt with here, but are treated in some depth in the section of this Report dealing with the National Protocols (see Section 5, especially section 5.3.1).

Set against these exceptions, the Audit Panel also identified cases where concurrent extra-jurisdictional approval processes were being successfully managed across several different jurisdictions, including the ACT. Indeed, setting aside the issues raised above and in Section 5 below, as the responsible authority in the ACT, the ARC has an otherwise good track record for accepting the outcomes of approval processes of agencies in other jurisdictions, and is highly regarded by peer bodies for promoting the cause of mutual recognition across jurisdictions on a national basis. For example, ACTARC was a leading participant in the development and publication of the national operational guidelines for Concurrent Accreditation of HE Courses.

2.1.5 Endorsement for CRICOS Registration

There is also an approval process that is termed ‘endorsement’ – described as being ‘a separate process to the application of a higher education course or registration as a higher education provider’ (ACTARC Higher Education Guidelines, p13). This is for ensuring that providers and their courses are in compliance with the requirements of National Protocol 5, concerning the enrolment of overseas students, and the ESOS Act (2000). ‘Endorsement’ takes the form of a state/territory agency making a recommendation to the Commonwealth for a provider/course to be placed on the national CRICOS register. In the ACT, the process is managed administratively by the Secretariat. The Audit Panel received contradictory information about whether this involved a formal delegation of responsibility from the ARC, and encourages the Council to ensure that this is clarified.

During the audit visit the Audit Panel interviewed a cross-section of CRICOS representatives from both Self-Accrediting Institutions (SAIs) and Non Self-Accrediting Institutions (NSAIs) in the ACT.

Generally these providers were satisfied with their experience of the endorsement process under ACTARC. However, the Audit Panel was told by some dual sector CRICOS registered providers that there is ‘a lot of duplication’ between the RTO registration process and the endorsement process for CRICOS registration, with about 80% being in common and only 20% of the endorsement process focusing on overseas student needs. Also, the audit part of this process is also sometimes operated concurrently with provider registration and course accreditation approvals processes, which can lead to confusion and a blurring of the different purposes of these two ‘separate’ approval processes. These considerations led the Audit Panel to make the following recommendation:

Recommendation 4

That ACTARC disaggregate the CRICOS endorsement process for HE providers completely from the process for RTO registration in VET.

Further comment on regulatory requirements for CRICOS registration follows under National Protocol 5 at section 5.5.

2.2 *Two-Stage Application Process (accreditation)*

In the Portfolio, the application part of the accreditation approval process is described as being a ‘two-stage process’ consisting of:

- A ‘Proposal’ stage (requiring approval of a short outline addressing key points); and
- A ‘full application’ stage (requiring the establishment of a Course Assessment Panel).

In the ACTARC Higher Education Guidelines, the entire course accreditation process is described in slightly different language, as having three distinct stages:

- Stage 1 – The Proposal;
- Stage 2 – The Full Accreditation; and
- Stage 3 – Submission of the application and the Secretariat management of accreditation process.

In contrast again, in the QMS documentation reviewed, the Audit Panel noted that the whole accreditation processes is described as having only two phases: a ‘vetting phase’; and ‘an assessment phase’.

It was not clear to the Audit Panel why these variations in stage description exist, or whether anything of value is added to the description by dividing the 'full application' stage into two sub-stages, except perhaps as an attempt to distinguish that part of the process managed primarily by the applicant, from that managed by the regulating authority. The Audit Panel's observation is that variations of this nature could be confusing to applicants and should be made more consistent. (See also comments in relation to the AQF on page 19, and Recommendation No.14.)

Recommendation 5

That ACTARC review the use of terminology in the higher education accreditation application process, and to ensure consistent use across all forms of documentation.

ACTARC however identified the 'two-stage' application process as being a real strength of the HE approval process in the ACT by, 'avoiding wasted effort, rework and ill will that could eventuate from forwarding inappropriate applications to Council' (PFp27). The Audit Panel endorses this staged approach and commends the initiative shown by ACTARC in adopting this general approach to the accreditation application process.

Commendation 3

AUQA commends ACTARC for the initiative shown in introducing a two-stage accreditation application process in the ACT, in a desire to minimise wasted effort and rework.

From both the client and the Agency perspective the two-stage application process clearly holds some advantages, though it also has at least one clear drawback, in that the same application must be considered at a minimum of two separate HEC meetings before a recommendation can go forward to Council for approval, and again at a third (or more) if there are conditions to be satisfied. It is less clear whether in practice the two (or three) stage application process provides a clear enough demarcation between that part of the approval process where the responsible authority is in an informal advice-giving mode with the applicant, compared to its formal, regulatory 'approve/not-approve' decision-making mode.

The Audit Panel identified instances where applicants clearly indicated having some difficulty in making that distinction and they are commented on in the sections that follow.

2.2.1 Applications by the Australian Defence Forces (accreditation)

In 2000 there was a sudden and considerable increase in the number of course accreditation applications made by the ADF that required processing. The ACTARC Secretariat contracted a 'Special Projects Unit' within 'CIT Solutions' (a commercial arm of Canberra Institute of Technology) to assist the Secretariat with the processing of the applications, and also with the setting-up of the CAPs (see under 2.2.3 following). What was not completely clear to the Audit Panel until late during the audit visit, was that the same CIT Solutions Special Projects Unit was also simultaneously under separate contract to the applicants to undertake curriculum development work and to act as 'a proponent representative' during the first stage of the accreditation process. There was also conflicting information provided to the panel about whether CIT solutions had also been involved in site visits and compliance audits for RTO approval.

Though ACTARC has not accredited an ADF higher education course since September 2000, the potential for conflicts of interest in this situation still exists, and this needs to be identified during the 'vetting stage', and proved to be potential or real (see also observations made in sections 2.4.1 and 3.1.2 following).

2.3 *Course Assessment Panels (accreditation)*

Approval for the accreditation of a course is reliant upon a course being assessed by an independent expert panel in an appropriate discipline/field of study and including at least one member of the HEC chairing the panel. Other panel members are drawn from higher education institutions, professional or other relevant associations, practitioners in the field, employers of graduates from similar courses and experts in the design, delivery and assessment of the mode of the course. The Course Assessment Panels (CAPs) are established by the HEC once a proposal has been approved by the HEC.

The portfolio states that ‘both HEC and Council consider all applications and CAP reports’ (PFp28). This is described as a ‘multi-layered moderating strategy’ (ibid) to improve consistency across panels. When following up this line of enquiry, ACTARC was able to point the AUQA Audit Panel to at least one instance where the Council had stipulated more rigorous approval requirements than that recommended by the HEC/CAP.

The portfolio also states that ‘Panels are always chaired by a member of HEC’ (PFp21), but this is a relatively late development. Examination of the CAP register supplied by ACTARC indicates that until recently, the CAP Chairs were either drawn from these ranks; supplied from within the ACTARC Secretariat; or (in a small number of cases), by CIT Solutions staff under contract (see also section 3.1.2).

