

5. Possible ways forward

This part outlines the main implications for governments and universities of the issues discussed in the preceding parts. It explores the options available for addressing the areas of concern to governments and universities. It attempts to identify areas of potential agreement in respect of the problems to be addressed and the ways and means of addressing them. A number of principles are suggested for developing a mutual responsibility agenda. In relation to contested proposals for Australia, a set of counter-proposals is outlined.

5.1 Far-reaching changes in higher education fundamentals

The preceding parts described a number of changes in the nature and purpose of higher education, and in social expectations of and governmental relations with higher education institutions. Several of these changes are multi-dimensional and multi-directional. There are contested areas, and in some cases it is not clear how change will unfold. For instance, there are different trends as well as differing views, regarding labour market changes, and the implications for higher education and training. In these circumstances it is not possible to be conclusive about the problem definition let alone about emerging or converging policy solutions. And, it is prudent to exercise some caution in reading apparent international convergence in policy ideas, as much of it may be more about shared means than agreed ends.

Nevertheless, we can observe fundamental changes underway in ten broad areas:

- i. **The scale and diversity of students:** Enlarged student participation in higher education is moving beyond the 'elite to mass transition' to a post-mass or near-universal level, and involves a very diverse mix of students with varying backgrounds, aptitudes and motivations. The scale and the diversity, taken together, raise new challenges in (a) cost-effectively accommodating the learner demand, and (b) envisaging and accepting the diversity of outputs and outcomes.
- ii. **The number and types of providers, and variety in modes of higher education supply:** There are now many more providers of higher education, including private and public universities and other institutional types, comprehensive and specialised, campus-based and workplace-based, distance and open learning providers, and mixed mode providers. Consumer protection necessitates regulation of provider market entry. The great number and diversity of providers makes informed decision-making more difficult for consumers, employers of graduates and industry regulators. Internally-constructed representations of quality no longer suffice, and simple metrics and simplified comparisons cannot cope with the great choices available.
- iii. **Ways of learning:** People can learn in different places, in educational institutions or virtually, and in workplaces, and by different modes, in varying knowledge and cultural contexts. As less can be compared about the ways and means of learning, more attention is given to what learners have experienced and achieved and are able to do. However, as diversity increases—in student characteristics, provider characteristics and ways of learning—common bases of comparison become increasingly difficult and redundant.

- iv. **International mobility of students and graduates:** As learners come from different places and graduates go in many directions, educational credentials need to be useful for work and further learning anywhere. Students and graduates seek information about the distinctiveness of their study options, and educational institutions and employers seek information about the comparability of different qualifications and institutional standards.
- v. **Graduates as sources of productivity and innovation:** As advanced human capital has become an essential ingredient of a high-performance economy, governments take a stronger interest in higher education effectiveness as a means of improving the national skills base.
- vi. **Higher education as a passport:** As degrees have become the entry ticket to rewarding jobs, and a means of personal wellbeing and social inclusion, there is a stronger public policy interest in improving access, facilitating pathways and enabling success of people from disadvantaged backgrounds.
- vii. **An increasingly competitive environment:** Higher education institutions are operating in an international context of intensifying competition for funds and intellectual talent. They must have operational flexibility to be competitive.
- viii. **Changes in the nature of academic work:** Higher student teacher ratios, new teaching and learning technologies, greater use of casual teachers, preferencing of research over teaching, and loss of shared norms relating to assessment have acted together to reduce the intensity of teaching and learning, and the reliability of assessment.
- ix. **Concerns about quality:** Incidents of fraud, plagiarism, soft marking, reduced student time at study, and reduced academic staff time at teaching, alongside a long decline in the funding rate per student, give rise to worries about the quality of higher education. Governments feel obliged to address community concerns.
- x. **Erosion of trust:** The nine factors above have conspired to undermine public confidence in the integrity and quality of higher education. Governments are putting greater reliance on specification than judgement in accounting for quality.

5.2 Compelling grounds for government concern

In view of the changes noted above, there are compelling grounds for governments to be concerned to ensure that the community can have confidence in their higher education institutions, and the programs and qualifications they provide. The four main grounds are: probity; effectiveness; transparency; and comparability.

The probity threshold

In the interests of students and graduates and their employers, it is important that governments take appropriate action to weed out rogue providers, and expose fraudulent qualifications on offer within their jurisdictions. Accordingly, for the purpose of consumer protection, governments around the world are tightening provider licensing criteria, both for initial entry and subsequent compliance with entry registration conditions.

The effectiveness imperative

Modern economies must have more highly educated and skilled workforces to be competitive in high-end markets for goods and services. This requires effective action not only to ensure the availability of top-flight expertise but also to raise human capital capacity across a wider base.

The education and training system must actually produce the output quality that is required. If it fails to do so the economy will be less productive than it needs to be and an unacceptable number of people will fail to find rewarding work.

It will not be sufficient merely to produce more people with higher qualifications on paper. The qualifications must have meaning in testifying to the possession of understandings and skills.

A major challenge is to achieve better learning outcomes for groups of people who have not been and are not being well served by education and training systems.

The transparency requirement

The criteria for decisions need to be open for those outside the academy to see and understand. There is a call to make more explicit the implicit judgements which have been made traditionally within the confines of universities, for instance, about assessment grades and credit for prior learning.

The comparability challenge

The increasing international mobility of higher education students and graduates, and the proliferation of providers of higher education services and qualifications, challenge governments to find new ways and means of safeguarding credential integrity, and improving the authentication and comparability of educational qualifications.

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5.3 New imperatives for universities alongside the need to safeguard important values

Universities have the dual challenges, on the one hand, of responding to change and generating new ideas and, on the other hand, of managing the continuation of their conservative function of critically preserving knowledge and discerning truth. Contemporary universities are expected to contribute in deep and diverse ways to multiple economic and social demands, including economic development through the production of advanced human capital, research breakthroughs and scholarly insights into complex issues, and social and environmental problem solving. They can only do so by drawing upon their traditional roles as unique learning organisations, and there are important values for universities to safeguard to that end.

There are also imperatives for universities which are operating in a fiercely competitive and dynamic international environment. They need to be able to secure the resources necessary to sustain their capacity and performance. They must have operational flexibility to adapt to change. And they need to be able to develop their distinctive strengths and forge alliances with others, not least on the world stage.

Contemporary universities, especially those heavily involved in research, need some predictability in government policy and financing through 'patient capital', recognising the long lead times often required for fundamental inquiry, and an appreciation, even amid the pressures for immediate relevance, of the intrinsic value of knowledge.

There is a lot at stake for universities, and for the communities they serve, if governments fail to achieve a proper balance in their responses to the new concerns outlined above. In Australia's case, proposals to have standards set externally by a body established under federal government legislation will, if adopted, constrain universities' self-accrediting powers, for all the awards they offer whether government funded or not, and erode their substantive autonomy—that is, their self-regulation of curriculum and assessment—as well as their operational autonomy—the flexibility they need to be responsive and innovative.

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5.4 Areas of agreement and disagreement

There are some shared concerns and areas of agreement about new forms of action on the part of governments and higher education institutions. There are also differences of view. The differences relate to the understanding of the problems to be addressed as well as the solutions proposed.

