

Australian Universities Quality Agency Ltd
ACN 092 938 200

Minutes of AUQA Board Meeting 2005/4

9.00am - 22 November 2005

AUQA Board Room
Level 10, 123 Lonsdale Street
Melbourne, VIC 3000

1. **ATTENDANCE**

Present

Professor Deryck Schreuder (Chair)
Ms Stella Axarlis
Rev. Mark Harding
Mr Ian Hawke
Mr Clive Hildebrand
Professor James McWha
Professor Ingrid Moses
Professor Millicent Poole
Professor Peter Sheehan
Mr Colin Walters
Mr Terry Werner
Dr David Woodhouse

Apologies

Nil

In attendance as Observers (for all or part of the meeting)

Mr Martin Carroll
Ms Dorte Kristoffersen
Dr Antony Stella

Secretariat

Mr Robert Carmichael

The Chair welcomed those in attendance and suggested a changed order of agenda items for discussion at the meeting.

2. **MINUTES OF MEETING 2005/3**

The Board **confirmed** the Minutes of meeting 2005/3 held on 7 September 2005.
(Previously circulated)

3. **MATTERS ARISING NOT LISTED ELSEWHERE ON THE AGENDA**

3.1 Report of the Ad Hoc Committee – **Confidential item**

The Board received the report of the Ad Hoc committee and approved the reappointment of the Executive Director for a period of three years, from 1 July 2006.

The Chair congratulated Dr Woodhouse on the recommendation for reappointment, and the Board unanimously endorsed the recommendation.

4. AUDIT MATTERS

4.1 Audits 2004

The Board received and **noted** Paper AB2005/4/4.1 and attachments being summary reports on feedback from the final audits in the 2004 audit program. The Executive Director introduced the reports and the Chair advised that he had contacted the Vice-Chancellor of La Trobe, who indicated that he would like to discuss some of the broader issues relevant to the 2004 audit, especially those with implications for cycle 2. The Chair will meet with the Vice-Chancellor in the near future.

4.2 Audits 2005

The Board received Paper AB2005/4/4.2 being a progress report on the 2005 audit program and **noted** progress with the remaining 2005 audits. The Executive Director advised that all 2005 audits were running closely to schedule, with the exception of one report running behind time (the reasons included delays in gaining legal advice, and the auditee taking more time than is usual to respond to the definitive draft).

A discussion followed about the importance of capturing comments from Observers on these audits and the Executive Director advised that AUQA already invites Observers to provide feedback. Director Poole asked if such feedback was taken into account in auditor training and the auditor meeting. The Executive Director replied in the affirmative. The Chair asked if it was known how many Auditors on the current Auditor Register had chaired or participated in audit panels and it was **agreed** that a list would be provided with the minutes of this meeting.

Action: Executive Director/Board Secretary

4.3 Audits 2006

The Board received Paper AB2005/4/4.3 being a report on the planning of the 2006 round of audits.

Director Walters advised of the appointment of a new Director for Batchelor Institute and of discussions that he had had with the Acting Director of Batchelor Institute, and suggested that the Audit Visit be put back from the scheduled dates. The Executive Director advised that he had been in recent contact with the Acting Director about the proposed dates. After discussion it was **agreed** that the new Director should be approached to ascertain if she was comfortable with the proposed dates, or would prefer to reschedule the Audit Visit as required.

Action: Executive Director

4.4 Auditors

The Board received **Confidential** Paper AB2005/4/4.4 being a proposal to approve a new auditor.

There was discussion about the nature of the current screening process for new auditors and it was **agreed** not to proceed with consideration of this individual case at this time. Director Axarlis suggested that there is still a shortage of appropriately credentialed people in the 'Industry' category. The Chair requested the Executive Director to report to the Board the process for the screening of new auditors, and any possible changes, and parameters relating to use of auditors on panels (see also action item under item 4.2).

Action: Executive Director

5. CHAIR'S REPORT

Part A

The Chair gave an oral report, covering points that he wished to bring to the Board's attention, notably that:

- 1 The Chair and Executive Director had visited the AUQA Members (Ministers of Education) in Queensland and Victoria, and the Secretary General of Education in NSW and had discussed the SAG Paper's issues with them prior to the MCEETYA meeting on 17/11.
- 2 Late in 2005 and in 2006 the Chair and the Executive Director would visit the other Members as appropriate opportunities arose.
- 3 That the Chair had met with the Chair of IELTSs (Emeritus Prof Deane Terrell AO) who had raised matters about quality in admissions to higher education providers. The Chair referred directors to the attached paper entitled 'English Language Problems in Australian Universities', and made reference to the practice of institutions accepting scores of 6 or 6.5 and enrolling students with lower scores. Director Poole asked what action should follow and suggested sending the paper to the Deans of Graduate Schools, and Director Sheehan undertook to bring it to the attention of the AV-CC. Director Walters suggested sending it to the Minister's advisory group on International Education.