Examination of the ACTARC register of CAPs also indicates that the 240 plus panel member places listed were actually occupied by a total of only approximately 95 people. This indicates reliance on a core of CAP members to serve on multiple panels. The AUQA Audit Panel also noted that in a considerable proportion of CAPs put together for approval of ADF courses, the CAPs comprised the same five or so individuals, and although this may be good from a consistency perspective, is questionable in terms of sustainability over a longer time-frame.

In addition to the survey undertaken by AUQA, the Audit Panel met a sample of CAP Chairs and members during the audit visit. One of the consistent observations made by CAP participants was the need for more thorough just-in-time induction and training by ACTARC on the assessment process prior to the first panel meeting, to reduce variations in quality across panels, and to improve the readiness of first time panel members.

Recommendation 6

That ACTARC review the current approach to the briefing, induction, and training of CAP Chairs and panel members; and that the briefing/training incorporate any changes to the approval procedures resulting from actions implemented in response to the recommendations of this Audit Report.

See also Recommendation 9 on the composition of CAPs follows at Section 2.6 below.

2.4 *Compliance Audits / Site Visits*

There are a number of circumstances in which a visit to a provider (usually called an ‘audit visit’, but aka ‘site visit’ or ‘assessment visit’) may take place as a formal part of an approvals process, such as in the case of *ab initio* applications. Because of its responsibility for both provider and course approval processes, in both VET and HE, ACTARC is involved in the organization of site visits in both sectors, and for both approval purposes.

For RTO registration in VET, compliance audit visits are compulsory. For an HE accreditation, the ACTARC Higher Education Guidelines only state that the assessment process *may* require a site visit (i.e. that a site visit is not a compulsory requirement). The ACTARC Higher Education Guidelines are also silent on the composition of audit panels, but it appears from the QMS that

RTO audit panels are convened, and interviewees confirmed that an RTO audit visit could be undertaken by auditors under contract to ACTARC (normally in a panel of three, but sometimes less).

Ordinarily, HE site visits appear to be done by a CAP Chairperson, but the AUQA Audit Panel also heard from ACTARC clients instances of site visits being undertaken by a complete Course Assessment Panel, or of not having taken place at all because, it was stated, a compliance audit for RTO registration stood in its stead. As noted at 2.2.1 above there was conflicting information provided to the panel about the various kinds of site visits.

The panel, in trying to clarify expectations concerning HE site visits, found a degree of confusion among both proponents and CAP members.

The Audit Panel was quite concerned about the possible substitution of RTO compliance audits for accreditation site visits because of the different purpose and nature of the two approval processes involved, prompting the Audit Panel to make the following recommendation:

Recommendation 7

That ACTARC ensure that site visits are carried out as a compulsory requirement of the HE course accreditation/re-accreditation process in the ACT, separate from site visits associated with RTO approval processes.

As already noted, no NSAI higher education providers have yet been compliance audited against the new ACT Standards for Non Self-Accrediting Higher Education Providers for registration, however, the Standards for State and Territory Registering/Course Accrediting Bodies contains an 'Organisation standard' for agencies: 'Decisions on registration and course accreditation must be impartial. The registering/course accrediting body must ensure there are procedures to manage conflicts of interest in registration and course accreditation processes to ensure that any commercial, financial or other conflicts of interest do not influence, *or could be perceived to influence, the process*' (p9 – AUQA emphasis in italics).

The Audit Panel was also concerned that the current variety of possible arrangements allowed by ACTARC for compliance audits and site visits had some serious implications for the handling of conflicts of interest (real or potential). This issue is examined at greater depth in the sections that follow.

2.4.1 Visits to Australian Defence Force Sites

As outlined above, in some cases examined by the AUQA Audit Panel, visits to the Armed Forces sites were undertaken by consultants. At first it was not clear to the AUQA Audit Panel whether they were working in this capacity under contract to ACTARC (as noted above), or to the ADF. The representatives of the three Armed Forces were questioned on this point on several separate occasions, and in each case they argued strongly that the consultant was working under contract to them while undertaking the site visit. The consultant who was interviewed separately confirmed this to be the case.

This is deemed by the Audit Panel to be an inappropriate QA practice and susceptible to problems arising from conflicts of interest (potential and/or real). The practice of an accreditation agency and one of its major clients using the same consultant for different parts of the same (or an inter-related) HE approval process is fraught with risk, and should not occur. If the information reported to the Audit Panel is accurate, then clearly the contractual obligations and mechanisms for dealing with conflicts of interest need to be more clearly defined and communicated between the parties.

Recommendation 8

That to avoid the possibility or perception of a conflict of interest, ACTARC avoid contracting any third party to act on the Agency's behalf in a HE approval process, if that same party has been contracted separately by the applicant to act for it as a 'proponent representative', or in similar capacity, in the same (or an inter-related) HE approval process.

(See also Recommendation 11 made at Section 3.1.2 below.)

In contrast to this specific adverse finding, the providers and course proponents interviewed by the Audit Panel were unanimous about the positive value that they derived from the 'visit' part of the approvals process and a commendation relating to this observation follows at Section 3.3. Not only does this reflect well on ACTARC in terms of its adding value for its clients, but from a purely QA perspective, re-affirms why the integrity of the audit/site visit component of the approval process must be preserved.

2.5 *Committee Membership, Role Definition and the Exercise of Statutory Authority*

As noted in section 1, in the ACT the Council has the actual statutory authority to register HE providers and accredit HE courses, and has established the HEC and CAPs to advise it on HE course approvals.

While the Audit Panel was impressed with what they heard about the operations of the HEC and current CAPS from members of those groups, it formed the view that both would benefit from clearer role definition and from expanded membership.

The Council Chair also currently chairs HEC and all members of HEC are also members of ARC, although not all HEC members are drawn from the university sector. CAPs are advisory – they make recommendations to the Council via the HEC, and CAPs are now always to be chaired by HEC members. This overlapping membership is identified in the portfolio as a strength, as it permits “a multi-layered moderating strategy” in which CAP recommendations are reviewed and sometimes revised by the Council to ensure consistency of decision-making.

The Audit Panel questions whether this continuous line of membership, and perhaps also of delegation from Council to CAP, is entirely sound from a QA perspective because it blurs delegated authority and critical decision making, in a way that could ultimately diminish the independence of the CAP from the designated authority. It directly involves Council members in the advisory phase of the approval process, the outcome of which they must then later act on in a judicatory capacity. The Audit Panel was advised that in future, someone other than the ARC Chair will chair HEC. It considers that this is a positive step. Instead, the Audit Panel encourages that greater use be made of HE discipline experts on HEC who can provide 'specific content expertise' to the Chair and serve on CAPs, as this would broaden the element of peer review that is a hallmark of the higher education way of ensuring that courses are consistent with 'the prevailing standards in universities'.

2.6 *CAP Membership and the Potential for Conflicts of Interest*

In considering the pros and cons of ACTARC's decision to adopt VET models as a base for a HE approval process, such as provider registration, the Audit Panel was aware that there are some subtle, but in other ways quite significant differences between how the two sectors of tertiary education in Australia approach curriculum development and quality assurance, and that these have implications for the membership and operations of the CAPS.