5.4.1 Perspectives on the nature of the problems

The main area of agreement relates to the necessity to tighten up loose arrangements for the registration of higher education providers, at least for purposes of consumer protection. Australia's main problem in the area of education provision has been among private VET providers, and some higher education providers, through lack of national consistency in initial registration requirements and regular monitoring of provider compliance with conditions of registration. If there is to be expanded entry of new providers, including more private providers (although there is no indication yet of government intentions in this regard), then it is prudent now to begin to strengthen the policy architecture for provider market entry. Thus the agreed priority is to focus on the threshold standards for provider registration.

From a competitive neutrality perspective, it is necessary that the regulatory framework for provider registration applies to all players, including public universities, but on a risk-proportionate basis. A broader sense of perspective is required in appreciating the role of universities as special institutions in the society. It is not necessary to adopt a tail-wagging-the-dog approach indiscriminately across the board, and fetter established universities when there is no cause to do so.

Beyond the threshold there is greater disagreement. In Australia, there is no evident crisis of confidence in universities, courses or graduates. There are no major labour market clearance problems for graduates. There are no public campaigns by students, employers or others enjoining politicians to 'fix the university problem' (regrettably not even to fix up the funding inadequacies and anomalies). There are no signs that Australian graduates are being systematically rejected by international universities or employers, and no indications that international students are turned away from study in Australia by concerns about educational quality. To the contrary, all of the available evidence of 'outcomes' are positive, whether graduate satisfaction, graduate acceptance for further study, and graduate employment, income and private rates of return to human capital investment. So what justifies the intrusive approach being proposed? It seems we have a set of politically-preferred solutions looking for a problem. Hence, as discussed below, there is fundamental disagreement about the disproportionate means being adopted to address emerging issues resulting from a policy (however misguided) to enlarge student participation by lowering entry standards.

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Additionally, there are two contested assumptions: one concerns the myth of 'parity of esteem' of higher education awards; the other concerns the inappropriateness of 'consistency' as a beyond-the-threshold principle.

The view that all degrees (in a given field at a given level) are the same is an implicit judgement on the part of policy makers. It underpins common funding rates and common expectations of graduate capabilities. As discussed at 4.3.5 above, there are now very wide differences in the input factors to higher education, including students and teachers whose interactions are the critical determinants of learning, and it is a pretence to expect that those differences would cease to be evident among graduates. Parity would require those less prepared and resourced to make great leaps forward while those better prepared and resourced slipped back. There is little chance of such a systemic coincidence:

“Nearly half of the young population now participate in higher education, the range of ability of those students is very wide, and the purpose, nature and intended outcomes of programmes all vary considerably. It makes little sense to seek comparability of outcomes, and indeed it would actually be wrong to do so” (Brown, 2010a).

The parity myth diminishes the importance of place to learning. In particular it reduces the importance of universities as special places for learning, as well as denying differences among universities, such as those that offer education in the context of intensive research and those that don't. Hence it functions as a pillar for an undifferentiated higher education system, regardless of the tendency in higher education for quality to find quality. In like manner the 'consistency' principle applied to curriculum and learning outcomes stands in antagonism to diversity in national higher education systems. The conceptual flaw of regarding consistency as a normative factor has been discussed at 4.3.5 above. The preconditions for consistency of higher education qualifications and learning outcomes include (a) tight prescription of qualifications titles consistently assigned by explicit and sound criteria to meaningful levels of expected graduate capabilities, and (b) a national curriculum and the use of common standardised tests across all graduating classes of all nationally accredited higher education providers. With regard to (a) any prescription of qualifications by levels is arbitrary rather than scientific (Blackmur, 2004). With regard to (b) clearly this is not going to happen. It would not work, because it cannot be practically implemented, even if it were to be imposed.

The parity myth and the inappropriate consistency principle are being carried into contemporary policy through the AQFC and TEQSA, in ways strangely reminiscent of soviet-era conformity to sameness, and blind to the obvious diversity and dynamism all around. As noted earlier, a broader outlook is necessary, as is being called for in Britain:

“There is no mechanism to ensure consistent and meaningful comparability among institutions and subjects, and no mechanism I can envisage that could make it so... We seem in this country to have no capacity to think beyond monolithic hierarchies and, in trying to shoehorn very different purposes, clienteles, structures and people into a single narrow boot marked 'The only acceptable HE standards for the UK', we perhaps reduce our opportunities to innovate, develop and recognise a much more useful set of standards based on the particular characteristics of the students and programmes being offered. Provided the standards are clearly stated and readily available, validated by the relevant subject and professional community as useful, valuable and appropriate, and form the basis for the assessment of students, then the variations between subjects and institutions should become a reason for celebration, not the sort of angst about irreconcilable differences” (Williams, 2010).

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5.4.2 Perspectives on solutions to the problems

The two main world trends in higher education quality assurance are:

- i. the strengthening of standards-based provider licensing conditions, in terms of (a) threshold conditions for initial registration; (b) closer monitoring of provider compliance with registration conditions; and (c) regular rather than ad hoc re-registration procedures, especially for private providers but encompassing all providers (Martin & Stella, 2007).

- ii. a shift away from external control and regulation to greater responsibility by higher education institutions for their own quality monitoring, thereby leaving greater scope for internal mechanisms geared towards improvement (Santiago et al, 2008).

As noted above, the first is an agreed priority for Australia, but the second remains a matter of contention. In Australia the proposed approach to higher education standards and quality is more prescriptive than elsewhere, and there is less open discussion and consideration of the rationale and implications of the approach than in the US, Britain and continental Europe.

The process of policy development is itself problematic. There is an absence of policy coherence for system stability, institutional performance and consumer protection. Issues relating to standards for provider registration and learning outcomes are being conflated rather than separated. A common and process-oriented approach across all higher education providers is continuing to be advanced regardless of advice to the contrary from advisory groups and consultation processes.

The AQF Council is assuming ownership of qualifications (referring to 'AQF qualifications' rather than 'AQF-recognised qualifications'), persisting with an over-specified and de-contextualised model for higher education qualifications, restricting types of qualifications rigidly to single levels of learning outcomes descriptors, and prohibiting qualifications titles long offered by universities and funded by the Australian Government, and qualifications that have international reputability for which there is student demand. The proposed solutions are actually a cause of new problems.

5.4.2.1 Retreat from meta-regulation

'Meta-regulation' may be understood as the "regulation of self-regulation" (Parker, 2002), whereby regulatees are required to "evaluate and report on their own self-regulation strategies so that regulatory agencies can determine whether the ultimate substantive objectives of regulation are being met" (Parker, 2002). In Australia, a meta-regulation approach has been adopted through the external quality auditing practices of AUQA (Scott, C., 2003). The advantages of the AUQA model in respect of universities are (a) that it recognises that universities have governing bodies with statutory powers and responsibilities for the effective conduct of the university's affairs, and associated internal policies and processes for monitoring their performance, and (b) that the external audit processes "stimulate auditees to take greater responsibility for devising and monitoring compliance with their own self-regulatory standards" (Scott, C., 2003).

