

AUSTRALIAN UNIVERSITIES QUALITY AGENCY

Report of an Audit of
Northern Territory Department of Employment,
Education and Training
Higher Education Approvals Functions

March 2006

AUQA Audit Report Number 41

ISBN 1 877090 50 6

© Australian Universities Quality Agency 2006

Level 10, 123 Lonsdale Street
Melbourne, VIC 3000
Ph 03 9664 1000
Fax 03 9639 7377

admin@auqa.edu.au

<http://www.auqa.edu.au>

The Australian Universities Quality Agency receives financial support from the Commonwealth, State and Territory Governments of Australia.

CONTENTS

OVERVIEW OF THE AUDIT	1
Background	1
The Audit Process	1
CONCLUSIONS.....	3
Introduction to Findings	3
Commendations.....	4
Affirmations	4
Recommendations	5
1 CONTEXT FOR THE AUDIT	7
1.1 Higher Education in the Northern Territory.....	7
1.2 Legislative Framework for Higher Education Approvals Functions in the NT	8
1.3 NT DEET	8
1.4 Significance of Higher Education Approvals Functions.....	9
1.5 National Developments.....	10
2 LEGISLATIVE AND REGULATORY FRAMEWORK	11
2.1 NT Education Act 1979	11
2.2 NT Higher Education Act 2004	11
2.3 Definition of ‘to operate’	12
2.4 Guidelines under the Legislation	13
3 MANAGEMENT OF HIGHER EDUCATION APPROVALS WITHIN NT DEET	14
3.1 Higher Education Services unit, Business Planning and Information Division.....	14
3.2 International Services Branch	15
3.3 Sources of External Advice and National Networks.....	16
3.4 The Development of Increased Capabilities	16
3.4.1 Planning and Decision-Making	17
3.4.2 Higher Education Accreditation Reference Group.....	18
3.5 Quality Assurance Systems.....	18
4 OUTSOURCING AGREEMENT	20
4.1 Establishment of the Agreement	20
4.2 Implementation of the Agreement	21
4.3 Issues Requiring Clarification.....	22
5 IMPLEMENTATION OF HIGHER EDUCATION APPROVAL PROCESSES.....	24
5.1 Communication with Stakeholders	24
5.1.1 Communication with Clients.....	24
5.1.2 Communication with the General Public.....	25
5.2 Compliance Monitoring and Identification of Breaches	26
5.3 National Protocol 1	26
5.4 National Protocol 2	27
5.5 National Protocol 3	27
5.6 National Protocol 4	29
5.7 National Protocol 5	29
5.8 Concluding Comment	30

**APPENDIX A: NORTHERN TERRITORY DEPARTMENT OF EMPLOYMENT,
EDUCATION AND TRAINING31**

APPENDIX B: AUQA’S MISSION, OBJECTIVES, VALUES AND VISION.....33

APPENDIX C: THE AUDIT PANEL35

APPENDIX D: ABBREVIATIONS AND DEFINITIONS.....36

**APPENDIX E: NATIONAL PROTOCOLS FOR HIGHER EDUCATION APPROVAL
PROCESSES38**

OVERVIEW OF THE AUDIT

Background

In March 2005, the Australian Universities Quality Agency (AUQA) appointed an Audit Panel to audit the quality assurance systems in place within the Northern Territory (NT) in respect of its higher education approvals and accreditation responsibilities. The same Audit Panel also undertook an audit of the quality assurance systems in place within the Queensland Department of Education and the Arts (QDEA) in respect of its higher education approvals and accreditation responsibilities. The audits were undertaken concurrently by one Audit Panel, in recognition of contractual arrangements between these two jurisdictions and the desirability of minimising costs, given the small scale of higher education approvals functions in the Northern Territory.

This Report is of the audit of the higher education approvals functions carried out by the Northern Territory Department of Employment, Education and Training (NT DEET). It provides an overview, and then details the Audit Panel's findings, recommendations, affirmations and commendations. A brief introduction to NT DEET ('the Department') is given in Appendix A; the mission, objectives, values and vision of AUQA are shown in Appendix B. Membership of the Audit Panel is provided in Appendix C while Appendix D defines abbreviations and terms used in this Report.

The Audit Process

AUQA bases its audits on each organisation's own objectives, together with the MCEETYA National Protocols for Higher Education Approval Processes ('National Protocols' or 'Protocols') and legislation within the jurisdiction designed to give effect to the National Protocols. The major aim of the audit is to consider and review the procedures an organisation has in place to monitor and achieve its objectives and to implement the National Protocols. Appendix E provides brief information about the National Protocols – further details are available at <http://www.mceetya.edu.au/mceetya/>. Full details of the AUQA audit process are available in the AUQA Audit Manual available from <http://www.auqa.edu.au>.

On 29 June 2005 the Department, through its Higher Education Services (HES) unit presented its submission (Performance Portfolio) to AUQA, along with three Supporting Materials. The Audit Panel met on 29 July 2005 to consider these documents, after which additional information and documents were sought from NT DEET.

The Audit Panel Chairperson and the AUQA Audit Director undertook a preparatory visit to NT DEET on 12 August to clarify the Panel's request for further information and to review arrangements for the Audit Visit. The full Audit Panel met with officers of the Queensland Department of Education and the Arts on 22 September to obtain their views on contractual arrangements between the two jurisdictions regarding administration of National Protocols 1 to 3 (section 4).

The Audit Visit involved three members of the Audit Panel and took place in NT DEET's offices in Darwin on 23 September 2005. The full Panel convened by teleconference on 10 October to discuss findings from the Audit Visit. The Panel Chairperson and the AUQA Audit Director provided exit feedback to NT DEET by teleconference on 25 October 2005.

AUQA acknowledges the assistance provided by the Senior Policy Officer, Higher Education Services unit in NT DEET, throughout the audit process. However, the Audit Panel found it somewhat difficult to obtain documents from NT DEET in advance of the Audit Visit and the Panel's impression was that officers of the Department had not been able to engage fully with the audit process prior to the Audit Visit. The three-person Panel appreciated the openness of NT DEET senior executives and officers during the Audit Visit.

The Audit Panel undertook one confidential survey, of providers accredited to offer higher education courses in the Northern Territory. The survey was carried out by telephone interviews, conducted by one Audit Panel member, with representatives of all HE providers. During the Audit Visit, the Panel spoke to representatives of another accredited provider, to NT DEET officers involved in the assessment of applications for accreditation (no external panel members have been used by NT DEET) and to representatives of Charles Darwin University, the one higher education institution in the NT with CRICOS registration to offer courses to overseas students.

The Audit Panel spoke with some 15 people during the Audit Visit, including an adviser to the NT Minister for Employment, Education and Training, and senior executives and officers of NT DEET. One session was set aside for any persons involved in or affected by NT DEET higher education approvals processes to meet the Audit Panel. There were no requests for such a meeting.

This Report relates to the situation current at the time of the Audit Visit. It does not take account of any changes that may have occurred subsequently, although the Panel notes the appointment of a new Chief Executive to NT DEET in October 2005. The Report records the conclusions reached by the full Audit Panel based on the documentation provided by NT DEET as well as information gained through examination of publicly available material and through interviews, discussion and observation. While every attempt has been made to reach a comprehensive understanding of the NT DEET higher education approvals activities encompassed by the audit, the Report does not identify every aspect of quality assurance and its effectiveness or shortcomings.

The Report contains a summary of findings together with lists of commendations, affirmations and recommendations. A commendation refers to the achievement of a stated goal, or to some plan or activity that has led to, or appears likely to lead to, the achievement of a stated goal, and which in AUQA's view is particularly significant. A recommendation refers to an area in need of attention, whether in respect of approach, deployment or results, which in AUQA's view is particularly significant. Where there is evidence that such matters have already been identified by NT DEET, they are termed 'affirmations'. It is acknowledged that recommendations in AUQA Audit Reports may have resource implications, and that this can pose difficulties for organisations. Accordingly, AUQA does not prioritise these recommendations, and recognises that it is the responsibility of NT DEET to respond in a manner consistent with its local context.

This Audit Report addresses all the matters raised in the NT DEET Performance Portfolio but uses a slightly different structure to the Portfolio, to appropriately reflect the balance of the Panel's key findings.

CONCLUSIONS

This section summarises the main findings and lists the commendations, affirmations and recommendations. Other comments and suggestions are mentioned throughout the text of the Report.

Introduction to Findings

The Audit took place when revision of the National Protocols and the Commonwealth ESOS Act was under active consideration throughout Australia. Several of the recommendations in this report are likely to be affected by the outcomes of these national discussions.

The Audit Panel acknowledges the issues facing NT DEET in supporting higher education in the Northern Territory and in providing adequate resourcing of higher education approvals functions. In particular, it recognises the challenges raised by the small size of higher education provision in the Territory and the importance placed on further development of Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education. Nonetheless, the Panel believes the Department must improve its preparedness and capacity to address matters covered by the National Protocols in several respects.

The most urgent need identified by the Panel is to bring into effect the new *Higher Education Act 2004*. Until this legislation is implemented, the Northern Territory does not have adequate authority to meet its responsibilities under the National Protocols. The Panel affirms NT DEET's intention to develop a comprehensive set of guidelines for applicants under the new legislation and recommends that the Department prepare a plan for proactively monitoring compliance.

The Department's higher education approvals activities contribute to upholding national standards for higher education. The Panel finds a need for stronger awareness within NT DEET of this national context and a more strategic approach to management of higher education approvals functions. In particular, the Panel observes there is an uncertain attitude within the Department in relation to new providers seeking to offer higher education in the NT. To assist both potential providers and the Department's own priority-setting, the Panel recommends the Department develop a planning framework for higher education approvals that sets out developmental goals and areas where additional provision of higher education is sought.

The Panel commends NT DEET for identifying a need to strengthen its capabilities to address higher education approvals. It affirms the aims of NT DEET's restructuring of the Business Planning and Information Division, noting that this restructure should also address position descriptions, supervisory arrangements and dedicated funding. With respect to development of expertise, the Panel found a lack of documentation and consideration of issues at senior management levels on matters of policy involving National Protocols 1 to 4 and makes recommendations on the need for appropriate procedures for informed decision-making as part of a plan for capacity-building.

The Department also intends to strengthen its links with other jurisdictions and draw from their advice and, in this regard, has entered into an outsourcing Agreement with the Queensland Office of Higher Education to manage aspects of approvals under Protocols 1 to 3. The Panel found some implementation issues that require clarification but NT DEET is commended for identifying and using outsourcing as an option. The Department is also commended for its willingness to seek advice and solutions from other jurisdictions.