For example, though all VET accreditation panels have curriculum experts, the VET course approvals process does not seek independent, expert disciplinary advice, external to the

development process, as to whether the curriculum is of appropriate standard. Instead, when an RTO wants to develop and accredit a VET course of its own (e.g. in an area where there is not an Industry Training Package or where special circumstances make it necessary to have greater customisation), the process is as follows (using ACT terminology to illustrate):

(1) The RTO contacts their local agency to discuss the course, they submit a proposal and they can get approval to proceed with development, in line with the AQTF Guidelines and Standards;

(2) The ‘course proponent’ then establishes a Course Consultative Committee (CCC). The CCC may include people actually involved in the course development, although the Agency moderates the membership to ensure there is at least some external advice. It is the CCC which signs off on the course content, i.e. which makes the expert judgment as to whether it is up to standard;

(3) The Agency then establishes an independent Course Assessment Panel (CAP), which must have two curriculum experts and one industry person, to review the resultant application. However, the CAP looks at it only to ensure that it follows the prescribed format, reflects the AQTF standards and is complete; they do not look at the curriculum per se. They then make their recommendation to the Agency, which gives the approval administratively.

The Audit Panel believes that this goes some way to explain the blurring between the roles and memberships of the CCCs and the CAPs, and the HEC/ARC. From a VET perspective, the expertise comes from, and resides with, the industry (which may, as in the case of the ADF, be co-extensive with the provider/proponent), and consequently the QA role is that of the verification of processes, not of quality - the judgment of independent, external peers that focus on academic standards, of the kind characteristic in universities, is not required.

It may also explain the involvement of an external consulting group in representing both the proponent and the ACTARC secretariat in a number of ADF approvals, as noted in section 2.4.1 above. From a VET perspective, this is not inappropriate, but from a HE perspective, it constitutes an unacceptable conflict of interest.

This is not to say that ACTARC has not involved external experts in the HE course approvals process only that there has been a tendency in the ACT for some of the more established QA practices in the VET sector to influence judgments about how best ‘to determine whether a higher education NSAI has systems in place to plan and provide quality delivery and assessment of higher education qualifications *at a standard similar to those of a university in Australia*’ (PFp15 – AUQA emphasis in italics).

CAPs are described by ACTARC as being ‘central to the approval process in providing specific content expertise and an element of peer review in relation to the discipline concerned and the prevailing standards of universities’ (PFp21). In practice, however, the ‘element of peer review’ as reflected in CAP membership has been relatively modest and drawn from a relatively narrow base, and the Audit Panel was concerned that this could open the way to conflicts of interest as well as to problems of sustainability. And, although the Audit Panel did not have access to the data to verify, it would also be concerned if industry and proponent reps outweighed independent university experts on the CAPs.

Excluding members of the HEC, analysis of the ACTARC CAP Database shows that the majority of other university-based CAP members are drawn from either the Australian National University or the University of Canberra, with 26 ACT university-based academics serving on CAPs since 1997, compared with 48 non-university CAP members over the same period. The Audit Panel also examined the use made of external academics (i.e. drawn from universities outside of the ACT). Since 1997, 17 non-ACT university academics have served on CAPs convened by ACTARC. There was some uncertainty about the suitability of the academic credentials of two for the relevant CAP, leaving a pool of only 15 available to draw upon. The Audit Panel makes

the observation that this is now a relatively small pool, and especially in light of the information from ACTARC that an increase in HE applications is expected, the Audit Panel recommends:

Recommendation 9

That, in line with the National Protocol 3 criteria that a course should be comparable in requirements and learning outcomes to a course at the same level in a similar field at Australian universities, ACTARC recruit additional suitably-credentialed university-based academic discipline and subject experts to serve on CAPs, especially more widely from universities located outside of the ACT.

2.7 Process Evaluation

It is important to note that the Audit Panel's concern about possible deleterious effects of 'system blurring' should not be construed as a criticism of ACTARC for attempting to gain 'constructive synergies' from its involvement in both VET and HE per se. The pragmatic logic behind these developments is understood and appreciated, but as outlined above, there are pedagogical and assessment differences in these forms of education and training that need to be taken into account.

Taken separately, the accreditation and registration approval systems for VET and HE in the ACT are in the main sound. From the Audit Panel's assessment of the multiple HE case studies provided by the auditee, and by the panel's own direct observations during the audit, with a few exceptions, the HE approval processes appear to be generally working effectively. Implementation of the new registration procedures should further strengthen the existing process.

However, the 'blurring' of QA processes (achieved by adopting or customising some VET quality assurance practices for use in HE), though intended as a practical approach (i.e. to reduce the administrative burden on providers such as the ADF & CIT who operate across both sectors), appears to have introduced some unintended additional complexity. Firstly, there is the question of the different approach to curriculum and 'standards' in the two sectors, and secondly, the fitness of the processes for their intended purpose - especially as in one type of approval process (provider registration/endorsement) - the very important compliance audit 'reality testing' step is compulsory, while in another (accreditation) - the site visit appears to be optional.

Any 'blurring' of systems puts a premium on the effective management of information in-and-across the different quality systems, and their subordinate processes, and with simultaneous and concurrent accreditations & registrations, also across different processes and jurisdictions, to ensure that nothing is missed. When viewed from a purely QA perspective, 'system blurring' can explain the adoption of some of the questionable non-higher education QA practices in the HE approval processes for which ACTARC is responsible.

The Audit Panel appreciates that these audit observations raise some complex multi-dimensional issues, especially for a small dual-sector registering/accrediting agency, and one with a couple of large joint providers of VET and HE programs as its major clients. In recognition of the initiative shown by ACTARC and consistent with a continuous improvement approach to quality assurance, the Audit Panel offers a suggested way forward for consideration by the auditee.

As ACTARC has now put considerable effort into adopting a systems approach to its approval and improvement processes by developing an integrated Quality Management System, the Audit Panel believes that these questions and issues would now be best addressed through a thorough review of the HE sections of the QMS.

Rather than to make recommendations in relation to the QMS here, the Audit Panel's recommendations are located in Section 3 of this Report.

All of the recommendations and observations made above, and in the sections that follow, are designed to help improve the ACTARC quality system by building on the pro-active initiatives already introduced.

3 QUALITY ASSURANCE OF APPROVALS PROCESSES

The AQTF Standards for State and Territory Registering/Course Accrediting Bodies require that the quality system documentation must include:

- a) objectives and commitment to quality; and
- b) mechanisms to ensure the system is understood, implemented and maintained by the personnel responsible for carrying out registration/course accreditation functions (Standard 4.2, p9).

As already noted above, in their self-review ACTARC had nominated their QMS as ‘an example of best practice among accrediting agencies’. The Audit Panel therefore requested to see a complete set of QMS documentation in order to validate this self-evaluation. It was not clear to the Audit Panel what actual benchmark(s) ACTARC had used in reaching this conclusion, and whether that was exclusively in relation to VET (which is beyond the scope of an AUQA audit), or only for HE (which is within the scope of this audit), or for both.