Unhappily, the TEQSA model involves a departure from meta-regulation, of checking and steering the self-regulatory mechanisms that universities have established, to regulatory control through external prescription of standards, compliance monitoring of performance in relation to those standards, and associated sanctions, such as loss of registration or ineligibility for funding. This is a step too far backwards, and is disproportionate to the problems being addressed. Universities have long-been self-regulating institutions and it is no small concession to yield that prerogative, given there is no evident need for them to do so.

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5.4.2.2 Tendency to sameness

A common rather than customised approach to standards and quality is being adopted. This reflects, in part, the carry-over myth of parity of degrees and the inappropriate consistency principle discussed earlier. It also reflects a logical leap from (a) the need for standards-referenced performance assessment to (b) the need for common standards—the same performance measures for all universities irrespective of differences in institutional circumstances, student mix and purposes. Whereas it has been suggested (Findlay, 2005) that the new accountability for quality agenda represents a shift from ‘fitness for purpose’ (mission-related) towards ‘fitness of purpose’ (commonly shared standards and benchmarks), it is equally open to portray the development as a supplementation rather than a shift. To that extent it is reasonable to seek to accommodate both common and customised approaches in order to avoid a tendency to homogeneity. A standards-based approach can function with reference to different institutional standards rather than requiring a single standard or common set of standards for all institutions. A single standards model may well be the easy approach for the regulators because it avoids the need to exercise judgement, but it denies diversity. If diversity is to be denied or constrained, there will be a consequential reduction of learner choice, a lessening of competitive pressure to innovate, and an overall tendency to mediocrity:

“Standards can stifle diversity and innovation and convey a false positivist assurance that we know what quality is and how to identify it” (Sursock, 2007).

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5.4.2.3 Intrusiveness

The overly prescriptive approach being adopted will both intrude on professional judgement and reduce institutional operating flexibility. Over-codification of tacit knowledge will induce non-discretionary assessments, and tend to reinforce a tendency to uniformity. The extent of intrusiveness into university affairs that is envisaged is unprecedented in the democratic Anglo world. Various aspects of the “higher education standards framework”, as outlined at 3.5.5 to 3.5.7 above, potentially intrude into matters of curriculum, pedagogy, assessment, and the hiring, development and management of academic and professional staff. Additionally, narrow and common performance indicators relating to funding agreements are limiting in this context. The pursuit of simple metrics and simplistic comparisons for the most complex and least directly measurable aspects of higher education—the quality of learning—is not only a folly but a danger. It is a folly because it is an attempt to capture the elusive. It is a danger because it trivialises learning.

5.5 Tactical considerations for universities

If a government were to persist with its intention to achieve 'reform' through coercion, despite the resistance of established institutions which are portrayed as being self-serving and unresponsive, how might the institutions themselves respond? Should they merely comply with the dictates of the authorities or challenge their assumptions, evidence and solutions? Or might they play along with the new game rules in ways that render the rules ineffective? Can one institution, or one group of institutions, afford to go up against the authorities? What do they have to lose by so challenging, and what might they gain? If one or more institutions refused to consent to the directives of government, what could actually happen? Would a government be able to act in a politically defensible way, even if it had legal authority, to deny or cut funding, or threaten de-registration in respect of an otherwise reputable university which offended, for instance, by offering degree programs not listed on the national qualifications framework but which responded to student demand and had valuable international currency?

Whereas, by virtue of an electoral mandate, governments may claim to set the agenda from the top down, in the academic arena authority is conferred from the bottom up. Legitimacy cannot be merely asserted; it must be won—and in the academy what matters more than position power is the power of argument and evidence. Governments may want to mandate, whether through legislation or punitive incentives, but their power to do so in democratic societies is only as strong as the willingness of the community (in this case at least the academy and its leadership) to comply.

Oliver (1991) analysed how organisational behaviour may vary from 'passive conformity' to 'active resistance' in response to external pressures, depending on the nature and context of the pressures themselves (see Figure 2):

"When an organisation anticipates that conformity will enhance social and economic fitness, acquiescence will be the most probable response to pressure... When anticipated legitimacy or gain is low, organisations will attempt to compromise on the requirements for conformity, avoid the conditions that make conformity necessary, defy the institutional requirements to which they are advised to conform, or manipulate the criteria or conditions of conformity" (Oliver, 1991).

Oliver also suggests that organisations are more likely to acquiesce when they have high levels of dependency on those who exert the pressure, and when the consequences of non-conformity are highly punitive and strictly enforced. Partial conformity can be expected when the organisation seeks to protect its own interests. Organisations can be expected to attempt avoidance strategies in the face of multiple conflicting pressures. Organisations can be expected to compromise or negotiate when the pressures constrain organisational autonomy. Organisations may also work to influence or attempt to control standards or demands that they perceive to inhibit discretion, and may be willing to trade off autonomy or discretion in return for greater legitimacy or economic viability. A defiant strategy is likely to be pursued only when an organisation believes the costs of compliance are too great and it has little to lose from non-compliance.

Figure 2. Organisational responses to external pressures

Strategies	Tactics	Examples
Acquiesce	<i>Habit</i>	Unconscious adherence to taken-for-granted norms
	<i>Imitate</i>	Mimicking successful models, accepting advice of consulting firms
	<i>Comply</i>	Conscious obedience of rules and acceptance of norms
Compromise	<i>Balance</i>	Balancing multiple constituencies, playing off one funder against another
	<i>Pacify</i>	Placating constituents through partial conformity
	<i>Bargain</i>	Negotiating with stakeholders
Avoid	<i>Conceal</i>	Disguising nonconformity behind a facade of acquiescence
	<i>Buffer</i>	Decoupling attachments among activities to reduce external scrutiny
	<i>Escape</i>	Changing goals, activities or domains
Defy	<i>Dismiss</i>	Ignoring rules and requirements
	<i>Challenge</i>	Contesting rules and requirements
	<i>Attack</i>	Assaulting the sources of pressure
Manipulate	<i>Co-opt</i>	Importing influential constituents, building coalitions
	<i>Influence</i>	Shaping values, criteria and procedures
	<i>Control</i>	Dominating constituents and processes

Source: Oliver, C. (1991).

The preferred tactics for universities are likely to be those of ‘bargaining’, ‘influencing’, and co-opting (especially through coalition building). Arguably, these are the most active and honourable of the available tactics (given that some of the other tactics may involve an element of deceit or gaming). The tactic of ‘compliance’ is appropriate in cases where the pressure is exerted widely and has a public good purpose. The option of ‘challenge’ is also available in cases where the pressures exerted can be shown to be unreasonable, disproportionate or harmful. In this regard there is a tradition, gained through struggles against state or church coercion, of university autonomy and academic freedom which should not be lightly dismissed.

Given the disproportionate regulation and intrusiveness into matters of traditional university autonomy involved in the accountability for quality agenda in Australia, university leaders have no conscionable option but to challenge the Government’s agenda with a view to rectifying its flaws.