The Panel confirms the need for NT DEET to develop a quality assurance system for higher education approvals, or higher education more generally, consistent with wider Departmental quality assurance processes. A risk assessment framework is also recommended, to assist in meeting the objects of the new legislation.

Communication with approved NSAI providers is an area in which NT DEET is not performing well and the Panel recommends a systematic approach, including action to advise providers of the specific implications of the new legislation. The Panel affirms NT DEET's intention to improve its website to communicate better with applicants, providers and the general public, but notes that better communication will involve additional strategies.

With regard to existing approvals under Protocols 2 and 3, the Panel found a range of issues that NT DEET will need to consider when the new legislation comes into operation. Some of these issues, such as the scope of the phrase 'to operate' reflect ongoing national deliberations concerning the Protocols, but others relate more to the need for NT DEET to increase its understanding of the nature of higher education accreditation. A particular example concerns the identification of local factors that are relevant to decisions to recognise accreditation from another jurisdiction, where the Panel recommends that NT DEET develop a clear interpretation of 'mutual recognition'. The Panel concludes that the Department's processes for handling Protocol 5 matters are satisfactory, although some fine-tuning is suggested.

The new legislation provides an appropriate framework for implementation of the Protocols and the Panel acknowledges the assistance that NT DEET can expect from the outsourcing Agreement in relation to Protocols 1 to 3. The recommendations and affirmations in this Report are designed to build on these positive developments, to assist NT DEET to better fulfil its responsibilities under the National Protocols.

Commendations

1. AUQA commends NT DEET for its willingness to look beyond its own borders to seek advice and collaborative solutions on issues relating to the National Protocols.16
2. AUQA commends NT DEET for its recognition of the need to develop its internal capabilities for informed consideration of higher education approvals and matters relating to the National Protocols.....17
3. AUQA commends NT DEET for its actions, which set a national precedent, in using outsourcing as an option for management of elements of its responsibilities under the National Protocols.....21

Affirmations

1. AUQA affirms NT DEET's intention to develop a comprehensive set of guidelines for higher education approvals processes and urges that this task be completed as soon as practicable.13
2. AUQA affirms NT DEET's recognition of the need to realign roles within the Business Planning and Information Division to better meet current demands, and to ensure effective supervisory support for the Senior Policy Officer position.....15
3. AUQA affirms the actions taken by NT DEET, and the Senior Policy Officer in particular, to work closely with the Queensland Office of Higher Education on implementation arrangements for the outsourcing Agreement.22
4. AUQA affirms NT DEET's intention to ensure that its website contains comprehensive information on higher education approvals, noting that the website should contain sufficient information to assist the maintenance of public confidence in the Northern Territory's standards for higher education.26

5. AUQA affirms that NT DEET should develop processes for handling breaches of its legislation, but adds that NT DEET should also develop a systematic process for proactively monitoring compliance with the *Higher Education Act 2004*.....26
6. AUQA affirms NT DEET's intention to review the one approval in relation to an overseas higher education institution and to resolve the status of the approval once the *Higher Education Act 2004* is brought into effect.....27
7. AUQA affirms the steps International Services Branch is taking to improve its CRICOS documentation and affirms the need to further develop documentation and assessment processes appropriate for higher education providers.....30

Recommendations

1. AUQA recommends that NT DEET develop a planning framework for its higher education approvals functions, which sets out developmental goals and areas where additional provision of higher education is sought, and which conveys the national context of decisions made by the Department.....10
2. AUQA recommends that NT DEET take urgent action to finalise Regulations, in order to ensure the *Higher Education Act 2004* is brought into effect without further delay.12
3. AUQA recommends that NT DEET ensure that position descriptions within the restructured Business Planning and Information Division specify operational responsibilities for management of higher education approvals functions under the National Protocols.15
4. AUQA recommends that NT DEET establish a dedicated budget to support the higher education approvals function within the Department.15
5. AUQA recommends that, within an overall planning framework for higher education approvals, NT DEET develop a plan to acquire more broadly-based staff expertise and ensure its internal processes are appropriate for informed decision-making at senior levels.....18
6. AUQA recommends that NT DEET develop an internal quality assurance system for matters relating to the National Protocols and that this system should be consistent with wider Departmental quality assurance processes.19
7. AUQA recommends that NT DEET develop a risk assessment framework, benchmarked against other jurisdictions, and that NT DEET ensure the ongoing review of risks by senior management.19
8. AUQA recommends that NT DEET clarify arrangements under the outsourcing Agreement with the Queensland Office of Higher Education in respect of: the criteria and mechanisms for decisions by NT DEET on whether or not to handle applications itself; the role NT DEET wishes to play in regard to recommendations from the Queensland Ministerial Advisory Panel on providers' annual reports; and the processes for performance monitoring of the outsourcing Agreement.....23
9. AUQA recommends that NT DEET take urgent action to inform providers holding existing approvals of the impending commencement of the *Higher Education Act 2004* and its implications for their approvals.24

- 10. AUQA recommends that NT DEET develop and implement a plan for systematic communication with providers holding approvals as part of a higher education quality assurance system.25
- 11. AUQA recommends that NT DEET review existing approvals given through a mutual recognition process, to identify what action to take regarding conditions attached to the original approval given in another jurisdiction.28
- 12. AUQA recommends that, in the context of national decisions, NT DEET develop a clear understanding and interpretation of ‘mutual recognition’ and document the administrative procedures involved in assessing applications involving ‘mutual recognition’.28
- 13. AUQA recommends that NT DEET take action to develop a documented process for identifying issues and handling applications relating to National Protocol 4.29

1 CONTEXT FOR THE AUDIT

The purpose of this section of the Report is to provide an outline of the regulatory and operational context within which NT DEET's management of its higher education approvals functions has been considered.

1.1 Higher Education in the Northern Territory

The Northern Territory is a self-governing Territory of the Commonwealth of Australia. It has an elected Legislative Assembly and an Administrator appointed by the Governor-General. The Territory has 1% of Australia's population but occupies about a sixth of the Australian continent.

The key features of the Territory's total population of just over 200,000 are diversity, youth and dispersion. Indigenous Australians constitute 30% of the population and around 15% of the population was born overseas. A quarter of the population is aged under 15 years, the highest proportion of any State or Territory. Nearly half the Territory's people live outside the greater Darwin area and Alice Springs, in rural, remote or very remote locations. Priorities for the current Territory Government include economic development, improving health status especially for Indigenous people, and improving educational outcomes and retention at all levels. Higher education and VET participation rates in the NT for young people aged 15-24 are low compared to other States and the ACT.

At the time of the Audit Visit, there were six non self-accrediting institutions (NSAIs) accredited to offer courses in the NT, including one overseas higher education institution. No NSAIs have been approved to offer higher education courses in the Northern Territory to overseas students, under the Commonwealth *Education Services for Overseas Students Act 2000* (ESOS Act).

Table 1 shows a breakdown of the courses offered by NSAIs, including the overseas institution, by Australian Qualification Framework Award (AQF) classification as at 21 October 2005.

Table 1

AQF Award Classification	Number of Courses
Diploma	2
Advanced Diploma	-
Associate Degree	1
Bachelor Degree	1
Graduate Certificate	2
Graduate Diploma	4
Masters Degree	1
Doctoral Degree	-
All Award Categories:	11

There are two self-accrediting higher education institutions (SAIs) in the Northern Territory, namely Charles Darwin University (CDU) and Batchelor Institute of Indigenous Tertiary Education (BIITE). The Medical Faculty of the Flinders University of South Australia provides teaching in medicine through the Northern Territory Clinical School in Darwin and Alice Springs, in partnership with NT clinical service providers. It also offers postgraduate qualifications with CDU through the Centre for Remote Health in Alice Springs.

In June 2003, the Northern Territory Government and CDU entered into a Partnership Agreement, to generate mutually productive and cooperative relationships of benefit to the social and economic development of the Territory. Priorities within the Partnership include capacity-building, meeting Government needs and reorganising the University to better meet Territory needs in an efficient manner.

The 2005 AUQA Audit Report on CDU commends the University for entering into the Partnership Agreement (http://www.auqa.edu.au/qualityaudit/sai_reports/index.shtml).

1.2 Legislative Framework for Higher Education Approvals Functions in the NT

At the time of the Audit, the only legislation in force in the Territory to address matters relating to the National Protocols was the *Education Act 1979*, the *Batchelor Institute of Indigenous Tertiary Education Act 1999* and the *Charles Darwin University Act 2003*.

The Northern Territory *Higher Education Act 2004* was passed on 20 May 2004 but, at October 2005, had yet to come into effect. This Act is designed to address responsibilities under all five National Protocols and draws on the *Queensland Higher Education (General Provisions) Act 2003*. The Audit Panel was advised that 2005 was a transition period and that the new Act would come into effect when the Regulations were gazetted. At the time of writing, no gazettal date had been set.

For Protocol 5, provision of education for overseas students is also regulated by Commonwealth legislation (the *Education Services for Overseas Students Act 2000* or ESOS Act and the ESOS Regulations) and a National Code, which address the requirements of this Protocol. The Commonwealth *ESOS (Assurance Fund Contributions) Act 2000* imposes the requirement to pay annual contributions and special levies to the Assurance Fund, while the Commonwealth *ESOS (Registration Charges) Act 1997* sets out the fees and charges to be paid by providers for registration on CRICOS.

Additional observations and findings on the regulatory framework for higher education approvals are contained in section 2.

1.3 NT DEET

The Department of Employment, Education and Training (DEET), which includes NT WorkSafe, has the major responsibilities for education in the Northern Territory and employs around 4,000 staff.

NT DEET's six key priorities, as stated in its 2004–2005 Annual Report, are:

1. Building the NT workforce
2. Protecting the NT workforce
3. DEET workforce development and capacity building
4. Improved educational outcomes for all students
5. Improve educational outcomes for Indigenous students
6. Infrastructure development and maintenance.

Responsibilities for higher education approvals functions in NT DEET lie within the Education Services business area, in the Higher Education Services unit of the Business Planning and Information Division (BPID) and, for Protocol 5, in the International Services Branch (ISB), which is in the Resource Management and Schools area.

The Department's Education business area is focused on providing quality education for all students, with a focus on meeting Indigenous students' needs, leading to employment, training or further education. However, as the Performance Portfolio states, a primary aim of the Northern Territory is to build resident capacity to address skill shortages and promote social development. As a result, much of NT DEET's work focuses on pre-school, primary and secondary education and on vocational training. The Panel was informed that, within the general community, there is a low awareness of higher education compared to these other educational sectors. In common with other agencies in the Territory, staff turnover is high.