3.1 *Quality Management System (QMS)*

A quality management system can be defined as: ‘A documented system that meets the requirements of a defined standard and is designed to ensure that the quality of the programs and services provided by the organization meet its goals and objectives. The system also includes the documented processes for continuous improvement’ (ISO 9000:2000, Quality management systems – Fundamentals and vocabulary.)

The purpose of ACTARC’s QMS is described as: ‘to further the goals of quality improvement and quality assurance by documenting ARC’s business processes and their relationship to each other and to the context of work in the Training and Adult Education in order that planning, communication and improvement can be carried out with common goals and shared understanding’ (Guidelines to QMS, p2).

The same guidelines describe the QMS documentation as containing the following:

- Process descriptions - for the following ‘core business processes’: Registering Organisations as VET or HE providers, and for CRICOS and Group Training Organisation registration (CBP1 and subordinate processes); Accrediting Courses, in both VET and HE (CBP2); as well as Review and Improvement processes in ARC/TAE. These ‘descriptions’ cover – purpose, work procedures, related policies, and stakeholders (for comment see sections 3.1.1 and 3.1.2 immediately below);
- Links – to relevant policies, legislation, authorities (see Section 1 above);
- Review and Improvement mechanisms – customer and staff feedback, planning processes (see 3.2 below); and
- Customer perspectives – customer procedures, available publications, and contact details (see 3.3 below).

3.1.1 Quality Objectives & the QMS

As noted in Section 1 of this Report, the Draft Council Directions for 2003-2005 do not make extensive or much explicit reference to higher education.

The QMS documentation states: ‘This QMS supports the commitment of ARC in sustaining high quality outcomes and ensuring continuous improvement in the delivery of vocational education

and training. In this respect ARC aims to improve the quality both of its own services as well as those of its customers, for whom they act as both regulator and adviser' (Guidelines to QMS p2).

As already noted, the Audit Panel found that Council's Goals and Objectives are not explicitly stated or referred to in the 'commitment' section of the QMS documentation, and so it is unfortunate that the statement in this section also did not include any reference at all to higher education, and as already noted, the objectives in the Draft Council Directions for 2003-2005 are also not referred to in the QMS documentation.

The Audit Panel makes the observation that this omission appears to be in breach of a compulsory quality system documentation requirement, as specified in the relevant Standard for quality management systems, and should be rectified.

Recommendation 10

That ACTARC include an approved statement of objectives for higher education in the QMS documentation.

3.1.2 Quality System Processes & Procedures

As noted above, the QMS documents how the Agency's business processes operate and their relationship to each other. There has already been some favourable comment on the QMS documents, with respect to the inclusion of referencing to the AQF.

As also already mentioned, the Audit Panel had some concerns about how contracting is managed to ensure that conflicts of interest do not influence, 'or could be perceived to influence', the approval processes, and noting that contracting was covered by the relevant standards, looked to see how this process was managed in the QMS. Standard 3 for State and Territory Registering/Course Accrediting Bodies requires that: 'Where duties or functions are contracted to an external body or person, the registering/course accrediting body must ensure a written agreement, covering provisions about confidentiality and conflict of interest, is prepared and signed' (Contracting, 3.1, p9). In addition, Standard 10 from the same document requires that contracted personnel must sign an agreement to comply with the rules covering the audit, and that this must include the rules relating to confidentiality, independence from commercial and other interests, and 'must involve declaration of any prior or present association with the training organization to be audited' (Commitment to comply, 10.1, p12).

The ACTARC QMS documentation was reviewed and the Audit Panel observed that apart from cross-referencing to the various AQTF Standards clauses quoted above (under both the 'Select, Train, monitor auditors and contractors' Subordinate Process, and the 'Manage Risk' process), there was no explicit reference to a written procedure for how conflicts of interest (potential or real) should be managed. The panel believes that an explicit procedure covering provisions for the handling of conflicts of interest would improve the management of contracting with third parties.

To illustrate this point further, the Audit Panel requested to see a copy of the ACTARC agreement with CIT Solutions for ADF accreditations, and at the end of the audit visit received an (unsigned) printed copy of a one-page written agreement dated 29/04/03. It was noted that the document provided was identified as being 'for course accreditations in the VET sector'. The Audit Panel noted that Step 4 of this agreement clearly pointed to the requirement for CIT Solutions personnel to 'leave the panel during the discussion for making recommendation to ARC' and the Audit Panel affirms that this requirement is absolutely appropriate. However, at the operational level, in the agreement form sighted there is no written requirement for any conflicts of interest (potential or real, prior or present) to be formally expressed in advance when a contact

of this nature is being prepared. This is so any such issues can be cleared before an agreement is formally signed off.

Rather than to go on making detailed and piece-meal procedural observations of this nature, the AUQA Audit Panel believes that ACTARC will gain much greater benefit (especially in coming to terms with some of the more complex issues), and the QMS be further improved, by ACTARC developing an action plan in response to the following omnibus recommendation.

Recommendation 11

That ACTARC review the higher education quality assurance processes covered by the Quality Management System against its own goals and objectives; take into account the recommendations and observations made by AUQA in this audit Report; and the QMS documentation be revised, as appropriate.

Despite this and any other observed deficiencies, the Audit Panel affirms that when evaluated from a quality management systems perspective, and from what is known of the state of the development of formal quality management systems in other jurisdictions, the QMS developed by ACTARC for the control of its core VET and HE accreditation and registration processes, and subordinate processes, is an impressive initiative and with the exception of examples of 'systems blurring' (noted above and below), holds considerable promise for the future, and is therefore worthy of commendation.

Commendation 4

AUQA commends ACTARC for initiating the design and development of the Quality Management System for core business processes in both sectors of tertiary education and training in the ACT.

3.2 *Review and Improvement processes*

3.2.1 Mid-Term Reviews

Another quality assurance process improvement identified by ACTARC in its performance portfolio was the introduction of mid (accreditation) term reviews:

'Council has, in consultation with higher education providers, established a mechanism for mid-term review of accredited courses in their 3rd year of accreditation. Four providers have self nominated for a trial mid-term review of their courses which will be due in October 2003. It is important to note that this is a trial and feedback from clients and ideas on continuous improvement will help Council run next year's mid-term review.

This process will be linked to the national data collection of NSAIs supported across the states/territories by the Commonwealth Department of Education, Science and Technology.' (Sic - PFp16)

During the audit, it became apparent that there were in fact two mid-term review trials in progress – one for the ADF, and a parallel one for civilian providers. In the performance portfolio, ACTARC had nominated this as an example of 'tailored mid-term review processes to meet the significantly different needs and contexts of smaller providers and large specialised providers such as Defence. For example, a reporting pro-forma was designed for the Defence Forces and another pro-forma was designed for other higher education providers' (PFp27). The Audit Panel reviewed the mid-term review documentation and received provider trial Mid-term Review reports, where these were available.