Action: Directors Poole, Sheehan, Walters

Part B

The Chair drew directors' attention to the dates proposed for meeting AB2006/2 in late May and suggested that this broad time period would be an appropriate time to hold the Board Retreat, as it would coincide with the release of the report on the review of AUQA.

Action: All Directors

6. EXECUTIVE DIRECTOR'S REPORT

The Board received Paper AB2005/4/6 and Attachments, being a report from the Executive Director on AUQA activities since the last meeting. The Executive Director drew directors' attention to item 4 – the Secondment of Martin Carroll to the position of Director of Accreditation (Higher Education) in Oman for the duration of 2006, and to the Web statistics report, one of Martin Carroll's responsibilities which will be re-allocated while he is in Oman.

The Chair then drew attention to item 9 and expressed confidence in the external review panel membership selected by the contracted secretariat. In response to a question from Director Poole about the timing of the external review vis-à-vis the release of the audit report of one of the 2005 auditees, after a lengthy discussion, it was **agreed** that there is the potential for a possible conflict of interest developing, and that the contracted secretariat should be requested to check with the relevant member of the external panel, to ascertain if he is still comfortable with participating in the review.

Action: Dorte Kristoffersen

7. FINANCE MATTERS

7.1 Financial Statements

The Board received Paper AB2005/4/7.1 and Statements being the Financial Statements to the end of October 2005 and Directors' Report. The Board **agreed** to receive the Statements and the accompanying Report.

Action: Executive Director

7.2 Finance Committee matters

The Board received **Confidential** paper AB2005/4/7.2 being a report from the Finance Committee, including their meeting held on 21 November. As Chair of the Finance Committee, Director Axarlis reported that the revised 2005 budget now included project funding from DEST which was approved in April, but as there was some lag in expenditure, the intention was to now report this in the first half of the new calendar year, i.e. as at 30 June 2006.

Concerning the 2006 budget, it was reported that the Finance Committee still had some questions and that more work was required and that consequently the budget would be presented for approval out of session by circulation in December.

Director Hildebrand clarified certain aspects of the expenditure plan and the reserves. The Executive Director added that six months may be about the right amount to provide a comfortable level of total assets, but that he intends to carry out a more detailed analysis. In response to a question from Director Poole as to whether the 2006 budget underpins AUQA's strategic goals, the Executive Director replied in the affirmative. The prospect of AUQA gaining any financial advantage from purchase rather than renting of office space was rejected. The Board **agreed** to receive the report, **approved** the revised 2005 budget, and **noted** the planned arrangements for the approval of the 2006 budget.

Action: Executive Director / Finance Committee

8. AUQA POLICY AND BOARD ISSUES

8.1 Board Membership

The Board received and **noted** Paper AB2005/4/8.1 being a report on the steps being taken to replace those directors retiring from the Board in March 2006.

8.2 Review of AUQA

8.2.1 Board's Self-Assessment

The Board received an oral report from the Chair, advising that the working Board Dinner had provided a good opportunity for directors to reflect on the Board's performance this year, and that the Board Retreat in May 2006 would provide a similar opportunity.

8.2.2 Performance Portfolio and Self-Review

The Board received **Confidential** Paper AB2005/4/8.2.2 and Attachment, being the AUQA Performance Portfolio. Director Hawke advised that he did not get any feel for any of AUQA's frustrations in dealings with the owners from the portfolio, and the Executive Director responded that inclusion of something of a more explicit nature would flag the issue. This was **agreed**. Questions were raised by directors about the use of media reports and what was described as the overly-positive tone adopted in the portfolio, especially in the conclusion. The Executive Director advised that this was in response to feedback from directors on the earlier draft not to be too self-deprecating.

It was **agreed** to give the style and form used in the conclusion a final review.

Action: Executive Director/Dorte Kristoffersen

8.2.3 External Review of AUQA

The Board received **Confidential** Paper AB2005/4/8.2.3 being a progress report on the external review of AUQA, and **noted** that the proposed timetable for the review is running to schedule.

8.3 AUQA Object 4

The Board received paper AB2005/3/8.3 and Attachment, being a revised proposal on Addressing Object 4, following discussion at the last AB meeting.

The proposal has now been split into four stages. The first two are document based and under way, and should be completed by March 2006. Before stages 3 or 4 are undertaken, the proposal will be brought back to the Board. Also, the possibility has emerged of a joint project with the UK QAA which may contribute to Objective 4. The Board **agreed** to receive the report and **noted** the progress.