An election in the Northern Territory was held on 18 June 2005 and the priorities of the returned Government were being freshly articulated at the time of the Audit. As well, a number of senior positions in the Department, including those of the Chief Executive and Deputy Chief Executive (Education Services), were filled on an acting basis. The Panel notes that the managers of the two areas directly responsible for higher education approvals (BPID and ISB) are fractional time appointments. It was told that fractional time senior appointments are not uncommon in the Territory and that these arrangements allow skills to be shared across different organisations. During the audit period, a restructure of the Business Planning and Information Division was in progress.

1.4 *Significance of Higher Education Approvals Functions*

Although the Department's activities in respect of higher education approvals are on a small scale, they contribute to upholding national standards for higher education. Decisions taken by NT DEET on the approval of providers or accreditation of higher education courses will have national implications in terms of standards and consistency. Placed in this wider national context, these functions are significant and merit particular attention by the Department.

From the Audit Visit, the Panel found a degree of uncertainty within NT DEET over the priority to be given to higher education approvals functions. On several occasions Panel members were informed that higher education regulation was of fairly low importance in the NT, because of other pressing demands and a small number of NSAI providers. These observations suggest a need for stronger awareness within NT DEET of the national context for the Department's higher education approvals functions and a more strategic approach to their management. Otherwise, there will continue to be uncertainty over the relative importance of higher education approvals and a lack of clear direction when issues arise.

The Panel notes that NSAI providers of higher education could potentially play a role in expanding higher education in the Northern Territory. The Department's Performance Portfolio identified a tension between government commitments to build capacity through CDU and BIITE and the encouragement of new NSAI entrants. Several interviewees expressed concerns to the Panel over the possible impact on public provision of higher education if other providers of higher education offer courses that duplicate existing programs at the publicly-funded institutions. On the other hand, the benefits were recognised of new courses to address needs that could not be met by CDU or BIITE.

Similarly, it was suggested that the attitude within the Territory to a proposal for a new university in the NT could depend on whether such a hypothetical new university were trying to replicate existing provision for NT residents or, instead, aiming to attract overseas investment and international students to the NT. The Panel acknowledges the complexity of such questions but believes it important that potential higher education providers be aware of strategic considerations that are relevant in the Northern Territory.

From these observations, the Panel suggests it would be helpful for the Department to develop a planning framework for higher education approvals. Such a framework could set out developmental goals and areas where additional provision of higher education is sought, as well

as conveying the national context within which decisions on higher education approvals are made. The Panel believes this would assist both potential providers and the Department's own internal priority-setting.

Recommendation 1

AUQA recommends that NT DEET develop a planning framework for its higher education approvals functions, which sets out developmental goals and areas where additional provision of higher education is sought, and which conveys the national context of decisions made by the Department.

1.5 National Developments

The audit of the higher education approvals functions of NT DEET took place during considerable debate nationally on changes to the National Protocols. In December 2003, the Department of Education, Science and Training (DEST) initiated a consultancy on the National Protocols, to cover topics including:

- the feasibility/desirability of common guidelines to address issues in National Protocol 1
- criteria for 'green-field university' proposals and criteria which might be specific to private or for-profit institutions
- changes to Protocols 2, 3 or 4
- the possibility of developing a consistent, nationally agreed definition of 'to operate' (see also section 2 of this report).

The consultancy resulted in the publication, in late 2004, of a report 'Further Development of the National Protocols for Higher Education Approvals Processes' by Professors Gus Guthrie, Sue Johnston and Roger King. The report was followed by an Issues Paper in early 2005, 'Building University Diversity: Future approval and accreditation processes for Australian higher education' and a sector-wide consultation process focusing on issues such as national consistency and mutual recognition of decisions made in one jurisdiction. A National Protocols workshop was held on 17 August 2005. Subsequent to the NT DEET Audit Visit, discussions at the MCEETYA meeting of 17 November 2005 led to an agreement that the nine Commonwealth, State and Territory jurisdictions would commence work on revisions to the Protocols. These revisions, once agreed, are likely to influence the implementation of recommendations in this Audit Report, such as those on mutual recognition of accreditation decisions.

In addition, and relevant to National Protocol 5, an evaluation of the Commonwealth ESOS Act was undertaken in 2004, with a final report being provided in February 2005. The evaluation recognised ESOS as a sound foundation for regulating the provision of education to overseas students but also recommended a range of changes, many of which are expected to be implemented. At the time of the Audit Visit, States and Territories were consulting with DEST on implementation of changes.

The Commonwealth's new Higher Education Support Act 2003 allows NSAI higher education providers to offer FEE-HELP loans to students in accredited courses from 1 January 2005, subject to these providers agreeing to quality requirements, including quality audit. This development has led to an increased sensitivity to quality assurance issues among NSAIs in general as well as to two specific requests to NT DEET from new providers for approval of courses.

2 LEGISLATIVE AND REGULATORY FRAMEWORK

This section of the Report examines the legislative and regulatory framework for higher education approvals processes within the Northern Territory. As noted above, the new *Higher Education Act 2004* was yet to come into operation at the time of publication of this Report.

2.1 *NT Education Act 1979*

This Act has not been amended to take account of the National Protocols but was reviewed in 2003, leading to the development of new legislation. Section 73A of the current Act deals with higher education but, as NT DEET acknowledges, does not provide an adequate framework for implementation of the Protocols. This section does however prohibit the conferring and offering of a higher education award (degree, associate degree, graduate diploma, graduate certificate, postgraduate certificate or associate diploma) unless the institution at which the course is provided is:

- a university established, continued or recognised as a university under a law of the Commonwealth, the Territory or a State or another Territory of the Commonwealth;
- a college; or
- approved by the Minister, by notice in the *Gazette*, and is operated under and in accordance with such terms and conditions, if any, as the Minister specifies in the notice.

A person or organisation may apply to the Minister for approval to conduct a course or to confer a higher education award. NT DEET has not developed any guidelines for applicants or application forms for this purpose.

There are no Regulations under the Act in respect of section 73A and no penalties for breaches. That is, the Northern Territory appears to the Panel to have little ability to ensure compliance or take action against breaches under the legislation. NT DEET advised the Panel that the legislation protects the use of the term ‘university’ and it recognises the need for a policy on compliance (section 5.2). The Panel agrees that restrictions on conferring a higher education award will provide indirect protection in many cases but it takes the view that the Act does not directly protect the term ‘university’ (see also section 5).

2.2 *NT Higher Education Act 2004*

The Performance Portfolio states, and the Panel acknowledges, that the Northern Territory approved the new legislation to meet its obligations under the National Protocols. The objects of the new Act are:

- To uphold the standards of education provided by higher education institutions operating in the Territory
- To maintain public confidence in the higher education sector in the Territory.

The new legislation is explicitly linked to the National Protocols and is designed to allow the Territory to meet its responsibilities under each of the five Protocols. The Act refers to the Protocols as those ‘in force from time to time’ in an effort to minimise changes to the legislation as a result of changes to the Protocols. Part 2 of the Act deals with the establishment and recognition of universities; Part 3 with overseas higher education institutions, Part 4 with interstate universities; Part 5 with the accreditation of courses offered by non-university providers, and Part 6 with the provision of higher education courses to overseas students.

When this legislation comes into effect, the Panel believes it will provide a sound basis for implementation of the National Protocols, although the Panel notes as a possibility that the legislation may require amendment depending on the nature of changes to the Protocols in the foreseeable future.

The Performance Portfolio states that the new legislation, which was passed in May 2004, will come into effect when Regulations are gazetted. When the Portfolio was submitted at the end of June, the Department expected to have the Regulations gazetted by August 2005. At the time of the Audit Visit, the Panel was told that gazettal of the Regulations was expected in November 2005. The Panel viewed a draft version of the Regulations, which appeared to require further work, in September 2005.

The Panel asked several times for an explanation of the reasons for the delay in finalising the Regulations. Although initial responses varied, the Panel was told that the main reason was difficulty in finalising a fee structure for applications, due to the particular circumstances of the Northern Territory. The Department identified contributing factors as: a small number of clients and the NT Government's desire to encourage provision of quality education to students; expected small numbers of applications; and the need to cover direct costs related to the Agreement with QOHE. In October 2005, the Department informed the Panel that a Competition Impact Analysis was required and that the Regulations need to be considered by the NT Government Executive Council prior to gazettal.

With regard to the fee structure, the Panel was told that the Department was reviewing in options in the light of issues it considered relevant, including a small client base, a desire to offer quality options for students and the likelihood of only a small number of applications for course accreditation. Full cost recovery from application fees is not considered a feasible option but DEET wishes to cover the amounts it will pay to Queensland under its outsourcing Agreement for Protocols 1 to 3 (section 4). Nationally, there is an understanding that fees should be broadly similar across all jurisdictions but, due to differences in the structure of State and Territory legislation and differences in process, there is considerable variation nationally. It appears to the Panel that fees in the draft Regulation are intended to be comparable to those in Queensland, in accordance with the similarity in structure of the Queensland and NT legislation and the requirements of the outsourcing Agreement. The Panel observed that the draft Regulations do not include any schedule of fees for applications for approval of higher education courses to overseas students and considers they should do so, given that the relevant section of the legislation refers to fees under the Regulations.

Departmental officers stated to the Panel that only a small number of applications for course accreditation or reaccreditation were anticipated. However, the Panel notes that three applications have been considered by the Department already in the time since the new Act was passed. This is a significant number of applications in terms of overall activity in the NT. Overall, the Panel did not find evidence that there are special factors warranting an ongoing extended delay in implementing the new legislation.

Recommendation 2

AUQA recommends that NT DEET take urgent action to finalise Regulations, in order to ensure the *Higher Education Act 2004* is brought into effect without further delay.

2.3 *Definition of 'to operate'*

The new Act defines 'operate an educational institution in the Territory' as including operating the institution by electronic communication but does not otherwise clarify the meaning of 'operate'. The National Protocols apply to institutions that seek 'to operate' programs in

Australia. The NT DEET Performance Portfolio mentions several times the need for a clear and nationally consistent definition of 'to operate', a matter addressed in the 2004 Guthrie/Johnston/King review of the Protocols. The Panel agrees with the comments in the Portfolio that this is particularly relevant for the NT in regard to the provision of education at a distance but that resolution of the issue is most appropriately pursued through national discussions. However, for reasons outlined in section 5, the Panel stresses the need for NT DEET to clarify its interpretation of the term under the new Act.