5.6 What are the prospects for reducing the confusion and conflict?

Even at this stage, universities should be constructive rather than passive or resistant in helping to shape a public policy agenda to address the challenges outlined above, so that the resulting policy settings are well balanced. For that to be possible, government policy formation needs to be open to dialogue rather than closed and imposing, and policy intent and meaning needs to be clarified. As noted at 4.3 above, there is great confusion about the meaning of even basic terms. An initial requirement of constructive consultation is a set of agreed definitions along with a clear statement of government policy intent. The secretive and rushed but apparently uncoordinated nature of policy development to date has generated disquiet in the university community. Little will be achieved without a period of stock-take, reflection and re-engagement with proper processes of consultation.

Trust needs to be built on both sides. On the one hand, those proposing and developing the new intrusive standards and quality regimens for higher education appear to be operating from the premise that the community and governments have lost or reduced their trust in universities and other higher education institutions. On the other hand, the university community and others are distrustful of the intentions of governments and advisers in the pursuit of this agenda. There is sufficient material in the public domain to indicate serious consideration of policy interventions that go well beyond the rhetoric of government. Even if there was to be some softening of approach, there will be residual difficulties; however well-intentioned or benign initially in their design and intent, broad-ranging regulatory frameworks pose the real danger that once established they will be applied ever more prescriptively.

A remorseless tendency over the last few decades is for government agencies and policy advisers to believe not only that universities are effectively agents of the state but that they, the government bodies, are the drivers of improvement without whose guidance the system would degenerate. The fact is that most universities are well ahead of government bodies in asking the hard questions about their performance and trying ways to improve; universities are 'always-questioning' organisations. However, much of that effort is not visible to outsiders. A more transparent approach to internal criteria and procedures may help to bridge the knowledge gap and improve understanding.

There is in-principle agreement about the need to strengthen provider registration requirements. The arguments are not about whether that should happen but how: what is to be regulated and how it is regulated. The principal contention is about the principle of regulation proportional to risk, as discussed later. The major disagreements are to do with the assertion by government of a determining role in the internal affairs of self-regulating universities, beyond the threshold of provider registration, whether through external standards setting that limits the discretion of universities, or through conditionality in funding arrangements that require compliance with government mandates, or a combination of both.

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In seeking to reconcile the legitimate needs and interests of both governments and higher education institutions, there are four basic policy options: a voluntary system; a market-based system; a centrally mandated system; a mutual responsibility agreement.

A voluntary model of response to government and community concerns, such as the US Voluntary System of Accountability will not suffice, if it does not provide a comprehensive framework for increased transparency and include all manner of educational offerings and provider types. Prospective students should have access to information about the full range of learning options. They should be able to see how offerings differ, and be able to make meaningful comparisons in their areas of interest, to inform their study choices. Similarly governments, want to be able to assure the community that cost-effectiveness is being achieved across the totality of the higher education system within their jurisdictions. They need to be able to see where there might be gaps and deficiencies in the supply of graduates so that they can take action where necessary.

Market process for self-regulation may generate information guides for consumers but reliance on competition would not satisfy the need to address those problems for which market operations themselves are responsible, such as rogue providers, bogus qualifications, short-cut methods that short-change students, and poor quality of education.

A centrally-mandated prescriptive approach would be too inflexible and stifling. It would render Australia's higher education institutions internationally uncompetitive.

What might work is an agreed mechanism for higher education providers to describe their distinctive offerings against a common reporting template of descriptors for the range of programs for which they award qualifications. This information could be provided on the *MyUni* website along the lines of the US College Portrait, but with performance information related to institutional mission and objectives, and validated by independent external review, along the lines of the UK external examining model, for similar institutional classes. This information could be augmented by institution-level descriptors, perhaps along the lines of the U-Map model. A variant of the European Diploma Supplement (AHEGS) could provide additional information, including equivalence of a particular qualification with international descriptors of 'levels' of attainment. Such an approach would enhance transparency and comparability without diminishing diversity.

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5.7 Agreement on respective roles and responsibilities

The selection and design of policy instruments depends primarily on the challenges to be addressed, the goals to be achieved, and the agent most able to take the action required. If the primary purpose is compliance then government control models will be the most effective. If the primary purpose is improvement then academic control models are the most appropriate.

Box 47 provides a categorisation of policy instruments for “the regulation of academic quality” (Dill 2003). The columns represent differences of control: with regard to teaching and learning, the professional or self-regulation column reflects producer sovereignty; the middle column reflects state sovereignty; and the market column reflects consumer sovereignty (Dill 2003). An alternative portrayal of these differences is that self-regulation reflects a view of the university as an autonomous cultural institution, state regulation reflects a view of the university as part of the nation’s civil service implementing public policy, and market regulation reflects a view of the university as a competitive enterprise in the knowledge business (Findlay, 2005).

In determining the most appropriate mix and balance of policy instruments, it is necessary to be clear about the reasons for their application. That necessarily requires a consideration of respective roles and responsibilities.

Box 47. Alternative Policy Instruments for Assuring Academic Standards			
	Locus of Influence		
Focus	Professionals (Self) Regulation	State Regulation	Market Regulation
Research	<ul style="list-style-type: none"> Professional Peer Judgments 	<ul style="list-style-type: none"> Research Assessments (RAE) 	<ul style="list-style-type: none"> Competitive Allocation of Research Funds by State
Teaching/Learning	<ul style="list-style-type: none"> Professional Disciplines/Organisations External Examining Systems Voluntary Accreditation 	<ul style="list-style-type: none"> “Assessment Regulations” (US) Academic Audits Subject Assessments Performance-based Funding National Examinations State Accreditation 	<ul style="list-style-type: none"> Student-based Funding and Tuition Fees Information Provision

Dill, D. (2003).

5.7.1 Responsibilities of government

Governments are responsible for responding in a timely, coherent and cost-effective manner to matters of concern to their communities. In broad terms, the community looks to central governments primarily to tackle the big picture issues rather than become involved in micro-level matters that can be devolved to other levels of government or undertaken by specialist service providers whether public or private. In respect of higher education the roles of central government include providing policy direction, incentives and regulatory frameworks for structuring the supply of education services to accommodate student demand and producing an educated citizenry and workforce to meet community needs. Particular initiatives may include adequate funding for

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institutions, the provision of financial assistance to students, and incentives to promote equity of access and ease transitions across education, training and work.

Understandably, governments have an interest in ensuring that the goals of universities and other institutions align with their wider social and economic goals. However, they normally 'steer from a distance' (Marceau, 1993) rather than engage regularly in direct monitoring of institutional effectiveness, which is properly the responsibility of university governing bodies. It is proper not only because it reflects an appropriate separation of accountabilities but also because it is most practical, given that central government policymakers and administrators have little capacity to review and act on the kinds of qualitative outcomes assessment data that are collected and reviewed on an ongoing basis within universities. It is best that governments focus on the areas where they can best add value and be least distracted:

"An accountability system focused on state-level concerns is designed to answer questions to inform state policy decisions about system design, governance, articulation, and finance. It asks how are we, collectively as a state, doing in achieving our goals. An accountability system designed principally to collect and review data on institutional performance asks a totally different question: how well is an individual college or university accomplishing its unique mission? This institutional focus has several problems: it diverts state policymakers from the issues that they can influence through their responsibility to make public policy; it leads to micromanagement over institutions, whose own governing boards are responsible to monitor and manage institutional effectiveness; and it overloads state accountability systems with far more data than users can possibly digest and use. Finally, by reflecting a top-down "we (policymakers) are holding you (college) accountable for your performance" approach, it invites arguments about the adequacy of funding, factors outside the college's control, and the overall fairness of the top-down assessment" (Shulock, 2003).