Action: Executive Director

8.4 Cycle 2

The Board received Paper AB2005/4/8.4 and an updated Attachment was tabled showing the responses to the various options received. The responses were **noted**.

8.5 AUQA Policies (NB. These items were taken late in the agenda, after item 9)

8.5.1 The Board received Paper AB2005/4/8.5.1 and Attachments, being proposed AUQA Policy 027 – Travel Policy. After brief discussion of the minimum travel time required for Business Class travel, Policy 027 was **approved** as presented.

Action: Board Secretary

8.5.2 The Board received Paper AB2005/4/8.5.2 and Attachment, being proposed AUQA Policy 28 – Audit Interview Security Policy. After noting that such a policy should be made available to auditees on the AUQA website, the Policy 028 was **approved**.

Action: Board Secretary

8.5.3 The Board received Paper AB2005/4/8.5.3 and Attachment being the Draft AUQA Policy Manual. After noting that Policies 027 and 028 approved at this meeting would be added to the Manual upon approval, the AUQA Policy Manual was **approved**.

Action: Board Secretary

8.5.4 The Board received Paper AB2005/4/8.5.4 and Attachment being a policy issue for the reporting of audits.

The Executive Director introduced the Paper by explaining the dilemma for AUQA of balancing public reporting of audit findings against commercial-in-confidence considerations. General support was expressed for the proposal, but given that the proposal represents a significant shift in policy, Director Hawke sought time to consider the proposal. It was **agreed** that directors would provide any further comments to the Executive Director by Tuesday 29 November.

Action: Board Secretary/Executive Director

9. DEST / MCEETYA MATTERS

9.1 Non Self-Accrediting Institution audits

The Board received Paper AB2005/4/9.1 being a progress report on the DEST project to develop audit models for the quality auditing of non self-accrediting Higher Education Providers for HESA purposes.

The Executive Director explained the current state of development of the dual track AUQA audit/agency audit models by speaking to the Paper and referring to reports at earlier meetings and in response to a question from Director Axarlis about the need for AUQA to be 'flexible', the Executive Director pointed to AUQA's willingness to collaborate with the HEPs and the other agencies in this project since it was first suggested. Questions were raised about AUQA's involvement at the political level, and Director Hawke explained the involvement of state and territory accreditation agencies in the HESA audit process from their perspective. Director Walters observed that the period for debate on this issue had passed, and it was now time to implement the pilot phase.

9.2 MCEETYA

The Chair invited the directors who were present at the meeting of MCEETYA held 17 November to provide comment, and the Board received a detailed oral report from Director Hawke.

The report focused on three main issues discussed at that meeting:

1. the Transnational Quality Strategy;
2. treatment of the National Protocols;
3. consultations on the 'Building Better Foundations' paper.

1. **Transnational Quality Strategy:** (see also item 9.3 below)

MCEETYA approved a working group of AESOC to develop the strategy, and an amendment was approved requesting the working group to consult with AUQA and the National Quality Council (NQC). It was **noted** that Queensland had proposed AUQA and NQC as actual members of the working group but this was not supported on the grounds of the possibility of a conflict of interest. The Executive Director queried how this could be seen as a conflict of interest while participation by Industry, which clearly has an interest, not regarded in a similar way.

It was also **noted** that the Federal Minister had characterised audits of TNE by AUQA as being an 'expensive model' and that there are other models that Governments are thinking about, such as what TNE auditing happens in other sectors, and cost-effectiveness. It was suggested in this regard that the use of local auditors may be considered, rather than sending people overseas. It was also suggested that AUQA was perceived to be a 'one audit model' operation because of the focus on SAIs and Agencies, whereas the Executive Director pointed to the flexibility and scalability of the AUQA fitness-for-purpose audit model for use in a multiplicity of audit applications, including audits of NSAs and TNE activity.

2. **National Protocols for Higher Education Approvals Processes (NPs)**

It was **noted** that MCEETYA formally considered recasting and revising the NPs on the basis of feedback collected from the 'Guthrie et al' review, the HEROs Group, and the NP Workshop discussions. It was noted in this context that the AUQA Board's SAG paper was tabled but not discussed or referred to for discussion. However there was discussion of key related issues: breadth and depth of studies; and use of the term 'university',

especially in 'green-field' situations. With respect to these, there was discussion of the current minimum requirement for universities to have three teaching and learning fields of study being extended to cover Masters and PhD, to make an initial 3 (UG) + 1 (PG) model to become a 3 + 3 model within five years, with a similar pattern in research development. With respect to the use of the title 'university' the status quo was supported by MCEETYA, but questions relating to use by affiliates and specialist institutions would be referred back to the JCHE for consideration.