2.4 *Guidelines under the Legislation*

To implement the new legislation, NT DEET is working on a set of guidelines for potential applicants. The Panel was informed that these guidelines will be modelled on those Queensland Department of Education and the Arts, in accordance with assistance to be provided by the QOHE under the outsourcing Agreement (section 4). The Panel notes that NT DEET may need to seek assistance from elsewhere in developing guidelines for Protocol 5 (see also section 5.7), as the Agreement with QOHE does not extend to this Protocol.

It was stated in the Performance Portfolio that the guidelines would be finalised by August 2005 but work on these guidelines appeared to the Panel to be at a very early stage at the time of the Audit Visit in September.

The Panel was informed that a lack of resources had delayed work on the guidelines but that additional staff capacity had now been made available to complete this task.

Affirmation 1

AUQA affirms NT DEET's intention to develop a comprehensive set of guidelines for higher education approvals processes and urges that this task be completed as soon as practicable.

3 MANAGEMENT OF HIGHER EDUCATION APPROVALS WITHIN NT DEET

This section of the Report considers the resources and capabilities NT DEET requires to manage its responsibilities under the National Protocols. The Panel recognises that the Department faces particular challenges in ensuring that these responsibilities are discharged at a high level of professionalism and efficiency. The Department has responded to these challenges by stating a desire to build capabilities within the NT for handling higher education approvals and to develop a local 'community of practice' (PF p. 9), while also making better use of advice and support available from other jurisdictions and national forums. In this latter regard, NT DEET has entered into an outsourcing Agreement with the Queensland Office of Higher Education for management of aspects of National Protocols 1 to 3 (section 4).

3.1 *Higher Education Services unit, Business Planning and Information Division*

The Higher Education Services (HES) unit within BPID was formally established in March 2004 and, until recently, consisted of one full-time staff member, the Senior Policy Officer. Before then higher education approvals were handled by a succession of officers, an arrangement which, in the Panel's view, has contributed to a history of intermittent, sporadic or non-existent communication with providers.

The Performance Portfolio states that the unit is focused on 'promoting a quality, sustainable, innovative higher education sector in the Northern Territory'. Managing higher education approvals is only part of the role of the HES unit, which also assists in:

- Providing independent advice on all areas of higher education
- Positioning the NT higher education sector to meet current and future needs.

It is noted in the Portfolio that HES will be reporting for the first time in the NT DEET Annual Report for 2004–2005. There is a 2004–2005 Strategic Plan for the HES unit and evidence of some monitoring of performance against targets but the Plan does not appear to be closely linked to any wider BPID plan or to the NT DEET Corporate Plan.

The Panel was informed that most of the Senior Policy Officer's work is directed to policy development and the provision of advice, with around one day a week on average available to support higher education approvals functions. The HES unit has carried a high initial load in setting up adequate documentation to support higher education approvals, including development of Regulations and guidelines and management of the outsourcing Agreement with Queensland. The HES unit also produced the Department's Performance Portfolio for this audit.

In addition to these other activities, the Senior Policy Officer has taken steps to improve record-keeping for higher education approvals, has managed several assessment processes, and has re-established communication with some of the providers of accredited courses, after a period in which there appears to have been no communication at all from the Department. The Panel notes that the quality of previous documentation on higher education approvals was not of a good standard, where it existed at all.

The Panel was advised that the Department has recognised the inadequacy of resourcing to the higher education function, given that many activities of the HES unit are in an establishment phase. From September 2005, for six months initially, an additional staff resource has been provided to the HES unit to assist in finalising documentation under the new Act.

At the time the Portfolio was submitted, the Senior Policy Officer reported to the General Manager, BPID, through a supervisor (Director, Consultancy Services). The Panel was told that this arrangement provided a formal line of reporting but did not otherwise involve active

supervision. The Panel was told that a manager from another area of the Department acted as 'de facto' supervisor and a source of advice on policy and strategic issues. The Panel learnt that the Senior Policy Officer has had several changes of supervisor, including informal supervisors. In this situation, the Panel does not see how effective management support for the Senior Policy Officer, including priority-setting and performance review, could have been provided. In addition, the Panel is concerned about the risks to business continuity should the present Senior Policy Officer move to another position, a point considered below.

As noted in section 1, the BPID was restructuring at the time of the Audit Visit. The Panel was informed that the reason for the restructure was to better align functions with current needs of the Department, including the need for management information, analysis and research. The restructure would locate the HES unit within a larger group, to assist with business continuity, and would also establish a clear structure and reporting lines for the Senior Policy Officer. The Panel accepts that the restructure could provide greater support and certainty for the higher education functions of the Division while assisting the development of a 'community of practice'.

Affirmation 2

AUQA affirms NT DEET's recognition of the need to realign roles within the Business Planning and Information Division to better meet current demands, and to ensure effective supervisory support for the Senior Policy Officer position.

As part of the Audit process, the Panel considered various position descriptions relating to higher education approvals functions. The Panel observed that these position descriptions were highly general and directed towards policy advice. Operational responsibilities for management of higher education approvals functions were not specified. The Panel comments that sufficient resources and processes are required to implement policy as well as to make it.

Recommendation 3

AUQA recommends that NT DEET ensure that position descriptions within the restructured Business Planning and Information Division specify operational responsibilities for management of higher education approvals functions under the National Protocols.

The Performance Portfolio conveyed an intention by NT DEET to provide a dedicated budget for higher education approvals and policy functions but the Panel was told during the Audit Visit that there had been no action on this matter. While the Panel acknowledges the increased commitment to higher education indicated by the creation of the HES unit, it considers that a dedicated budget for higher education approvals functions would define the extent of NT DEET's support for these functions.

Recommendation 4

AUQA recommends that NT DEET establish a dedicated budget to support the higher education approvals function within the Department.

3.2 International Services Branch

The International Services Branch acts as a central coordinating point for NT DEET's international involvements and is responsible for overseeing and monitoring international programs at both Departmental and school level. Its activities cover student and teacher exchanges, full-fee paying overseas school students, study tours and relationship building, in addition to its regulatory responsibilities for CRICOS endorsement at all levels of education. The

ISB appears to the Panel to provide a sound source of advice for the Department on all international matters, due to the breadth of its responsibilities and networks.

The ISB Business Plan 2005–2006 identifies the following key outcomes:

- Promote opportunities for involvement of NT students and teachers in international education activities
- Manage existing NT DEET international education programs
- Identify, analyse and influence national policy on international education
- Engage stakeholders and develop partnerships
- Manage regulatory frameworks applying to providers of services to overseas students.

These outcomes are appropriately linked in the Plan to NT DEET's Corporate Plan, to existing Partnership agreements and Plans of other government agencies, and to MCEETYA initiatives, the Commonwealth ESOS Act, the National Code and the National Protocols.

The Panel learnt that the ISB's functions were reviewed twice in 2000, prior to the introduction of the Commonwealth ESOS Act, to assess the extent to which its activities provided value for money for the Department's investment in international activities. Its operations have not been reviewed since that time but the ISB has several years' experience in the management of processes for CRICOS endorsement, particularly in relation to schools and, to a lesser extent, training organisations. The Panel found there is good internal communication between ISB and the Senior Policy Officer in HES.

3.3 *Sources of External Advice and National Networks*

The Panel was told on several occasions of the Northern Territory's tradition of looking to other jurisdictions for cooperative assistance. The outsourcing Agreement with Queensland is a positive example of the Northern Territory's willingness to explore cooperative approaches to policy and management responsibilities.

The Senior Policy Officer links into national sources of advice and information through the Higher Education Recognition Officers (HEROs) network and links with the Queensland Office of Higher Education, and uses these networks for advice and the sharing of information. The Senior Policy Officer has also attended meetings of MCEETYA's JCHE and the Panel was told that the General Manager of BPID would shortly also start to attend JCHE, to increase the Department's overall understanding of national policy debates. Officers in ISB are already well aware of national developments in regard to overseas students and are actively engaged in national discussions arising from the ESOS review.

Overall, the Panel finds that NT DEET has commenced making systematic efforts at national referencing for policy directions and good practices in regard to higher education approvals.

Commendation 1

AUQA commends NT DEET for its willingness to look beyond its own borders to seek advice and collaborative solutions on issues relating to the National Protocols.

3.4 *The Development of Increased Capabilities*

The Audit Panel considers that the Department has acted proactively in identifying outsourcing as one option for effective management of its responsibilities. However, the Panel observes that NT DEET is yet to consider how best to achieve efficiencies from the outsourcing Agreement while at the same time increasing local involvement, knowledge and skills in decision-making. More broadly, unless external advice is balanced by careful internal development, there is a risk of the Department diluting its own capacities through an over-reliance on other jurisdictions. The Panel

observes that to the extent that the outsourcing Agreement with Queensland draws NT DEET's attention to complex issues which are then closely considered by the Department, the arrangement has the potential to assist in capacity-building.

The Performance Portfolio states that NT DEET is aware of the need to increase the numbers of its staff with a detailed understanding of higher education issues and the Panel found an appreciation within the Department of the risks of all knowledge of higher education approvals being concentrated in a single officer. The Panel observes that active engagement by the Department in the consideration of changes to the National Protocols will assist in capacity-building and notes as a positive development the plan for the General Manager of the Business Planning and Information Division to attend JCHE meetings as well as the Senior Policy Office.

The Panel finds that the need for capacity-building has been recognised at a number of levels within the Department.

Commendation 2

AUQA commends NT DEET for its recognition of the need to develop its internal capabilities for informed consideration of higher education approvals and matters relating to the National Protocols.

3.4.1 Planning and Decision-Making

Noting that the Department has yet to decide how it will systematically build internal expertise with respect to higher education approvals, the Audit Panel suggests that, within the planning framework for higher education approvals recommended in section 1, the Department identify the capabilities it needs and implement a plan for officers to acquire them. Training programs, secondments, discussion sessions and attendance at national meetings or conferences are among the options.

In addition, the Audit Panel finds a need for structures and practices that act to continuously build capability within the Department. The Panel observes that expertise should not be viewed only in the light of an ability to handle day-to-day matters but should include the capacity to make informed decisions at senior levels. Such a capacity requires senior managers to be well-informed about national issues in higher education, while drawing on their knowledge of strategic issues, policies and sensitivities in the local context.

Informed decisions on complex or policy matters also require well-documented and thoroughly-argued briefing papers, plus established structures and conventions for seeking senior management endorsement for action. The Panel saw only sparse documentation regarding specific approvals and little analysis of the issues raised by the approvals. Further, the Panel found a lack of communication and inconsistent communication within the Department regarding the handling of specific cases. As one instance, the Panel received three quite different interpretations of the Department's approach to a mock web site claiming to be that of a university based in Alice Springs. The Panel was variously informed: that the Department was taking the matter seriously and would seek national advice; that some issues concerning internet use were being looked at internally; and that the website content was clearly satirical and did not require action.