The Defence Strategy for Mid-Term Review (Portfolio Attachment D) document stipulates that each armed service was to reply with a document of 'no more than four pages' describing: evaluation processes; change management processes; details of major changes (high order); requirement for document to be signed off by Commanding Officer; and also the following statement in the accompanying documentation - 'ARC to work with contact officer to ensure that higher education courses are followed by the auditor during QETO (AQTF) audits of training commands as they occur'. This provides another example of how the HE and VET approval processes appear to have been geared together for the benefit of the ADF.

The equivalent civilian document specified a different set of reporting requirements, including: structure of the course; resources for the course; delivery of the course; and, outcomes of the course. There is a requirement for the provider to complete 'a checklist'. No maximum (or minimum) page limit was specified (one trial sample Mid-term Review Report sighted was in excess of 30 pages). There was however a requirement for the checklist to be signed off by the CEO.

The Audit Panel noted considerable variation in the quality of the non-ADF trial mid-term review reports that it was able to examine. These ranged from the fairly perfunctory, through the discursive, and on into the highly-detailed and analytical. On the other hand, the AUQA Audit Panel was not able to view any documentary evidence of the completion of Mid-term Reviews by any ADF providers, and detected that there was some doubt as to whether the process was actually proceeding.

Given that different reporting requirements resulted in what in effect were two separate trial processes, this sort of variation is probably to be expected, however the panel observed that it would like to see a more broadly consistent approach adopted once the results of the trials have been evaluated.

This observation aside, Audit Panel concluded that the introduction of a Mid-term Review process is a very positive development, entirely consistent with the objectives of a continuous improvement approach to quality assurance, and was deserving of commendation.

Commendation 5

AUQA commends ACTARC for introducing Mid-term Reviews.

However, the Audit Panel recommends that when the formal requirement is to be implemented, that there should be a more broadly consistent approach to Mid-term Review that applies to all HE providers and courses, including those subject to provisional accreditation.

Recommendation 12

That, following evaluation of the trial processes, ACTARC consolidate the two sets of guidelines into a single, consistent Mid-term Review process.

3.2.2 Annual Forum for Higher Education Providers

Another innovation introduced by ACTARC is the holding of an annual forum for its higher education providers as an opportunity to share information and as a focus group to examine changes to the approval processes, such as those described above. The Audit Panel spoke with a fairly representative sample of ACTARC's HE clients (including both ADF and civilian, and public and private providers) and they all spoke very positively of the value they gained from attending these events. They also praised the Secretariat for the way the annual forum had been organised and run. The consistency of the positive comments from clients led the Audit Panel to make the following commendation.

Commendation 6

AUQA commends ACTARC for introducing an Annual Forum for Higher Education Providers in the ACT, which is proving to be a useful network for exchanging information and ideas between ARC and its clients, and for involving providers in both the SAI and NSAI categories.

3.3 Customer Perspectives

A traditional means of gaining feedback for quality assurance and improvement purposes is the collection and analysis of customer perceptions on the value of the services they are being provided with by a service provider. The Audit Panel noted the absence of a survey of HE providers by ACTARC, but since many HE providers in the ACT are also VET providers, reviewed the results of a survey of VET RTOs in the ACT, undertaken by an independent consulting company. These show high levels of satisfaction with support and advice provided by the ARC and its staff in terms of quality, accessibility and timeliness, with in excess of 90% being satisfied with the approval processes, and in excess of 70% satisfied with the value added to their business.

In the performance portfolio ACTARC openly acknowledged that ‘most of the feedback obtained from surveys of providers who are also RTOs. With the growing advent of other types of HE providers, Council proposes to extend its formal surveys to HE providers specifically’ (PFp29). Again ACTARC deserves credit for recognising a deficiency in its traditionally VET-focused approach and broadening it to ensure that HE-specific matters can be addressed.

The Audit Panel also used the AUQA surveys and interviews with HE clients and other stakeholders during the audit visit to collect customer perspectives on the value of the services provided to them by ACTARC. Without exception (i.e. including even those who had obviously been experiencing problems with some aspects of the various approval processes), they unanimously agreed that the accreditation or registration process they had undergone had added value to the quality of their programs / provision. The Audit Panel believes this is a very positive endorsement of the way that the ACTARC Secretariat interacts with its customers. Once again, the consistency of the positive comments from clients led the Audit Panel to make the following commendation.

Commendation 7

AUQA commends ACTARC for developing approval processes which its customers consider add value to their operations.

4 VALIDATION OF ACTARC'S SELF-ASSESSMENT

Section 5 of the performance portfolio prepared by ACTARC for AUQA listed its self-assessment findings under the following headings:

- Regulatory Outcomes – Efficacy of Quality Assurance in the ACT;
- Improvements Achieved in Higher Education Approvals in the ACT;
- Strengths of ACT Higher Education Approval Processes; and
- Opportunities for Improvement. (PFpp25-32)

As a number of the audit's findings relevant to these headings (and especially the first two) have already been commented on, or are in the Section that follows, the Audit Panel does not intend to give a comprehensive coverage in this Section, and consequently only addresses areas that are not covered elsewhere in this Report.

4.1 *Areas of Strength*

ACTARC identified 11 'areas of strength' in its self-assessment, compared with the nine commendations identified by the AUQA Audit Panel. There is a reasonable degree of commonality, although the AUQA Audit Panel also made recommendations in relation to six of the 11 'areas of strength' identified by ACTARC, i.e.: Two-stage application process; Quality management system; Specific higher education expertise and structures; Flexibility in adapting to client's circumstances; Seamless links to CRICOS; Ministerial capacity to intervene; and Induction and development. The Audit Panel makes the following observations, commendations, and a recommendation, on 'areas of strength' not covered elsewhere in this Report.

4.1.1 ACTARC Secretariat

A consistent thread running through the RTO and AUQA customer surveys was the extreme helpfulness of the Secretariat staff to clients, and this was confirmed in interviews with HE clients and stakeholders. It was also validated by direct observation and through the Audit Panel's direct and indirect dealings with all ACTARC Secretariat staff during the course of the AUQA audit.

Commendation 8

AUQA commends the staff of the ACTARC Secretariat for the professional and customer focused approach to their work.

An area for concern being expressed by clients that was detected by the Audit Panel was the delay in processing applications caused by heavy workloads. However, the panel learned from the Director of DEYFS that the Secretariat had recently been restructured and there was to be an increase in Departmental staff in the policy development area, and the Audit Panel expects that the administration of HE approval operations will get an appropriate proportional benefit to ease the workload backlog.

The Audit Panel reviewed the CVs of the Secretariat staff and makes the observation that the exposure of staff to higher education through previous education and training was reasonable, but if any specific individuals wanted to continue to specialise in work of this nature in the HE sector, further graduate or post graduate study, or work placements in a university environment would be an advantage. The panel believes that this observation should be factored into actions in response to Recommendation 13 that follows.