5.7.2 Responsibilities of universities

Universities as self-governing institutions are responsible for achieving the goals they set consistent with their missions. They respond to policy, administrative and market signals, and they account to the communities that support them for the stewardship of their resources.

They have particular responsibilities regarding the selection and admission of students, curriculum, pedagogy, assessment, and the provision of student services and alumni services, alongside the professional development of academic and administrative staff.

They also have responsibilities for the ethical conduct of research, the preservation of knowledge and the publication of scholarly outputs, and contributions to national, regional and community development. And they have responsibilities for continuous improvement in all that they do.

As discussed at 4.3.2 above, with regard to the accountabilities of universities to the students they admit, Scott (2008) has suggested four foci: design; support; delivery; and effect. The first of these (design) requires a university to make clear what it stands for (mission and values), what it seeks to achieve (fitness of purpose) and how it structures the learning experiences it offers (fitness for purpose). The second (support) and third (delivery) areas are to do with how well the designed approach is implemented. The fourth dimension (impact) is where the rubber hits the road: how well do students learn, and how useful is their learning to their life prospects?

It is reasonable to expect that each university will have in place processes to validate its mission, review the fitness of its program design, verify that its delivery meets the standards it has set, and know how well its students and graduates perform.

It is reasonable to expect that each university will have in place processes to validate its mission, review the fitness of its program design, verify that its delivery meets the standards it has set, and know how well its students and graduates perform. These processes as well as the results they achieve should normally be subject to systematic internal review and independent external review.

5.7.3 Mutual responsibility rather than principal-agent relationship

Governments have two main policy options in the design of their relations with universities: a principal-agent model of accountability, or a mutual responsibility model of shared development. The latter is the more likely to lead to performance improvement, and to do so in ways that enable broader service delivery effectiveness.

Accountability involves rendering an account about what one is doing in relation to the goals and expectations of others (Santiago et al., 2008). Accountability obligations are established when an agent accepts resources and responsibilities from a principal (Barton, 2006). The principal/agent model of contractual relationships prioritises the agent's compliance with the purposes and performance and information requirements of the principal (Broadbent & Loughlin, 2003) over their wider stewardship responsibilities for serving broader public needs (Kluvers & Tippett, 2010).

The emphasis on reporting the measurable aspects of performance can reduce service delivery effectiveness (Funnell, 2003). The principal/agent model of accountability contrasts with the mutual accountability model, wherein goals are shared and there is 'buy-in' to responsibilities through "developing shared understanding, respect, trust and mutual influence" (Brown, L. 2007).

A principal-agent approach would work from the premise of an expectation that a university ought to comply with standards set by others. In contrast, a mutual responsibility approach would start from an acceptance by others of a university's self-set standards. Only if a review of the self-set standards (fitness of purpose) were to find deficiencies would it be reasonable for government to require adherence to an externally-determined set of standards.

Within a mutual responsibility agreement, in relation to the agenda compelling governments, as outlined at 5.2 above, the following expectations of higher education institutions may be proposed:

The probity threshold: Higher education institutions should be able to demonstrate that they have adequate capacity and integrity to deliver what they undertake to deliver.

The effectiveness imperative: Higher education Institutions should have verifiable means for knowing how well students are acquiring the knowledge, understandings and abilities expected.

The transparency requirement: Higher education institutions should publish information about their distinctive offerings and requirements, along with clear criteria and codified procedures for judgements relating to admission, credit, and assessment grades.

The comparability challenge: Higher education institutions should make available reliable information to enable students and employers to see similarities and dissimilarities between different programs, learning opportunities, expected standards, and graduate attainment and outcomes.

Only if a review of the self-set standards (fitness of purpose) were to find deficiencies would it be reasonable for government to require adherence to an externally-determined set of standards.

5.7.4 Common and customised institutional accountabilities

For the accountability and improvement purposes of higher education quality assurance to be reconciled in the contemporary circumstances of post-mass participation and diversity of provision, it may be useful also to distinguish between 'normative' or 'common accountability' and 'customised accountability'.

Normative accountability seeks to ensure that higher education institutions conform to a set of basic requirements. It involves the use of common benchmarks for comparing the capacity and performance of institutions. The common benchmarks may include prescribed minimum standards in respect of inputs, processes or outputs, and they may include prescribed measures and instruments for reporting.

Customised accountability seeks to ensure that a higher education institution delivers to its promises. It involves the use of selective indicators designed to measure how well each institution performs relative to its own goals and expectations:

"Locally developed measures have the potential to represent accurately the specific institutional outcomes of higher education given their proximity to what is assessed, rather than standardised assessments, which are distant from the missions and objectives of individual institutions" (Allen & Bresciani, 2003).

It should be possible to agree on a framework that provides for both common and customised accountability and transparency. This suggestion is an extension of a proposal by Grant 2006. In discussing the application of competence frameworks, Grant has noted the coexistence of compelling cases for both common and specific frameworks (Grant, 2006). On the one hand, different companies have specific sets of competences, along with generic skills, for performing the activities of their business, and educational institutions may be motivated to emphasise the particular competences that distinguish their graduates from those of other institutions. On the other hand, labour mobility requires that individuals educated or trained in one place should be able to find work elsewhere, and employers and professional bodies need to know that graduates meet required standards of competence. Grant suggests the need for a judicious blend of common and specific approaches:

"An insistence on a completely common framework would deny the freedom to experiment, and the freedom for views to differ about which competences are necessary for which roles. But a fragmented approach, where every organisation has its own competence framework, would make life very difficult for self-directed lifelong learners with multiple, diverse and complex career paths" (Grant, 2006).

Grant suggests a meta-framework that allows for two interrelated kinds of competence frameworks: one that is relatively loose and amenable to agreement among different stakeholders, for generic shared competency definitions in particular domains; and the other that is more specifically designed to suit the requirements of a particular body.

Thus, in respect of universities, the Government's standards-based agenda could constructively accommodate a judicious blend of (a) a menu of common indicators from which universities select those that are most appropriate to their circumstances, and (b) a set of customised indicators that reflect the objectives and standards that each university has determined.

The questions subsequently to be addressed are (a) which common standards, in terms of their (i) range and (ii) composition, (b) the balance between common and customised standards, (c) the

It should be possible to agree on a framework that provides for both common and customised accountability and transparency.

balance between whole-of-institution and program-specific standards, and (d) the means by which performance standards are verified. These are significant questions. They are matters for judgement rather than technical considerations. They are so fundamentally important that they need to be referred to public consultation and dealt with openly and systematically, not settled in-house or merely by conference with a limited group or by otherwise cosy agreements. Given the recent opacity of considerations about these matters, any attempt to arrive at apparent consensus through closed dealings will lack legitimacy.