The Panel finds that effective management of the Department's regulatory responsibilities is likely to require greater formalisation of documentation and consideration of the wider issues by senior management, to mitigate the risk of poor or inconsistent decision-making. The Panel concludes that there is a need to establish decision-making procedures that allow the Department to consider proposals and make policy decisions at an appropriately senior level while also increasing corporate knowledge.

Recommendation 5

AUQA recommends that, within an overall planning framework for higher education approvals, NT DEET develop a plan to acquire more broadly-based staff expertise and ensure its internal processes are appropriate for informed decision-making at senior levels.

3.4.2 Higher Education Accreditation Reference Group

In 2004, the HES unit established an internal DEET Higher Education Accreditation Reference Group (HEARG), to ensure a coordinated approach to managing higher education approvals in the NT and preparing for the AUQA audit. Members of HEARG include the General Manager of the BPID Division, the Manager Workforce NT (who has previous experience with higher education approvals) and the Directors of Audit Services, Legal Services, ISB and Financial Policy and Planning.

The Panel found that the HEARG operates not as a formally constituted body but rather as a list of people who are available to provide advice as required to the Senior Policy Officer. In this latter capacity, the Panel heard several references to the useful advice that had been provided on specific points.

The HEARG has only met once and it was evident to the Panel that HEARG members were not uniformly knowledgeable about higher education approvals issues. For these reasons, the Audit Panel considers that the HEARG, at this stage, is not able to function as a 'community of practice' or an effective group for capacity-building.

The Audit Panel was advised that consideration was being given to the development of an advisory body that would assist in forming the desired 'community of practice', as part of the restructuring of the BPID. This body could include both internal and external expertise. In the Panel's view, such an advisory body would need to be established as part of an overall plan for capacity-building, with formal terms of reference and performance objectives to enable it to address all five National Protocols.

3.5 *Quality Assurance Systems*

Documentation supplied to the Panel included the 2004–2005 Strategic Plan for the HES unit. For higher education approvals, the HES unit aims to reflect both NT DEET's values and, because of the outsourcing Agreement, similar quality objectives to those of the Queensland Office of Higher Education.

The values the HES unit has set for itself are therefore:

- compliance with regulatory and policy responsibilities.
- the provision of comprehensive, accurate, timely and accessible advice.
- transparency of processes for clients, stakeholders and the broader community.
- consistent application of processes and guidelines to achieve fair and equitable outcomes.
- responsiveness to client needs within the regulatory parameters.
- continuous quality improvement of processes and outcomes.

The Panel observes that such values are most appropriately embedded in a wider quality assurance framework, for the Business Planning and Information Division or, more comprehensively, a quality assurance system for addressing all five National Protocols. In this regard, the Panel was informed that ISB does not operate a formal quality assurance system.

A quality assurance system for BPID is mentioned in the Performance Portfolio as are some individual elements of such a system, such as seeking feedback from stakeholders and monitoring performance against targets. The Panel acknowledges these early intentions and efforts but an overall system is yet to be developed and there was little evidence of a vision for such a system.

The Panel notes that NT DEET has an opportunity to explore an established quality assurance system for higher education approvals through its links to the Queensland Office of Higher Education. The Department will need to ensure, however, that its quality assurance system for higher education is consistent with the Department's overall quality assurance arrangements and also with the policy and planning framework recommended in section 3.4. Such a system should include Protocol 5 matters.

A higher education quality assurance system for NT DEET should, as one element, provide for communication with clients and the collection of feedback from key stakeholders on a regular basis. Documentation of issues and their consideration at various levels of management will need to be part of this system. The Panel observes a need for additional documentation of policy issues, together with complete record-keeping on higher education approvals matters within BPID, although record-keeping has improved since the appointment of the Senior Policy Officer.

Recommendation 6

AUQA recommends that NT DEET develop an internal quality assurance system for matters relating to the National Protocols and that this system should be consistent with wider Departmental quality assurance processes.

Given the impending enactment of new legislation, the Panel considered the extent to which NT DEET has assessed risks to achievement of the objects of the new legislation. These objects are to uphold the standards of education provided by higher education institutions operating in the Territory and the maintenance of public confidence in the higher education sector in the NT.

The Performance Portfolio identifies a number of risks to effective implementation of the National Protocols by NT DEET (PF p.13) and the actions that are being taken to mitigate these risks. It does not, however, comment on the wider issues of risks to public confidence. The Panel notes that such risks could arise if, for example, unaccredited courses were offered in the NT, but could also arise in other ways from the conduct of SAIs and NSAI's. It would be appropriate for the Department's senior management to regularly review the nature and significance of risks to the achievement of the objects of the legislation.

The Panel considers it would be appropriate for NT DEET to consider risks in the wider context of achieving the objects of the Act. Again, this is an issue that could be explored in cooperation with other jurisdictions, although the risk levels may differ across jurisdictions, due to the local situation. These comments are made in the context of challenges, recognised by NT DEET, of ensuring that members of the public in the Territory are aware of the importance and value of higher education generally.

Recommendation 7

AUQA recommends that NT DEET develop a risk assessment framework, benchmarked against other jurisdictions, and that NT DEET ensure the ongoing review of risks by senior management.

4 OUTSOURCING AGREEMENT

This section of the Report considers the Agreement for management of aspects of higher education approvals by the Office of Higher Education (QOHE) in the Queensland Department of Education and the Arts on behalf of NT DEET.

4.1 *Establishment of the Agreement*

Resource constraints and maintaining the required level of expertise are acknowledged problems for smaller jurisdictions in implementation of the Protocols. While NT DEET wishes to develop its own ability to better manage issues related to the National Protocols, the Department has also recognised the limits to its current capacity to handle new applications.

The Panel was informed that, for these reasons, discussions at officer level took place between NT DEET and the Queensland Department of Education and the Arts (QDEA) on options to assist NT DEET to fulfil its responsibilities for the Protocols. These discussions were followed by communication between the chief executives of NT DEET and QDEA. In late 2004, NT DEET issued a request for tender for management services to administer higher education approval processes, on behalf of the NT Minister, for all applications received in the NT under the *Higher Education Act 2004* in respect of Protocols 1, 2 and 3. The NT Minister will make the final decision on all applications.

QDEA, through the QOHE, tendered for and was awarded the contract and an agreement was signed in February 2005. The Agreement was subsequently amended to retain a provision for NT DEET to pay sitting fees, travel and consultants' fees if required as part of assessment processes.

The QOHE is required to:

- Provide copies of guidelines, forms and other templates, for adaptation by the Higher Education Services (HES) unit in NT DEET
- Develop a process list for applicants showing the division of HES/QOHE jurisdiction responsibility for steps
- Respond to enquiries relating to approval processes referred from HES
- Appoint a member of its higher education approval team to have responsibility for the administration of an application and the assessment process, working in association with a nominated HES officer
- Provide basic initial assistance to NT applicants in formatting a submission
- Liaise with HES over membership of course assessment panels
- Arrange and coordinate panel meetings, in association with a HES officer
- Arrange and coordinate a site visit, in association with a HES officer
- Be the line of communication between applicants and course assessment panels
- Prepare and distribute agenda and minutes of meetings, issues reports and final reports on behalf of panels
- Transmit recommendations on behalf of course assessment panels to the nominated HES officer
- Forward copies of all records to NT, including the original application for filing
- Administer the annual reporting process, and forward outcomes to the NT
- Provide advice on applications for major change to accreditation
- Provide general policy advice to NT on higher education approval matters.

The Agreement, which is for a three year term, provides for an establishment payment, an annual payment for recurrent administrative costs and payment for the processing of each application. The similarities between the NT *Higher Education Act 2004* and the Queensland *Higher Education (General Provisions) Act 2003* mean that the same processes will be able to be followed by the QOHE in managing its own applications and approvals and those it is administering on behalf of the Northern Territory Minister.

Under the Agreement, the Northern Territory Department reserves the right to manage applications itself, reinforcing the need for NT DEET to develop its internal capacities to do so. The Panel observes that the Agreement is written solely in terms of the NT's new legislation, the *Higher Education Act 2004*. Officers of NT DEET to whom the Panel spoke were unsure whether an application received prior to the new Act coming into effect could be considered by the QOHE under the terms of the Agreement. Although this is a weakness in terms of the structure of the Agreement, the Panel acknowledges that at the time the Agreement was entered into, the long delay that has subsequently occurred in bringing the new Act into operation may not have been anticipated. The Panel trusts that this point will be addressed through urgent action by NT DEET to finalise and gazette Regulations under the Act.

The AUQA Audit Panel, which concurrently undertook an audit of the higher education approvals processes of the Queensland Department of Education and the Arts (available as a separate Audit Report), is of the view that the Queensland Department, through its Office of Higher Education, has relevant experience and expertise to manage these aspects of higher education approvals on behalf of NT DEET. The Panel heard that the QOHE, in tendering for the contract, considered the benefits in terms of national consistency and efficient use of expertise together with the implications for its own workload. Some issues that are yet to be clarified are discussed in section 4.3 below.

The Panel notes that this outsourcing Agreement sets a national precedent and commends NT DEET for identifying and establishing a creative solution to issues of resourcing and expertise, consistent with its willingness to look across its own borders and embrace collaborative solutions for the National Protocols.

Commendation 3

AUQA commends NT DEET for its actions, which set a national precedent, in using outsourcing as an option for management of elements of its responsibilities under the National Protocols.

4.2 *Implementation of the Agreement*

Since the Agreement was signed, there have been ongoing discussions between the Senior Policy Officer, HES, and the Queensland Office of Higher Education (Higher Education Approvals and Policy team) on implementation of the Agreement. The Panel formed the view that there is a close and cooperative working relationship between the Senior Policy Officer and the HEAP team and found some evidence of careful thinking to ensure that, for Protocols 1 to 3, there is good alignment and no duplication in the management of applications.

It was clear to the Panel that the QOHE does not view the Agreement as a permanent arrangement but rather as a way of assisting the Northern Territory to build its capacity by involving NT DEET officers in the processes and through other means such as training assessment panel members from the NT. The Panel was told that Queensland is shortly to run training sessions for possible panel members.

The Panel heard that, given the small size of the Territory's population and limited number of higher education institutions, recruiting appropriately qualified and experienced assessment panel members could be difficult. Further, there were some concerns expressed by NT DEET officers over possible conflicts of interest by panel members from CDU or BIITE in the consideration of applications for new, possibly competing, courses. The Panel was advised of the need for the Department to ensure that Departmental officers who are on secondment from another institution or who hold outside appointments are not exposed to any perception of conflict of interest in their duties in relation to applications.