4.1.2 Management and Leadership

It was also clear to the Audit Panel that much of the good work undertaken by the ACTARC in such a pro-active manner was in no small part due to the leadership provided by the Council Chairperson and the supporting management structure. Indeed the Audit Panel was concerned to know from a risk management perspective if any steps were being taken to ensure that the Agency's corporate knowledge would be maintained, in terms of the adoption of succession planning and more thought being given to any other contingency plans. These considerations led the Audit Panel to make a linked commendation and recommendation:

Commendation 9

AUQA commends the Chair of Council for the leadership demonstrated in the development of policies, systems, and processes for the quality assurance and improvement of higher education provision by NSAs in the ACT.

Recommendation 13

That ACTARC bring forward plans to protect the Agency's corporate knowledge, by adopting a comprehensive approach to succession planning, and by providing tailored training and development opportunities for individuals in its governance structures who demonstrate the potential for handling more senior responsibilities.

4.2 *Opportunities for Improvement*

ACTARC's self-assessment identified nine 'opportunities for improvement'. There was a much greater degree of agreement between these 'opportunities' and the AUQA Audit Panel's recommendations, with the panel making recommendations in relation to eight out of the nine 'opportunities for improvement' identified by ACTARC: Improvement of access to information by clients; Implementing the details of new legislation; Further development of operational processes for National Protocols 1&2; Strengthening extra-jurisdictional involvement; Client feedback; Quality indicators; Review of selection criteria for CAPs; and full implementation of Standards for Non Self-Accrediting HE Providers. The only 'improvement opportunity' identified by ACTARC that the Audit Panel did not, was in relation to fee-setting, which the panel did not examine in detail. The Audit Panel also makes the following observations and recommendations not covered elsewhere in this Report.

4.2.1 Information Management

As noted in the Overview section of this Report above, ACTARC supplied in excess of 75 documents – either to support its performance portfolio, or in response to requests from the Audit Panel for additional information. During the audit visit, panel members also had an opportunity to visit the workspace used by Secretariat staff that deal with HE approvals, and inspected both hard-copy and computer-based files and records.

The Audit Panel also reviewed the database for CAP membership, and noted a number of errors and incomplete data on that particular document. The Audit Panel also visited the ACTARC website to review documentation prior to the audit visit, and noted that some obsolete information was still posted, but that ACTARC was in the process of up-dating these postings. ACTARC clearly acknowledged the need to improve access to information for clients via a more accessible website in its self-assessment, and the Audit Panel affirms the need for this initiative, and stresses the need to ensure that all forms of information are efficiently managed.

Recommendation 14

That the ACTARC review the efficacy of its overall records management for HE applications, with a view to reducing risks to the integrity of the data, seeking efficiencies, and ensuring that complete and accurate records of all statutory processes are maintained.

4.2.2 Communication with Stakeholders on Policy Changes

If there was one particular category of negative comment detected by the Audit Panel from interviewees on the management of administrative arrangements, it was that clients of ACTARC felt they were not given sufficient notice (both in terms of time, and of clarity of instruction), of changes in ACTARC policies or process requirements. This was particularly true for clients who were not directly represented on the Council, and for ADF clients whose dealings with the Agency were handled by an intermediary. In the latter case, the panel found at least one area in which a new policy had been misinterpreted, with potentially grave implications. As noted above, this may in part have been due to the transition from the VET Act (1995) to the TAR Act (2003), and that regulations were still being developed, but it indicates a lack of attention to effective change management.

It is therefore recommended that ACTARC review its current procedures for the communication of policy and procedural changes to all stakeholders.

Recommendation 15

That ACTARC review its current procedures for the communication of all policy and procedural changes to all stakeholders, with a view to improving the quality of communication, both in terms of timeliness and clarity.

There was also an issue about whether changes are to be applied retrospectively to approvals in process at the time the new policy or procedure is adopted. The Council position on this needs to be clarified and promulgated.

5 COMMENT ON THE NATIONAL PROTOCOLS & EXTRA JURISDICTIONAL ISSUES

Some of the issues being raised here are both relevant to the ACT, and broader than the scope of the ACTARC audit, as they also involve other jurisdictions.

The Report so far has concentrated on National Protocol 3 and Protocol 5 as they have comprised almost all the HE work of ACTARC to date. This section of the Report relates to aspects of the Protocols not covered above, including extra-jurisdictional issues.

The Audit Panel's summary conclusions about the quality assurance arrangements in place in the ACT for each specific National Protocol follow.

5.1 *Protocol 1: Criteria and Processes for Recognition of Universities*

To date, ACTARC has not had to formally deal with any applications from any entities seeking to be recognised as a university in the ACT, though such an application was made prior to the Council being established and was dealt with administratively. As such, the Audit Panel's role was limited to consideration of the relevant documentation.

The new legislation now gives the ACT Minister for Education, Youth and Family Services the responsibility to recognise a university in the ACT. If an application is made, the Minister must establish a University Advisory Panel specially constituted for that application. The Minister is required to consult with the Council on the establishment of such a panel, and the Audit Panel believes that this requirement provides an ideal opportunity for Council to ensure that only people with appropriate HE expertise and familiarity with university culture will be appointed. The legislation gives clear procedures on how an advisory panel should be set up, what factors must be considered by the panel and the characteristics of a university based on the National Protocols, as well as conditions of establishment and reviews of university operations.

The Audit Panel was advised that the practical working arrangements between the Minister and the Secretariat need to be clarified, and that regulations are to be prepared by the Secretariat to cover this. This prompted the Audit Panel to make the following recommendation for Protocol 1:

Recommendation 16

That, as foreshadowed, ACTARC develop, seek approval for and, as required, implement regulations for the appointment of people with appropriate university credentials and experience on any advisory panel set up to consider an application to establish a university in the ACT under National Protocol 1; and liaise with other jurisdictions to develop more detailed guidelines, and so promote national consistency in university approvals.

5.2 *Protocol 2: Overseas Higher Education Institutions Seeking to Operate in Australia*

ACTARC has not formally dealt with an application from any overseas Higher Education Institution seeking to operate in the ACT, though the Audit Panel noted that there had been an application by Cornell University (USA) to have one of its courses accredited in the ACT and run out of the Australian International Hotel School, and this particular case is commented on again under Protocol 4 below.

A similar situation applies under Protocol 2 as described under Protocol 1 above. The new legislation now gives the ACT Minister for Education, Youth and Family Services the responsibility to approve a foreign university operating in the ACT through a University

Advisory Panel as for Protocol 1. This prompted the Audit Panel to make the following recommendation for Protocol 2:

Recommendation 17

That, as foreshadowed, ACTARC develop, seek approval for and, as required, implement regulations for the appointment of people with appropriate university credentials and experience on any advisory panel set up to consider an application to establish a foreign university to operate in the ACT, under National Protocols 2; and liaise with other jurisdictions to develop more detailed guidelines, and so promote greater national consistency in the approval of foreign universities.

5.3 Protocol 3: Accreditation of Higher Education Courses to be Offered by Non-Self Accrediting Providers

The majority of the recommendations and observations made in this Report relate to National Protocol 3. However there is the unresolved question of extra-jurisdictional responsibilities for HE courses provided by the ADF that was raised in section 2.1.4, which because it involves other jurisdictions are more appropriately dealt with here.