5.8 Threshold Requirements for Licensing Higher Education Providers

To be licensed to commence operating as a higher education provider in Australia it should be necessary to meet specified minimum standards of inputs and processes, such as those relating to staffing, facilities, finance, and governance. Requirements would vary according to the scale and scope of proposed provision, and should have regard to already existing requirements arising from university establishment acts and other legal obligations, such as those deriving from corporations law.

5.8.1 Standards for initial provider registration

A standards-based approach to provider licensing (accreditation or registration) relates to the threshold criteria for bona fide operation. The standards need to be set and applied on a nationally consistent basis, given that providers can and do operate across the jurisdictional boundaries of the states and territories. The standards cannot be lowered for any provider.

Higher education provider registration standards should continue to be set by the inter-ministerial council of the Commonwealth, states and territories. This approach, reflecting the principle of cooperative federalism, is most likely to achieve national consistency, both through the setting of inter-governmentally agreed standards and the alignment of state and territory legislation relating to providers established statutorily by those jurisdictions. It is also an approach that reflects the prudent practice of keeping separate the powers of standards setting from standards monitoring and enforcement.

Higher education provider registration standards should continue to be set by the inter-ministerial council of the Commonwealth, states and territories.

5.8.2 Monitoring of provider compliance with registration conditions

TEQSA should function as the national regulator of provider conformity with threshold standards of operation. It would be important to monitor regularly the compliance of new providers with their registration requirements, including their student enrolments and staffing provision, as the recently exposed problems with private providers in the international student market resulted from unchecked expansion beyond their registration limits.

5.8.3 Re-registration of providers

With regard to initial registration, the approach necessarily focuses on inputs (e.g. teaching capacity) and processes (e.g. governance arrangements). With regard to periodic re-registration, the question arises as to whether it is sufficient to continue to focus on compliance with the capacity-related conditions of initial registration (inputs and processes) or whether it is necessary to consider aspects of performance, and have regard also to outputs and outcomes. A subsequent question is whether the quality of performance should be referenced to a common set of standards, or to standards relating to the specific purposes of particular providers, or to a combination of common and customised standards, as discussed above.

If performance quality for this purpose is a criterion of acceptability of a provider's continuing operation, then it is appropriate to require performance against some common standards. If diversity is to be valued, then it is also appropriate to evaluate performance against customised standards

reflecting the distinctive purposes of different providers, the more so if one adopts a dynamic view of quality as continuous improvement. Hence, a model akin to the US Accreditation and Quality Assurance System has its attractions (see 1.1 above).

A fundamental question is whether re-registration is to be based on (a) a comprehensive review of a provider's operations; or (b) periodic thematic reviews of all providers whether by function (e.g. assessment) or field (e.g. law); or (c) specific investigations of signals of operational deficiency affecting educational effectiveness whether on a just-in-time or just-in-case basis?

Option (a) would be the most appropriate approach for the purpose of provider re-registration. Option (b) is more suited to a different purpose—that of identifying areas for performance improvement. Option (c) could be a complement to option (a), where specific signals were sufficiently strong to warrant review ahead of scheduled arrangements.

5.8.4 Re-regulation proportional to risk

Given the rate of change and the need for competitive neutrality, it is necessary for periodic processes of re-registration for all higher education institutions, including all universities, through procedures that are proportional to risk. If re-registration is to be focused on eradicating deficiencies then it should be based on an assessment of risks to the sustainability of quality.

A self-assessment report would be the obvious initial reference for a re-registration review. TEQSA could issue guidelines for provider self-assessment.

For public universities, there are particular information sources that could be drawn upon in adopting a risk-based approach to re-registration, including independently audited annual reports, and performance information relating to student progress, graduate destinations and student satisfaction.

These reports should be the basis of risk assessment that may give rise to second-order investigation by TEQSA where there are signals of concern. More intensive investigations and possible sanctions would be warranted where a university was unable to satisfy TEQSA that it could sustain an acceptable level of performance. Otherwise, where a university is operating effectively the re-registration process would be light-touch.

Matters arising in this context that require particular consultation include:

Is the re-registration bar to be at a whole-of-institution level, or at program (award) level or at some other level (e.g. disciplinary units of study), or at some combination of the foregoing? How are academic programs within institutions to be assessed, and over what periods of time? What constitutes risk? Will there be risk gradients (e.g. high, medium, low)? What would constitute a light-touch audit as distinct from a moderate or intensive audit? By which criteria would an institution qualify for light-touch treatment? What risk indicators are to be used? How much of the risk assessment will be related to quality factors (e.g. curriculum substance, assessment validity and reliability) as distinct from vulnerability factors (e.g. financial risk exposure, dependency on volatile markets, competitive strength)? What weight, if any, would be given to organisational, cultural or process factors (e.g. staff development, internal review mechanisms, student engagement indicators)? How would deficiency in one program affect registration status or funding? How much time would an institution have to rectify deficiencies? To what extent would an institution be permitted to open new program offerings while attending to problems in another program area?

5.9 Beyond the Threshold: Enhancing Student Learning and Graduate Attainment

Beyond the threshold of acceptable capacity and performance for initial licensing and re-registration, a standards-based approach to higher education quality necessarily relates to the criteria that higher education institutions themselves set in respect of their provision (e.g. standards of teaching, standards for resourcing teaching and learning, standards for availability of learning materials, standards for student support services), and the assessment of their effectiveness.

5.9.1 Setting expectations

Universities determine their standards of education having regard to a range of expectations, including the capabilities they seek in their graduates, and their own professional academic expectations and understandings of good quality. They make reference to external standards as guides to their decision making. These references may include: the national qualifications framework and descriptors of learning outcomes; statements issued by professional bodies relating to program requirements for graduates preparing to practise in registered professional occupations; statements issued by disciplinary communities; standards set by similar universities elsewhere; findings from surveys of students, graduates and employers; and innovative approaches being undertaken elsewhere:

In relation to the exploration of 'learning and teaching academic standards' in the Australian context, Nicoll (2010) has suggested, that while defined minimum academic standards will be used by TEQSA for regulatory purposes, they should still allow for diverse approaches to curriculum and teaching, and permit institutions to demonstrate their distinctiveness beyond the minimum threshold:

"Threshold learning outcomes are the defined minimum that graduates are expected to achieve but we would expect that most will achieve more. By defining minimum national standards for learning outcomes we protect the reputation of Australian education. By exceeding and customising the minimum national standards we can demonstrate the distinctiveness of individual institutions" (Nicoll, 2010).

This approach has risen from action taken by DEEWR and the ALTC, in the aftermath of the Bradley report, to explore the option of defining quality in terms of the expectations of graduate qualifications by discipline. The Bradley panel's recommendations in this respect reflected a response to concerns raised in a submission to a prior review of higher education:

"there are presently few objective reference points for knowing the intellectual standards of Australian degrees. At state forums and in case studies we talked with staff about assessment practices and standards. Staff often have difficulty explaining how they know about the standards of their degrees and are unable to point with confidence to formal processes for monitoring standards, particularly against external reference points" (James, McInnis, Devlin, 2002).