The Panel agrees that this second point will require consideration. It suggests that NT DEET seek advice on those situations in which NT DEET officers or advisors might be required to declare a conflict of interest in regard to higher education approvals, noting that membership of an expert peer assessment panel does not, of itself, present a conflict of interest. The Department's uncertainty over the handling of this matter may reflect a need for the Department to develop a deeper understanding of the ways in which peer review is managed in higher education.

Another issue that is being addressed is the management of information and database records. The Higher Education Approvals and Policy team within the QOHE has developed an extensive database for higher education applications for Protocols 1 to 4 and is modifying the database to incorporate records of applications from the Northern Territory that are referred to it. The Performance Portfolio suggested that NT DEET would develop its own database for applications. The Panel was told that, after further discussions between HES and QOHE, it was agreed there would be no advantage in NT DEET duplicating the full QOHE database structure. Instead, QOHE has provided HES with a spreadsheet template that HES can use for managing its applications and for the exchange of data on a regular basis. The Panel suggests a process for periodic reconciliation of data should form part of the data exchange procedures.

Affirmation 3

AUQA affirms the actions taken by NT DEET, and the Senior Policy Officer in particular, to work closely with the Queensland Office of Higher Education on implementation arrangements for the outsourcing Agreement.

4.3 *Issues Requiring Clarification*

The Panel found that a number of specific issues concerning administration of the Agreement were yet to be considered. The first issue concerns the processes to be followed by NT DEET in deciding whether to administer an application itself or to request the QOHE to administer the application. The Panel found that NT DEET had not yet determined the criteria on which such decisions would be based.

On this point, the Panel learnt that NT DEET has assessed one application for course accreditation in 2005 through an internal panel (section 5.5). Officers of NT DEET explained that the process had commenced some time before the Agreement was signed but the Panel considers it may have been appropriate to review the proposed process in the light of the new Agreement. As noted above, however, it is not clear whether the Department believes the Agreement can be applied before the new legislation comes into effect.

A second issue concerns the annual reporting process referred to in the Agreement. Under the NT Act, reflecting provisions in the Queensland legislation, an NSAI provider of an accredited course must provide an annual report to the NT Minister. Under the Agreement, this annual report must be considered by the QDEA Ministerial Advisory Panel (MAP), supplemented by a nominee of the Territory. The MAP is an expert group established by QDEA to provide a formal overview of accreditation processes and other roles, including the review of all annual reports submitted by

Queensland NSAI. For the NT, the MAP's role will include making recommendations to the NT Minister on further action in response to the reports. The Panel found that NT DEET has yet to consider the procedures the Department should follow, once recommendations from MAP have been transmitted to it. The Panel observes that NT DEET will also need to consider the mechanisms it will use to follow up any concerns or compliance issues arising from review of annual reports by the MAP.

The Department states in the Performance Portfolio that it intends to measure the delivery of services by the QOHE through a performance management plan and to commission a small consultancy at the end of the second year of the Agreement to evaluate the effectiveness and appropriateness of the arrangements. The Panel notes that the Agreement does not mention either of these forms of monitoring. The Department provided the Panel with a draft of the proposed performance management plan for the Agreement. Subsequent to the Audit Visit, NT DEET advised that an evaluation of the Agreement is included in its internal audit schedule for 2007.

Further, the Panel observes that NT DEET may wish to consider the approach it would take, including possible appeals or mediation, if NT DEET or the Minister found problematic the recommendations of a course assessment panel established and administered by the QOHE. Such a possibility reinforces the need for applicants to be aware, at the outset, of the Territory's priorities for higher education, as recommended in section 1.

Recommendation 8

AUQA recommends that NT DEET clarify arrangements under the outsourcing Agreement with the Queensland Office of Higher Education in respect of: the criteria and mechanisms for decisions by NT DEET on whether or not to handle applications itself; the role NT DEET wishes to play in regard to recommendations from the Queensland Ministerial Advisory Panel on providers' annual reports; and the processes for performance monitoring of the outsourcing Agreement.

5 IMPLEMENTATION OF HIGHER EDUCATION APPROVAL PROCESSES

The Audit Panel investigated current arrangements and the extent to which the Department is putting in place new arrangements for effective management of its responsibilities for each of the National Protocols. This section of the Report commences with some general comments regarding communication with clients and compliance monitoring and goes on to consider each of the five National Protocols separately.

5.1 *Communication with Stakeholders*

In the Performance Portfolio, NT DEET identifies a range of stakeholders, including clients (applicants and higher education providers), the Minister, other government agencies, other jurisdictions, students and the general community. The Higher Education Services unit is stated to be developing a database of stakeholders in the NT for communication of new developments. It intends to use a proposed BPID stakeholder satisfaction survey with HES clients by 2006 (PF p. 16). No documentation of the proposed survey was available at the time of the Audit Visit.

5.1.1 Communication with Clients

The Department advised that since 1999 there have been fewer than 20 approaches to it and provided a list of 13 organisations that had sought approval to operate in the Territory or that had made more than casual inquiries. As noted, there are six organisations with approvals to operate in the NT given under the current legislation. These approvals are considered in sections 5.4 and 5.5.

The Panel found that communication to approved providers from HES is poor. Before the appointment of the Senior Policy Officer, there were few records of inquiries and the Department had not maintained contact with its approved providers. The Panel notes that the Senior Policy Officer had, at an early stage, made contact with providers but these contacts have not been continued in a systematic fashion and appear largely reactive. Approved providers stated in interviews that they had received little or no communication from NT DEET on any issues, even when the provider had a forthcoming deadline for reaccreditation. Several providers commented that, until recently, they were unsure how to make contact or what processes existed for seeking information.

The Panel observed that NT DEET was unaware of significant changes in the operations of at least one provider, possibly because there is no obvious mechanism for providers to report this information to NT DEET. When the new legislation is enacted, providers will need to report annually and also to seek approval for major changes affecting accreditation. It appears that providers may not be required to report significant changes in operations at the time they occur unless this requirement is included in Regulations. For certainty, the Panel suggests that NT DEET ensures that providers are required to report any significant changes to operations as they occur, either through the Regulations or through conditions of accreditation.

Providers also confirmed they had not been informed about the timelines for implementation of the new legislation or its implications for their operations, for example, transitional arrangements and annual reporting requirements.

Recommendation 9

AUQA recommends that NT DEET take urgent action to inform providers holding existing approvals of the impending commencement of the *Higher Education Act 2004* and its implications for their approvals.

The Department's role in CRICOS regulation is mentioned in the 'International Services' area of the Department's website, but no guidelines or forms are available on the website for any clients (school, higher education, VET, RTO or ELICOS providers). Although the Panel recognises that there are established channels of communication between ISB and CDU, the one higher education provider that has been registered in the NT, it would be helpful for potential applicants to have information on applications available on the Departmental website.

The Panel was told on several occasions that business in the Northern Territory is conducted informally, often face-to-face and through local networks. While acknowledging this fact, the Panel considers that NT DEET should recognise the weaknesses and risks of such a mode of operation, in the context of high staff turnover and the need to deal with organisations outside the Northern Territory. These weaknesses include a lack of accountability and predictability in dealings between parties and over-reliance on the continuous availability of particular individuals. These points apply as much to Protocol 5 as to providers of accredited courses under Protocols 2 and 3.

The conclusions above, and earlier comments regarding finalisation of guidelines for applicants under the new legislation, reflect the need for NT DEET's quality assurance processes to include a systematic plan for communication with higher education providers holding approvals under Protocols 1 to 5. This plan should include the provision of public guidelines and the regular collection and monitoring of feedback on NT DEET's performance from these providers. The Panel acknowledges NT DEET's intention to inform clients about the outsourcing Agreement with the Queensland Office of Higher Education through the Higher Education Services area of NT DEET's website.

Recommendation 10

AUQA recommends that NT DEET develop and implement a plan for systematic communication with providers holding approvals as part of a higher education quality assurance system.

5.1.2 Communication with the General Public

In the Performance Portfolio, it is stated that the NT DEET website is a key tool for communication with stakeholders. The HES unit aims to provide timely, accurate and user-friendly information through its website, which is accessible within the 'Education' part of the NT DEET website.

At the time of the audit, the HES website provided links to the Australian Qualifications Framework, a list of providers approved to offer higher education courses and contact details for the Senior Policy Officer (http://www.deet.nt.gov.au/education/higher_education/index.shtml).

The Department proposes to expand the HES website to include guidelines and information for applicants under the new legislation and also to provide information about complaints using guidelines adapted from the Queensland Office of Higher Education.

The Panel observes that there are no cross-links between the HES website and the International Services website (http://www.deet.nt.gov.au/education/international_services/index.shtml). For ease of reference by clients and the public, the Panel suggests that NT DEET link CRICOS information relevant to higher education approvals to the HES website.

Given the legislative object of maintaining public confidence in the higher education sector in the Territory, the Panel considers that NT DEET should plan for its expanded website to contain

sufficient information to demonstrate to the public the ways in which it is fulfilling this responsibility.

Affirmation 4

AUQA affirms NT DEET's intention to ensure that its website contains comprehensive information on higher education approvals, noting that the website should contain sufficient information to assist the maintenance of public confidence in the Northern Territory's standards for higher education.

5.2 Compliance Monitoring and Identification of Breaches

The Panel was told that NT DEET has no internal processes to identify or monitor possible breaches of the current legislation by unapproved providers, and it appears the Department relies on other sources, such as the HEROs network, to notify it of unauthorised operators. Two matters relating to Protocol 1 have been notified to NT DEET by AUQA (section 5.3).

The Department suggests in the Performance Portfolio that, when the new Act comes into effect, the Department will need a policy to 'outline steps for enforcement ranging from requesting a change in behaviour through to legal prosecution' (PF p. 18). The Panel agrees that a process for handling breaches is required, including senior management consideration of actions in regard to confirmed breaches, but considers that a prior step should be the development of a systematic process for proactively monitoring compliance. In this regard, the Panel observes that compliance monitoring also involves the tracking of conditions of approval and, under the new legislation, any requirements for continued accreditation. As noted in section 4, the Department will need to develop mechanisms to address any compliance issues identified by the Queensland Ministerial Advisory Panel.

Affirmation 5

AUQA affirms that NT DEET should develop processes for handling breaches of its legislation, but adds that NT DEET should also develop a systematic process for proactively monitoring compliance with the *Higher Education Act 2004*.