5.3.1 Extra-Jurisdictional Approvals and the Australian Defence Forces

The exercise of extra-jurisdictional responsibilities and of concurrent accreditation/registration approval processes came into question when the Audit Panel considered the arrangements that have been put in place by the ACT for the ADF under National Protocol 3.

As already noted, in terms of both the number of courses and the breadth of offerings across different jurisdictions, the ADF are ACTARC's largest HE client. And, as already reported in section 2.1.4 of this Report (pp21-22), the ACTARC Higher Education Guidelines clearly indicate to applicants intending to deliver a course in a State or Territory other than the ACT, that 'a concurrent accreditation/concurrent registration should be indicated in the proposal', and that 'If an applicant subsequently wishes to deliver a course in another State / Territory they must gain accreditation of the course and register to deliver the course separately in each State/Territory' (p8).

From advice received, ACTARC clearly has jurisdiction within the ACT, but it cannot operate outside of the ACT. It also appears that the ADF has a unique Constitutional relationship with the Commonwealth Government (which is itself a regulatory jurisdiction for HE), and as a Commonwealth entity, may not be subject to State and Territory legislation. Whether the ADF as a Commonwealth entity, is subject to the National Protocols, and in particular, whether concurrent approvals for operation across multiple jurisdictions applied, was unclear to the panel.

While the Chief of Army, Navy, and Air Force and their headquarters are located in the ACT, many of the actual education and training programs are being delivered on Commonwealth land in other State and Territory jurisdictions across the nation, under the sole authority of ACTARC, as is demonstrated by the ACT Register of Higher Education Qualifications and the audit schedule in the ACTARC Defence Audit Program for 2003/04. For example, though the Department of Defence (DoD) is physically located in the ACT, Headquarters Training Command RAAF is located at Laverton in Victoria. This site was visited by the Audit Panel on 7 November 2003.

At the time of the ADF approvals in 2000, the National Protocols were new, and HE concurrent approval processes not yet fully agreed. However, during the visit to Laverton the Audit Panel discovered that there had been no subsequent application for either HE provider registration, or for HE course accreditation lodged in the State of Victoria, nor had the applications made in the

ACT been lodged or subsequently treated as a concurrent proposal, despite this being possible via the two-stage application process in the ACT.

The Audit Panel sighted a set of letters from the ACTARC Secretariat to the Australian Defence Forces dated 19 August 2002, drawing their attention to ‘the procedures for considering applications for Concurrent Accreditation of Higher Education Courses...in two or more Australian States or Territories’, and consistent with the ACTARC Higher Education Guidelines, stating that ‘this document is for use by applicants and by State / Territory accrediting bodies when applying for concurrent accreditation’. However there was no indication in these letters that the concurrent application process should be used by the ADF.

The situation noted for the RAAF above appears to apply across all the armed services. Excluding those courses provided in the ACT by the DoD and ADFA (because these providers’ locations are clearly within ACTARC’s jurisdiction, and in ADFA’s case, also through linkage with a SAI), the Audit Panel was led to question whether the nation’s Armed Forces could technically be in breach of accreditation and registration approval regulations in a number of different jurisdictions outside the ACT.

When this possibility was raised with the auditee, the response given was that it was unrealistic to expect that all ADF sites should be required to go through the concurrent HE approval processes.

The panel noted that ACTARC has a concurrent process for extra-jurisdictional HE approvals, and also that it had informed the ADF of its requirements under this process. It was the view of the panel that the technical details of the ADF’s extra-jurisdictional position should not impede full and proper exercise of quality assurance for NSAI’s offering the provision of higher education, consistent with the National Protocols.

The ambiguities involved suggest that there are some important extra-jurisdictional regulatory issues here that must be resolved.

Recommendation 18

That the ACTARC consult with the appropriate ‘responsible authorities’, including the Commonwealth, and any other state or territory authorities, that they may collectively resolve questions of extra-jurisdictional responsibility for the proper regulation of HE provision by the Australian Defence Forces under National Protocol 3.

AUQA will take up the more general issues raised by this matter under its own Objective 3 (see Appendix B). It may be necessary for the Commonwealth Minister for Education, Science and Training to clarify and resolve the question of jurisdictional responsibility to ensure the proper regulation of HE provision by the ADF and any other Commonwealth entities seeking to operate as NSAI providers of HE courses under the National Protocols.

5.4 Protocol 4: Delivery Arrangements Involving Other Organisations

For the future, the Audit Panel learned that the TAR Act gives the ACT Minister the right to investigate delivery arrangements involving other organizations (for example the RMIT/AIHS case described in Section 2 above) and presumably, as is the case under National Protocols 1 & 2, this will require early attention to the drafting of regulations by ACTARC to assist the Minister, however the Audit Panel was not able to form a clear picture of the current state of planning for these developments.

Recommendation 19

That, as foreshadowed, ACTARC consult with the Office of the ACT Minister for Education, Family, and Youth Affairs, in order to confirm the need for, and the nature of regulations for the implementation of National Protocol 4 in the ACT.

5.5 Protocol 5: Endorsement of Courses for Overseas Students

As noted in Section 1 above, the TAR Act (2003) is silent in relation to National Protocol 5. A consequent issue that came to light during this audit then was whether the States and Territories are obliged to enact local legislation in order to give effect to the Commonwealth Government's ESOS Act (2000). This act requires providers of VET and HE courses for overseas students to be 'endorsed' by the local 'designated authority' as 'an approved provider for that State to be registered under this act to provide a specified course in that State to overseas students' (ESOS Act (2000) - Section 9). 'Approved providers' are then placed on CRICOS.

Official opinions derived from some other jurisdictions suggested that the enactment of local legislation was required, and from others, that State and Territory obligations to the Commonwealth under ESOS could be addressed by regulation, or administrative means.

The auditee, when asked by the Audit Panel to clarify the situation in the ACT, produced an opinion from the ACT Government Solicitor, to the effect that ACTARC may recommend approved providers to the Commonwealth to be registered on CRICOS (even though the TAR Act (2003) is silent on this and, consequently, no regulatory language currently exists). AUQA has also requested a legal opinion to clarify its own responsibility to report on such matters under National Protocol 5, but this was not available at the time of the publication of this report.

In the absence of receiving a definitive legal opinion to the contrary, the Audit Panel accepts the ACT position, as it is also in line with a non-legal opinion received from within DEST.

However, the Audit Panel notes that the legal opinion from the ACT Government Solicitor went on to make some additional suggestions for the sake of clarity, and because this question has proved to be such 'a grey area', and noting the advice from the ACT Government Solicitor, the Audit Panel makes the following recommendation with respect to National Protocol 5:

Recommendation 20

That, in order to ensure that there is clearly stated delegation of jurisdictional authority, for the endorsement of HE courses for overseas students, ACTARC reference the Commonwealth ESOS Act (2000) and CRICOS in the ACT TAR Act (2003) Regulations.