It was suggested in that submission that groups of academics formed around common field of study interests should be encouraged and supported to take responsibility for setting and monitoring broad standards at a national level (James, 2003). However, what may appear to be a simple idea could lead, after many torturous hours, to three possible outcomes: (i) agreement; (ii) compromise; (iii) disagreement. It is likely that any agreed statements would be so broad as to be useless, or so minimal as to be embarrassing. A compromised outcome is likely to be so detailed and conditional that it would be unworkable. Disagreement may not be the worst result.

It is entirely reasonable for universities to be expected to describe clearly, in their own terms, the aims and outcomes of their courses and programmes, what it is that students need to do to be

able to obtain degrees, and how the institution will provide them with the necessary facilities and opportunities to succeed. And it is appropriate that universities demonstrate their distinctiveness in doing so. External references can be helpful to universities in that activity so long as they are envisaged as guides for local adaptation:

"It is possible to agree on a range of standards as long as two main conditions are met:

- *Define standards as principles or reference points, i.e as guides that require local interpretation and adaptation*
- *See any set of standards (or principles) as an evolutionary framework that requires adaptation to a changing environment."* (Sursock, 2007).

5.9.2 Clarifying missions and goals

The May 2008 Budget Paper on the 'education revolution' included the following indication of intent:

"To build productive partnerships with universities, the Government has committed to the introduction of a new funding framework from 2010, using mission based compacts. The compacts are agreements between public universities and the Australian Government detailing public funding commitments and university obligations. They will be developed collaboratively with each university to recognise their individual missions and their multiple roles in modern societies, and will include appropriate accountability mechanisms." (Gillard, 2008).

The Government's approach to mission-based funding compacts with universities presents a curious mix of the principal-agent model and the mutual responsibility model of government-university relations discussed earlier. Nevertheless it offers an opportunity for the validation of fitness of purpose: the appropriateness and relevance of what a university seeks to achieve; alignment of offerings with strengths; consistency of effort with purpose; and the criteria for assessing effective delivery.

Clarification of institutional mission enables educational quality to be judged in terms of fitness to deliver stated program aims and objectives, rather than against notional quantitative norms.

5.9.3 Professionalising educational assessment

"if the learning outcomes of higher education are narrowly measured, as cost, capacity and convenience dictate, we risk narrowing the missions, subject matter taught, and diversity of the American system of higher education" (Shavelson, 2007).

As well as the challenges relating to the comparability of higher education qualifications, as discussed earlier, there are new challenges to the integrity of internal assessment of learning in higher education institutions. Assumptions underpinning previous assessment practices need to be revisited in view of the fragmentation of processes for the cultural induction of academic assessors, and multiple paths of student entry to higher education. Hence the need is seen to arise for a more explicit standards-based approach to institutional assessment; one that focuses on learning outcomes and not only inputs and processes:

"In circumstances, in which university entry pathways and the modes of student participation and engagement with learning resources diversify, student learning outcomes might come to provide the ultimate test and safeguard for standards" (James, 2003).

In Part 1 we encountered the OECD's 'Logic 1' line of argument: i. effectiveness needs to be measured in order to inform government decisions about funding and governance of higher education providers; ii. for effectiveness to be measured the purposes of higher education need to be made more explicit; iii. provider performance in relation to purposes needs to be based on student learning outcomes; iv.

learner performance in relation to outcomes needs to be standards-referenced v. learning outcomes need to be economy-relevant and competency-based; and vi. the main challenge is to work out how to measure the competencies properly. By this logic it becomes appropriate and theoretically feasible to compare the performance of different providers against a standard set of competencies expected of graduates for a given level of qualification.

Here we consider an alternative 'Logic 2' line of argument: i. diversity of students, modes of delivery and ways of learning put sharper focus on the assessment of learning outcomes; ii. assessment is a function of the academy; iii. but there has been a breakdown in academic norms for induction about assessment; iv. assessment needs to be professionalised; v. professional dialogue across the academy is a means of clarifying expectations of broad standards for assessment; vi. external references to standards exemplars can be helpful for the professional development of assessors; vii. but standards should be set by each institution according to its mission and goals, not by an external body; viii. external validation of internal assessments can be a helpful check that can add to community confidence and comparability. By this logic it is important to make assessment criteria and processes more robust and transparent, to professionalise the assessment function, and to improve assessment moderation and reporting.

The ultimate purpose of assessment is to validate learning outcomes, whether for diagnostic, formative or summative purposes (Malan, 2000). Improving the quality and consistency of assessment practice has become a priority for universities, given the changes to the nature of higher education discussed earlier. Indeed it is timely to consider a thorough review of assessment practices "supported by developmental activities aimed at improving the robustness and consistency of assessment and classification practices within and between institutions", together with clarification and explanation of the reasons for, and meaning of, variation in particular approaches to assessment (Brown, 2010a).

In addition to defining expectations of graduate capabilities, and improving student assessment, attention also needs to be given to the external verification of assessed student work and assessment tasks. Go8 universities are developing a modified form of the British external examining system, through partnering with like institutions nationally and internationally, and encompassing peer appraisals of curriculum design and assessment strategies as well as review of assessment tasks and student work. Greater attention is also being given to obtaining structured feedback from graduate employers and professional bodies about the performance of graduates.

Making professional judgement more transparent is more consistent with university responsiveness than replacing judgement with highly specified common standards.

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Making professional judgement more transparent is more consistent with university responsiveness than replacing judgement with highly specified common standards.

5.9.4 Reporting performance

It is evident that the community expects more comprehensive, reliable and comparable reporting by higher education institutions of the results they achieve. A combination of reporting against common and customised indicators is the most sensible approach, as it allows people to see similarities and dissimilarities in institutional orientations, offerings and outcomes. The US College Portrait and

the European U-Map reporting frameworks allow institutional differences to be portrayed alongside reporting of institutional characteristics and performance against common measures. The necessary subtlety is to differentiate between a standard set of measures and a set of measures of standards. The latter can distinguish differences in the standards that institutions set for themselves, whereas the former extinguishes distinctiveness. Hence it is necessary to contextualise performance indicators, with reference to institutional purposes, student characteristics and social circumstances, so that indicators such as student progression, degree attainment, and employment can be appreciated.

De-contextualised expectations of higher education standards and performance outcomes are basically meaningless.

De-contextualised expectations of higher education standards and performance outcomes are basically meaningless.

5.10 Conclusions

The increasing international mobility of students and graduates, and the proliferation of providers of higher education services and qualifications, challenge governments to find new ways and means of assuring that effective learning is taking place, and safeguarding the integrity of educational qualifications. The expansion and diversification of higher education requires new forms of information and channels of communication about the orientation and quality of different higher education institutions and programs, so that potential participants can make sense of what is available and make informed decisions, and employers can have a reasonable basis on which to compare graduate applicants for jobs.

However, the Australian Government's proposed approach to higher education standards-setting, quality assessment and performance reporting involves a degree of central regulation and intrusion which is beyond that found in other OECD countries and which is unprecedented in Australia. There are concerns within the higher education community that this approach will be counterproductive because it will stifle diversity, erode quality and reduce the flexibility necessary to respond to unexpected needs and challenges.

A model that recognises mutual responsibilities and expertise, facilitates different provider models and outcomes, and recognises the concerns of the diverse range of stakeholders having a direct interest in higher education outcomes, will go much further in improving performance, promoting diversity and achieving excellence, than will a centrally-mandated compliance model.