5.3 National Protocol 1

This Protocol concerns criteria for the recognition of universities and protection of the title 'university'. Charles Darwin University was established under statute in 2003, through a merger of the Northern Territory University, Centralian College and the Northern Territory Rural College, with the Menzies School of Health Research joining in 2004. The Northern Territory Government has not received any other recent proposals for establishment of a university in the Territory.

Outside the audit process, AUQA has raised two matters with NT DEET regarding unauthorised use of the term 'university'. As noted in section 2.1, the current legislation offers indirect protection of the term. It does not, however, have effective penalties and does not appear to offer protection of the term 'university' if the institution is not conferring or offering to confer a higher education award. As a result, NT DEET's authority to address possible breaches appears limited. NT DEET has not sought legal advice on its options for handling either matter and does not appear to have any process for addressing possible breaches.

The Audit Panel notes that NT DEET has considered ways of addressing the first of these matters. The Department has taken some follow-up action by writing to one organisation, resulting in an initial undertaking by that organisation. At the time of the Audit Visit, however, the matter had

not been resolved. On the second matter, the Panel received conflicting views on the Department's approach and comments on this in section 3.

5.4 *National Protocol 2*

This Protocol addresses criteria for the approval of an overseas university or higher education provider to operate in Australia. Under section 73A of the current legislation, the NT Minister has approved an international university to offer courses in the NT through a local college, on the basis of mutual recognition of processes carried out in another Australian jurisdiction. The approval commenced in the year 2000 but has no end date. The courses are provided by distance education, so the provider has no physical presence in the Northern Territory. In November 2004 the Department was advised by another jurisdiction that the local college had moved interstate some time previously and the international university had merged with another institution and taken a new name.

This particular case exemplifies the complexities of the definition of 'to operate'. The new Act refers to 'operating the institution in the Territory by electronic communication'. It is possible this phrase may be interpreted by the NT as not including the offering of programs to individuals by distance education where the provider is based in another State or Territory or an overseas location. If so, approval to operate in the NT would not be required under the new legislation and the approval could lapse.

On the other hand, if the interpretation of 'to operate' means that the approval continues under the transitional provisions of the new Act for Protocol 2, a reapproval process could be required at an early stage. At the Audit Visit, the Panel saw evidence that NT DEET intends to take action to resolve the status of the approval once the new Act is brought into effect. In this regard, the Panel is confident that NT's interpretation of the meaning of 'to operate' will take account of national discussions already underway.

Affirmation 6

AUQA affirms NT DEET's intention to review the one approval in relation to an overseas higher education institution and to resolve the status of the approval once the *Higher Education Act 2004* is brought into effect.

5.5 *National Protocol 3*

This Protocol sets out requirements for the accreditation of higher education courses offered by NSAIs. Under section 73A of the current legislation, the NT Minister has approved five NSAIs to offer courses in the NT. The Panel reviewed the document trails on these approvals, which raised some issues that NT DEET should address when the new Act is operational. The fact that the Department has been required to assess three applications since the new Act was passed in 2004, as noted in section 2, strengthens the case for urgently bringing the improved legislative framework into effect.

One issue, which is relevant to two approvals given in early 2005, concerns the Territory's interpretation of 'to operate', similar to the issue addressed under Protocol 2 above. In 2004 NT DEET was approached by two providers, both of which were based interstate, accredited in other jurisdictions and intending to offer courses in the NT by distance education. Initial advice from NT DEET was that the providers did not need to seek approval under the current Act. After considering further requests by these providers for certainty ahead of the new legislation and the ability from 1 January 2005 of NSAIs to offer FEE-HELP student loans, the Department approved the applications on the basis of mutual recognition. The Panel concluded that the Department's own lack of certainty over the interpretation of 'to operate' was a factor in the decisions. As both providers offer their courses by distance education, it is possible they will not require approval under the new legislation.

The Department has set a short time limit on these approvals and one subsequent approval, to ensure a reaccreditation process occurs 18 months after the commencement of the *Higher Education Act 2004*. The Panel agrees this is a sensible approach designed to ensure that matters of interpretation and standards are reviewed within the new legislative framework.

Another issue concerns the approval of applications by NT DEET through ‘mutual recognition’ of accreditation decisions given in other jurisdictions. The Panel found that NT DEET has no documented criteria for deciding whether or not mutual recognition is appropriate for a particular application. There is therefore no clear mechanism for the Department to assess which local factors could affect the quality and standards of the course if it were offered in the NT.

The Panel notes that some applications have been approved by the NT Minister for Employment, Education and Training with the same conditions as those applying in other jurisdictions. In one instance, however, the conditions of approval in another jurisdiction do not appear to have been taken into account by NT DEET in the mutual recognition process or followed up by the Department.

Recommendation 11

AUQA recommends that NT DEET review existing approvals given through a mutual recognition process, to identify what action to take regarding conditions attached to the original approval given in another jurisdiction.

As another example, the accreditation period for one provider was stated by NT DEET as ending on 31 December 2005. Following the Audit Visit, the Panel was advised that the assessment of the application in the NT had not specified a start date and the register had incorrectly used the date of 31 December. The Panel was told that the correct start date, which is three months later, should have been referenced to the jurisdiction in which NT actually recognized accreditation. As a general conclusion, the Panel formed the view that NT DEET has yet to develop an understanding of the issues that are involved in mutual recognition. The Panel considers that NT DEET should address this matter as soon as possible, taking account of relevant decisions on the National Protocols.

Recommendation 12

AUQA recommends that, in the context of national decisions, NT DEET develop a clear understanding and interpretation of ‘mutual recognition’ and document the administrative procedures involved in assessing applications involving ‘mutual recognition’.

A further point concerns the identification of the provider when the course is ‘owned’ by one body, such as a theological group or professional body, but delivered locally by an affiliated institution. The Panel accepts that this is a difficult area, particularly in jurisdictions such as the NT, where the legislation does not require a separate provider registration process. The Panel finds that NT DEET has demonstrated an awareness of this issue in assessing two applications. The Panel observes, however, that in one case the ‘owner’ of the course rather than the affiliated organisation delivering the course is listed on the NT DEET website as the provider. It suggests that the Department should review its existing approvals to identify any issues in this regard and should take action to ensure consistency of practice, after discussion through the HEROs network.

A final matter concerns the appropriate composition of any course assessment panel convened by NT DEET to assess applications for course accreditation or other applications under Protocols 1 to 3. As noted in section 4.3, the Department convened a panel composed of Departmental

officers to assess one application in 2005. To reinforce public and provider confidence in the independence and quality of the assessment process, the Audit Panel considers that future assessment panels should be drawn from a Register of external experts, and that panel members should have qualifications and experience directly relevant to the course being assessed. The Panel endorses the process of identification and training of potential NT panel members that is now commencing, noting that appropriately qualified and experienced panel members could be drawn from other jurisdictions in addition to the Northern Territory.

5.6 National Protocol 4

This Protocol broadly addresses delivery arrangements for self-accrediting higher education institutions operating in distant locations, in their own right or through an agency arrangement with another organisation. The new Act makes it an offence for an interstate university operating in the NT under an agency arrangement to confer an award unless the university has Ministerial approval for such an arrangement. The Panel notes that the new NT Act uses the term 'university' while the Protocol refers to 'higher education institutions', referring to both universities and other SAIs. This point should be addressed when the legislation is amended, subject to consistency with changes to the National Protocols.

NT DEET is not aware of any Protocol 4 matters for the Northern Territory. The Panel considered whether the NT activities of Flinders University and some other Australian SAIs could constitute operating under an agency arrangement but concluded that the providers were conducting these activities in their own right.

As Protocol 4 matters do not form part of the outsourcing Agreement with the QOHE, the Panel considers it important for NT DEET to develop its own processes for handling applications, including applications that also involve a request for CRICOS endorsement under Protocol 5. The Performance Portfolio indicates that NT DEET has given some thought to how it would address a Protocol 4 application. The Department will also need to consider active monitoring to identify any arrangements that may come under Protocol 4.

Recommendation 13

AUQA recommends that NT DEET take action to develop a documented process for identifying issues and handling applications relating to National Protocol 4.

5.7 National Protocol 5

This Protocol addresses the processes for endorsing higher education courses as suitable for overseas students on the Commonwealth CRICOS register. As noted, there is only one endorsed higher education provider in the NT, Charles Darwin University. The Panel was informed that one accredited NSAI was planning to seek endorsement in future.

The Performance Portfolio states that ISB staff visit all listed providers annually (schools, VET, RTOs and CDU) and conduct full audits as required by the National Code under the ESOS Act. The ISB's processes are modelled on national procedures in accordance with the National Code.

The ISB communicates frequently with the International Office at CDU on a range of issues affecting international students and collaborations. The Panel learnt there was a good working relationship between staff of the two organisations but that the informality of communications sometimes results in a lack of certainty for CDU on matters such as the length of time before an application for a new course endorsement would be finalised.

The Panel was informed that the ISB had recently introduced an application form for CRICOS endorsement and was planning to provide additional guidance to providers, recognising a need

for more written advice. The Panel considers it likely, based on views it heard, that NSAI providers might seek CRICOS endorsement in the NT for their courses at some time in the future.

The new form is a positive development but the Panel observes that it will require some changes if it is to be appropriate to higher education providers, as distinct from VET providers. ISB officers confirmed there could be merit in developing a separate application form for higher education. The Panel formed the view that ISB should review its assessment processes to ensure they are fully appropriate for higher education providers and courses. On a separate point, CDU mentioned a need to include the course code, as well as the course name, when registered providers seek endorsement of new courses.

Affirmation 7

AUQA affirms the steps International Services Branch is taking to improve its CRICOS documentation and affirms the need to further develop documentation and assessment processes appropriate for higher education providers.

The Department's processes appear to have been adequate for the Territory's situation to date but they now require some codification and customisation to better meet higher education client needs. The Panel considers there is a need for ISB to advise applicants for CRICOS registration of the expected timelines for processing of applications and also for the Branch to develop internal guidelines for the processing of applications. International Services Branch should actively participate in the development of internal quality assurance and risk assessment processes for matters relating to the National Protocols. With these caveats, the Panel is satisfied that NT DEET is meeting its obligations in respect of National Protocol 5.

5.8 Concluding Comment

NT DEET has recognised the lack of a legislative framework to address the National Protocols and its limited capacity to effectively administer Protocols 1 to 4. As a response, the Department has taken action to develop appropriate new legislation, provide resources for a Higher Education Services unit, and has entered into an outsourcing Agreement for management of aspects of approvals under Protocols 1 to 3. As well, NT DEET has identified the need for comprehensive information for applicants and the public, and some other elements of a quality assurance system for higher education approvals. As a safeguard, recent approvals have been given on condition they are reviewed 18 months after the commencement of the Act.