APPENDIX A. ACTARC'S TERMS OF REFERENCE & PROFILE

Terms of Reference

The functions of ARC, as documented in the TAR Act (2003), are:

- (1) The council has the following functions
 - (a) to advise the Minister about -
 - (i) accreditation of vocational education and training courses and higher education courses; and
 - (ii) the registration of vocational education and training organizations and higher education providers; and
 - (iii) improving the quality of vocational education and training and higher education;
 - (b) to accredit vocational education and training courses and higher education courses;
 - (c) to register vocational education and training organizations and higher education providers;
 - (d) in association with the vocational education and training authority, to facilitate recognition and quality assurance in the provision of vocational education and training;
 - (e) to promote consistent national standards for –
 - (i) registration of vocational education and training organizations and higher education providers; and
 - (ii) accreditation of vocational education and training courses and higher education courses; and
 - (iii) the issue of qualifications and higher education awards;
 - (f) to inquire into, and advise the Minister on, issues about vocational education and training and higher education.
- (2) The council may exercise any other function given to it under this Act or another Territory law.

Note A provision of a law that gives an entity (including a person) a function also gives the entity powers necessary and convenient to exercise the function (see Legislation Act s 196 and dict, pt 1, def entity).

Agency Profile

For the purposes of the AUQA audit, ACTARC is deemed to comprise the following (numbers of people involved indicated in brackets): the Accreditation and Registration Council (11); the Higher Education Committee - a sub-committee of Council (5), and the Course Assessment Panels that it constitutes (90+); and the staff of the TAE and ACTARC Secretariat with HE responsibilities (6). ACTARC has direct responsibility for the registration of all non self-accrediting VET and HE providers in the ACT, and for the accreditation of all courses provided by them. At the time of the audit there were ten HE providers and 69 HE courses listed on the ACT Register of HE Qualifications. The ACT is also home to two self-accrediting universities. Two other self-accrediting universities have major campuses in the ACT, while a number of others are represented. All institutions wishing to offer courses to overseas students in the ACT must be endorsed for national CRICOS registration through ACTARC.

ACTARC's vision is:

'To contribute to a high quality tertiary education and training system that meets national quality assurance standards by providing an efficient and effective registration and accreditation service in the ACT.'

ACTARC's Mission is:

'To promote a responsive and accountable tertiary education and training accreditation and registration system which meets the requirements of ACT residents and students, maximizing the economic and social benefits to the ACT community.'

ACTARC's Values are:

- Achieving quality outcomes
- Being consultative and responsive
- Being transparent and accountable
- Focusing on the future
- Being informative and accessible
- Supporting clients.

ACTARC's Goals and Objectives are:

Goal 1 Apply National Quality assurance Standards to the Tertiary Education and Training Systems

Objective: To communicate regularly and effectively in language suited to clients and to increase the public understanding of the value of tertiary and training accreditation and registration systems.

Goal 2 Establish a Tertiary Education and Training Accreditation and Registration Framework

Objective: To ensure the tertiary education and training system has a transparent and accountable accreditation and registration framework.

Goal 3 Measure and Report on Compliance with the ACT Tertiary Education and Training Standards by ACT Providers

Objective: To ensure the standards provide quality outcomes in a transparent and accountable manner.

Note As the new ACT legislation was being introduced at the time of the audit. It is likely that some new systems, processes and regulations will have been introduced by the Agency by the release date of this audit Report.

APPENDIX B. AUQA'S MISSION, VALUES AND OBJECTIVES

Mission

By means of quality audits of universities and accrediting agencies, and otherwise, AUQA will provide public assurance of the quality of Australia's universities and other institutions of HE, and will assist in improving the academic quality of these institutions.

Values

AUQA will be:

1. Thorough: AUQA carries out all its audits as thoroughly as possible.
2. Supportive: recognising institutional autonomy in setting objectives and implementing processes to achieve them, AUQA acts to facilitate and support this.
3. Flexible: AUQA operates flexibly, in order to acknowledge and reinforce institutional diversity.
4. Co-operative: recognising that the achievement of quality in any organisation depends on a commitment to quality within the organisation itself, AUQA operates as unobtrusively as is consistent with effectiveness and rigour.
5. Collaborative: as a quality assurance agency, AUQA works collaboratively with the accrediting agencies (in addition to its audit role with respect to these agencies).
6. Transparent: AUQA's audit procedures, and its own quality assurance system, are open to public scrutiny.
7. Economical: AUQA operates cost-effectively and keeps as low as possible the demands it places on institutions and agencies.
8. Open: AUQA reports publicly and clearly on its findings in relation to institutions, agencies and the sector.

Objectives

The Objects of the Company are to:

1. arrange and manage a system of periodic audits of QA arrangements relating to the activities of Australian universities, other self-accrediting institutions (SAIs) and state and territory HE accreditation bodies;
2. monitor, review, analyse and provide public reports on QA arrangements in SAIs, and on processes and procedures of state and territory accreditation authorities, and on the impact of those processes on the quality of programs;
3. Report on the criteria for the accreditation of new universities and non-university HE courses as a result of information obtained during the audit of institutions and state and territory accreditation processes; and
4. Report on the relative standards of the Australian HE system and its QA processes, including their international standing, as a result of information obtained during the audit process.

APPENDIX C. AUQA AUDIT PANEL

Mr Robert Carmichael, Audit Director, Australian Universities Quality Agency, Victoria

Professor Roger Field, Acting Vice-Chancellor, Lincoln University, New Zealand

Dr Anne Martin, Higher Education Consultant, Victoria (Panel Chair)

Mr Harwood Lockton, Chair / Coordinator BA Degree Course Board, Avondale College, NSW

Dr Terry Stokes, Director, Office for Higher Education, Dept. of Education and Training, Victoria

Observer: Professor Theo Bhengu, Manager: Accreditation and Coordination, HEQC, Republic of South Africa

APPENDIX D. NATIONAL PROTOCOLS FOR HIGHER EDUCATION APPROVAL PROCESSES

These protocols are a key element of a new national quality assurance framework for Australian higher education:

- Protocol 1: Criteria and processes for recognition of universities;
- Protocol 2: Overseas higher education institutions seeking to operate in Australia;
- Protocol 3: The accreditation of HE courses to be offered by non self-accrediting providers;
- Protocol 4: Delivery arrangements involving other organizations; and,
- Protocol 5: Endorsement of courses for overseas students.

These protocols provide a set of common principles and a cooperative approach to the quality assurance of all higher education accreditation and registration processes. They were designed to ensure consistent criteria and standards across Australia in such matters. The Australian States and mainland Territories, which have responsibility for managing higher education and approval processes, have agreed to their adoption.

The HE accreditation and registration processes of the approval bodies of Australian States and Territories are subject to audit against these protocols by AUQA.

Further information about the National Protocols is available from DEST, in the booklet:

National Protocols for Higher Education Approval Processes (revised 2000);

ISBN 0 642 44908 2;

ISBN 0 642 44909 0 (www);

DETYA No. 6565.HERC 00B;

ABN: 51 452 193 160.