It was **noted** however that there was one serious implication for AUQA: this related to the audit of new universities, to be judged on whether they meet minimum / threshold criteria for university status. On this issue it was **noted** that JCHE has a mandate to have dialogue with AUQA, while a protocol for NSAs to acquire SAI status is to be referred to the HEROs group. It was also noted that university status for existing universities is to be made revokable. Director Sheehan requested clarification of this point and indicated that any such change involving AUQA represented a substantial change and would have profound effects on current SAI/AUQA understandings and affect relationships for cycle 2, and suggested that such important issues needed to be discussed between MCEETYA and the AV-CC. The Executive Director pointed out that AUQA already refers to NP1 in its university audits. It was stated that at this stage it was not known if there would still be five NPs in the future, but that there would be NPs and a common set of principles that would apply to NSAs, HEPs and SAIs.

The discussion of this issue concluded with a reminder that JCHE had been allocated responsibility to negotiate with AUQA on the impact of revised NPs on AUQA's business and the drive for greater national consistency; and had been given funding to work on the recasting of the NPs and to come up with a set of expectations for Ministers to revise legislation, and put the provisions into law.

3. 'Building Better Foundations' paper

It was reported that MCEETYA has decided not to pursue the creation of another national quality agency.

With respect to AUQA's relationships with other sectors, it was **noted** that a consultation paper on the 'Building Better Foundations' paper had been developed and that a Green Paper had been prepared by Queensland Department of Education and Training that included an analysis of professional and semi-professional employment and the potential for competition between HE and VET institutions in these markets.

9.3 Transnational Quality System

The Chair welcomed to the meeting by teleconference, Ms Fiona Buffinton: Chief Executive Officer, AEI Group, Ms Linda Laker: Branch Manager, International Quality Branch of the International Section, and Dr Wendy Jarvie: Deputy Secretary of DEST, and explained that to a certain extent events had now overtaken this item since the MCEETYA meeting on 17/11 (see under item 1 in 9.2 above), and a number of the issues previously discussed under that item were rehearsed again.

Ms Buffinton and MS Laker spoke to the Board about their positive response to with the outcomes of the MCEETYA meeting from their perspective and of the involvement of the International section. They also indicated how they have a cross-sectoral responsibility across HE, VET, and schools with respect to TNE activity to ensure that there is a quality system, while maintaining the level of overseas enrolments.

The Executive Director indicated that he thought that AUQA should be invited to have input into related policy formulation discussions, and that there was

mention of the establishment of a number of working and reference groups of which AUQA would be a member.

There was also discussion about the proposed list of quality providers, the 'quality badge' proposal, and complaints procedures.

In response to a question from Director Sheehan about what issues it would be useful for AUQA to start thinking about, the answer provided was 'the code of practice', and trial audits in other sectors were where AUQA could add the most value. In this respect it was **noted** that AUQA could conceivably audit both the HE and VET activities of dual-sector universities.

It was **agreed** that AUQA should provide two names for further dialogue with DEST on such matters: the Chair to represent the Board; and the Executive Director to report to AUQA staff.

Director Walters also suggested that AUQA should bring forward some proposals for auditing across the sectors, and it was **agreed** that the Executive Director would put forward a paper for the scoping and piloting of AUQA involvement in VET sector audits, and that he would invite input from Directors Axarlis, Hawke, Walters and Werner, as AB directors with experience in both sectors.

Action: Executive Director & the Chair / Directors Axarlis, Hawke, Walters, & Werner

10. OTHER BUSINESS

There were no other items of business raised by Directors. The Secretary raised the problem of finding a common date for the AB meetings in 2006 and the Chair drew attention to the dates indicated at 11 below, noting the utility holding of the Board's Retreat in conjunction with meeting AB2006/2.

The Chair finally thanked all Directors for their contributions during 2005 and declared meeting AB2005/4 closed.

11. PROPOSED MEETING DATES 2006 AND TIME OF FIRST MEETING

Meeting AB2006/1	March 7, 10.00am – 3.00pm
Meeting AB2006/2	May 30, followed by Board Retreat, May 31,
Meeting AB2006/3	September 5
Meeting AB2006/4	November 28

POSTSCRIPT: NB. As the meeting was inquorate, and some Directors have other commitments, it has been decided to consider an alternate date for AB2006/2. Please indicate to the Board Secretary if you are available at the following alternate dates for AB2006/02 & Board Retreat:

1. Tuesday 23 May (Meeting) – Wednesday 24 May (Retreat)
2. Other days in the week of 29 May
3. Tuesday 6 June (meeting) – Wednesday 7 June (Retreat)

Signed:.....

Chair AUQA Board.....

Date:.....