The Panel observes that the Department will not be able to move forward on Protocol matters until it brings the new Act into effect. Once this occurs, which needs to be as soon as possible, and when other matters identified in this Audit Report have been addressed, the Panel considers there are good prospects that NT DEET will be able in future to fulfil its responsibilities under the National Protocols.

APPENDIX A: NORTHERN TERRITORY DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING

The Department of Employment, Education and Training (DEET) provides and promotes an environment of lifelong learning and employment and training pathways and opportunities for all Territorians. It is also involved in promoting safe workplaces, learning and public environments.

The Department, consisting of Employment and Training, Education and NT WorkSafe business areas, employs about 4000 staff across the Northern Territory. The Department administers 151 government schools with total enrolments of approximately 33,000 students. DEET employs over 3700 full-time teachers and support staff. Education was allocated a record budget of \$417.7 million in the 2005–2006 financial year.

Higher education in the Northern Territory

The NT has a small, diverse and geographically dispersed population base. DEET is working with the tertiary education sector to ensure it is positioned to best meet the current and future needs of the Northern Territory. The focus is on building resident capacity to address in a sustainable manner the significant community development challenges and skill shortages in our region. Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education provide most higher education and vocational education and training services in the NT.

The Northern Territory passed the *Higher Education Act 2004 (NT)* in May 2004 to meet its obligations under the National Protocols for Higher Education Approval Processes endorsed by MCEETYA in 2000. The Act will come into effect when Regulations are finalised in the next few months.

Regulation of higher education in the NT

As identified in the DEST paper *Building University Diversity*, “Accreditation agencies in some jurisdictions face resource constraints in developing and maintaining the required level of higher education expertise” (2005, p32).

Reference: http://www.dest.gov.au/sectors/higher_education/policy_issues_reviews/reviews/building_diversity/building_university_diversity.htm.

DEET considered that as a small jurisdiction, it would be most effective, for the NT to source the administration of higher education approval processes (Protocols 1, 2 and 3) from another jurisdiction with well-tested systems, for a three year period, at least initially. This innovative outsourcing strategy was the first example of this type in Australia. Responsibility for implementation of the National Protocols is shared between DEET’s Higher Education Services (HES) unit and International Services Branch, noting also the role of the Queensland Office of Higher Education under the outsourcing arrangement.

The HES unit in the Business Planning and Information Division was formally established in March 2004. In 2006 together with additional time from other BPID staff, HES is focused on promoting a quality, sustainable, innovative higher education sector in the Northern Territory, working in partnership with other Northern Territory Government agencies to realise this aim.

The **Higher Education Services unit** works with stakeholders to:

1. Provide independent advice on all areas of higher education
2. Position the NT higher education sector to meet current and future needs, and
3. Manage accreditation of higher education courses and approval processes in the NT.

HES undertakes the following core activities in relation to higher education approvals:

- Provide timely accurate information about approvals processes
- Manage the contract with QOHE in relation to Protocols 1–3
- Manage HES obligations in relation to the contract with QOHE
- Manage applications in relation to Protocol 4 and Protocol 3 based on mutual recognition, and
- Contribute to broader policy development to promote national consistency in the implementation of the Protocols.

The roles of the **International Services Branch** are to:

- Advise clients on the regulatory framework operating nationally and in the NT in relation to services provided to overseas students
- Administer the registration process for providers seeking CRICOS registration
- Liaise with appropriate Commonwealth and NT Government agencies concerning developments in the regulation of providers of services to overseas students, and
- Research emerging issues of educational policy and practice in order to inform NT Government officers involved in the regulation of the various education sectors (higher education, VET, schools and ELICOS).

ISB is responsible for the implementation of Protocol 5 and liaises with HES to ensure a coordinated approach to policy and practice.

Key Statistics February 2006

Number of NSAI providers on the NT register	6
Number of accredited courses on the NT register	11
Number of SAIs operating in the NT	2
Number of higher education institutions on CRICOS register delivering courses in the NT	1
Higher Education Services staff (EFT)	1.0
International Services Branch staff working on higher education (EFT)	0.5
Total staff working on higher education (EFT) within NT DEET, including managers	2.0

APPENDIX B: AUQA'S MISSION, OBJECTIVES, VALUES AND VISION

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 higher education, and will assist in improving the academic quality of these institutions.

Objectives

- Arrange and manage a system of periodic audits of quality assurance arrangements relating to the activities of Australian universities, other self-accrediting institutions and state and territory higher education accreditation bodies.
- Monitor, review, analyse and provide public reports on quality assurance arrangements in self-accrediting institutions, and on processes and procedures of state and territory accreditation authorities, and on the impact of those processes on quality of programs.
- Report on the criteria for the accreditation of new universities and non-university higher education courses as a result of information obtained during the audit of institutions and state and territory accreditation processes.
- Report on the relative standards of the Australian higher education system and its quality assurance processes, including their international standing, as a result of information obtained during the audit process.

Values

AUQA will be:

- *Thorough*: AUQA carries out all its audits as thoroughly as possible.
- *Supportive*: recognising institutional autonomy in setting objectives and implementing processes to achieve them, AUQA acts to facilitate and support this.
- *Flexible*: AUQA operates flexibly, in order to acknowledge and reinforce institutional diversity.
- *Cooperative*: 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.
- *Collaborative*: as a quality assurance agency, AUQA works collaboratively with the accrediting agencies (in addition to its audit role with respect to these agencies).
- *Transparent*: AUQA's audit procedures, and its own quality assurance system are open to public scrutiny.
- *Economical*: AUQA operates cost-effectively and keeps as low as possible the demands it places on institutions and agencies.
- *Open*: AUQA reports publicly and clearly on its findings in relation to institutions, agencies and the sector.

Vision

- AUQA's judgements will be widely recognised as objective, fair, accurate, perceptive, rigorous and useful: AUQA has established detailed and effective procedures for audit, that include auditor appointment and training, extensive and thorough investigation, and consistent implementation.
- AUQA will work in partnership with institutions and accrediting agencies to add value to their activities: AUQA audit is based on self-review, acknowledges the characteristics of the institution or agency being audited, and accepts comment from the auditee on the best way of expressing the audit findings.
- AUQA's advice will be sought on matters related to quality assurance in higher education: AUQA will carry out consulting activities, including workshops, publications, and advising, and will publish and maintain a database of good practice.
- AUQA will be recognised among its international peers as a leading quality assurance agency: AUQA will build international links to learn from and provide leadership to other agencies, and will work with other agencies to the benefit of Australian institutions.

APPENDIX C: THE AUDIT PANEL

Dr Jeanette Baird, Audit Director, AUQA, Melbourne, Victoria

Professor John Finlay-Jones, Assistant Director, Telethon Institute for Child Health Research, Perth, Western Australia

Dr Anne L Martin, Consultant, South Melbourne, Victoria (Panel Chair)

Professor Kevin McConkey, School of Psychology, University of New South Wales, Sydney, New South Wales

Professor Ken Milne, Dean, Graduate Research School, Massey University, Palmerston North, New Zealand

APPENDIX D: ABBREVIATIONS AND DEFINITIONS

The following abbreviations and acronyms are used in this Report. As necessary, they are explained in context.

Accreditation	An approval process to ensure that the standards of a course are appropriate for the qualification to which it leads and that the course and methods of delivery are likely to achieve its purpose.
Agency (the)	Those sections of NT DEET (q.v.), which taken together constitute the higher education accreditation and approvals functions in the Northern Territory.
Act (the / the new)	Northern Territory <i>Higher Education Act 2004</i>
Act (the former).....	Northern Territory <i>Education Act 1979</i>
AQF	Australian Qualifications Framework
AUQA	Australian Universities Quality Agency
BPID.....	Business Planning and Improvement Division / Business Planning and Information Division
CDU.....	Charles Darwin University
CRICOS.....	Commonwealth Register of Institutions and Courses for Overseas Students
Department (the).....	NT DEET (q.v.)
DEET	NT DEET (q.v.)
DEST	Department of Education, Science and Training (Commonwealth)
DEA.....	Department of Education and the Arts (see also QDEA)
EFT	Effective Full-Time
ELICOS.....	English Language Intensive Courses for Overseas Students
ESOS Act	Commonwealth <i>Educational Services for Overseas Students Act 2000</i>
HE.....	Higher Education
HEAP	Higher Education Approvals and Policy
HEI.....	Higher Education Institution
HEROs.....	Higher Education Recognition Officers
HES unit.....	Higher Education Services unit
HESA.....	Commonwealth <i>Higher Education Support Act 2003</i>
INQAAHE.....	International Network for Quality Assurance Agencies in Higher Education
ISB.....	International Services Branch
JCHE	Joint Committee on Higher Education
KPA.....	Key Performance Area
KPI.....	Key Performance Indicator
MAP.....	Ministerial Advisory Panel
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs

National Code.....	National Code of Practice for Registration Authorities and Providers of Education and Training for Overseas Students
National Protocols / Protocols...	National Protocols for Higher Education Approval Processes
NSAI.....	non self-accrediting institution
NT.....	Northern Territory
NT DEET.....	Northern Territory Department of Employment, Education and Training
PF (p).....	NT DEET Performance Portfolio (page number)
Provider(s).....	Persons or organisations which provide HE (q.v.) courses to students
QDEA.....	Queensland Department of Education and the Arts
QOHE.....	Queensland Office of Higher Education
Regulation (the).....	Northern Territory <i>Higher Education Regulation</i>
RTO.....	Registered Training Organisation
SAI	self-accrediting institution
TAFE.....	Technical and Further Education
Territory (the).....	Northern Territory
VET	vocational education and training

APPENDIX E: 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.

The National Protocols are available as a PDF from the MCEETYA web site at:

<http://www.mceetya.edu.au/mceetya/>. They are also available from the DEST web site at:

http://www.dest.gov.au/sectors/higher_education/policy_issues_reviews/key_issues/MCEETYAS/

A copy of the Guthrie, Johnston, King (2004) report *Further Development of the National Protocols for Higher Education Approvals Processes* is available from the DEST web site at:

http://www.dest.gov.au/sectors/higher_education/policy_issues_reviews/reviews/guthrie_review/Further_Development_of_the_National_Protocols_for_Higher_Edu.htm

Bibliographic information about the National Protocols as published in hard copy form is:

National Protocols for Higher Education Approval Processes
Canberra, ACT: Department of Education, Training and Youth Affairs, 2000
ISBN 0 642 44908 2
ISBN 0 642 44909 0 (www)
DETYA No. 6565.HERC 00B
ABN: 51 452 193 160