By adopting a more comprehensive, gradual and inclusive approach to policy development relating to standards and quality in higher education, the government will be able to achieve greater institutional and professional support and make more effective use of the national and international studies already underway in this area.

The Government should help higher education institutions respond to its policy directions by clarifying its purposes, the meaning of key terms, and the respective responsibilities of governments, institutions, and the role of the market.

National consistency in provider registration and re-registration requirements is essential to avoid rogue providers from setting up and continuing to operate. However, requiring national consistency in institutional practices, educational quality and graduate attainment, on which policy implementation appears to be based, is at odds with the realities of Australian higher education and future needs. Attempts to impose uniformity and standardisation are misguided and will be unworkable because a diversity of needs requires a diversity of responses to provide fit for purpose outcomes.

Given the growing complexity and diversity of higher education, and the varying information needs of students, let alone the needs of other stakeholders, it is curious that political pressure is being applied to require higher education institutions to give most attention to reporting on the least reducible aspect of their work—the quality of learning—through simple metrics and simplistic comparisons. The times call for more sophisticated transparency tools.

Specifically, the following matters need urgent reconsideration, because their current implementation processes are inconsistent with the stated aims of the Government:

1. Reconsider the role and structure of the Tertiary Education Quality and Standards Agency (TEQSA):

A basic flaw in the design of TEQSA is that there is no separation of powers between setting, monitoring and judging standards. It is also unclear how different aspects of the 'quality and standards framework' will interact with institutional registration, course provision and funding. State and territory governments, and the Australian parliament, should exercise caution in consenting to potentially draconian arrangements and related regulation.

TEQSA should not have any legal power to set standards. Rather its powers should be to monitor, evaluate and report on how well providers meet the standards they set for themselves and the expectations determined by government and other stakeholders in relation to capacity and performance.

Higher education provider registration standards should continue to be set by the inter-ministerial council of the Commonwealth, states and territories. This approach, reflecting the principle of cooperative federalism, is most likely to achieve national consistency, both through the setting of inter-governmentally agreed standards and the alignment of state and territory legislation relating to providers established statutorily by those jurisdictions. It is good policy practice, consistent with long-standing democratic conventions, to separate standards setting from their enforcement and monitoring

In all other areas, higher education providers should set the standards themselves, as this is the best way to promote innovation and diversity in the national system. Providers should continue to be able to draw upon references to guide their standards setting, such as the Australian Qualifications Framework, and various statements of expectations regarding academic standards for curriculum, teaching, assessment and in other areas, including the various requirements of professional associations in respect of qualifications for professional practice. Information standards could continue to be developed by government departments, as for the *MyUni* website, compacts and performance funding reporting requirements. These references are necessarily dynamic and should not be part of a legislated regulatory framework. TEQSA's role should be to verify that different higher education providers are achieving the standards they set for themselves rather than prescribe a common set of standards for all.

2. Tighten provider registration requirements, and introduce more comprehensive re-registration requirements, according to the principle of regulation proportional to risk.

A standards-based approach to provider registration and re-registration is essential. The standards need to be set and applied on a nationally consistent basis. Higher education provider registration standards should continue to be set by the inter-ministerial council of the Commonwealth, states and territories. TEQSA should function as the national regulator of provider conformity with threshold standards of operation. It will be important for TEQSA to monitor regularly the compliance of new providers with their registration requirements.

Clear definitions of standards and standards-based arrangements, along with answers to the specific questions raised at 5.8.4 above, must be provided before the TEQSA legislation is finalised.

3. Re-open the revision of the Australian Qualifications Framework (AQF):

The revised AQF as proposed by the AQFC in October 2010 is too narrow, parochial and prescriptive (AQFC, 2010b). The AQFC is proposing a unified model that exists nowhere else and runs contrary to best practice principles, as noted at 4.4 above. Imposing from above an ambitious reform model flies in the face of all the available evidence regarding change management in respect of NQFs.

The proposed new level 10 descriptor represents a weakening of the current Doctoral level descriptor (the current highest level qualification) through the removal of reference to demonstrating deep research skills which are assessed against international standards.

The overly-tight limiting of qualifications types and titles to single levels reduces the usefulness and credibility of the AQF. Flexibility in relation to titling of awards is necessary to allow internationally recognised qualifications to be offered in response to student demand, both domestic and international.

Prohibiting various qualifications titles, long offered by universities and funded by the Australian Government, reduces the choices and pathways available to students.

If the AQF were to be included within the statute defining TEQSA's regulatory powers, such that the AQF became a regulatory instrument rather than a descriptive reference, it would represent an unacceptable step backwards in eroding the self-accrediting status of Australian universities.

These issues could be overcome by maintaining a focus on the learning outcomes at each level while allowing more flexibility for qualification types to span across two adjacent levels. Bachelor degrees should be able to be offered at both levels 7 and 8, Master degrees at levels 8 and 9 and Doctor degrees at levels 9 and 10. This approach will more accurately reflect current practices and allow for future developments.

Information about the alignment of qualifications types and titles with AQF levels can be documented in course and marketing materials, graduation statements and transcripts.

If this approach is not accepted, then the basic proposal to move from a sectoral to a unified AQF should be rejected. A linked rather than unified model should be adopted for a revised AQF, with curriculum-based higher education awards distinguished from competency-based vocational education and training (VET) qualifications. It is premature to combine higher education within a unified framework when the policy framework for VET is itself unsettled.

4. Customise performance-related funding:

Performance funding should be related to the circumstances and goals of each university. Standardised tests and value added measures are invalid and inappropriate for performance improvement purposes. There has been a degree of entrapment involved for universities which had to agree to participate in performance funding through compacts, as a condition of access to indexation, but without knowing what measures would be used. The most sensible future course is to allow universities to (a) select from a menu of common indicators those which best suit their purposes and circumstances, and (b) identify customised indicators more tightly related to their specific objectives.

5. Improve transparency about institutional differences:

Whereas some advisers suggest that students need to know what is common in higher education performance, it is probable that most students want to know how various learning opportunities differ. Government should require all higher education institutions to publish profiles on the *MyUni* website that provide prospective students with information to guide their study choices, including information about: the distinctive features of the institution; course offerings, student services, course costs and scholarships; student mix, progression and completion rates, and graduate destinations and satisfaction indicators; the criteria used in student assessment, and the processes used by the institution to verify the quality of education with reference to the institution's goals and criteria and, as appropriate, national and international benchmarks.

Alongside the academic transcript, the Australian Higher Education Graduate Statements (AHEGS) is useful for graduates in providing information about the Australian education system and the international equivalence of qualifications. The Government might also consider the development of a typology of institutions, along the lines of the U-Map model.

6. Deal with the cause of the quality problem:

Quality of output is a product of inputs as well as processes. If the funding rate per domestic student is inadequate and declining over time, the scope for quality improvement is necessarily limited, notwithstanding increases in the productivity of teaching and learning.

7. Work to rebuild trust:

In its pre-election statements, both in 2007 and 2010, Labor has indicated a commitment to openness and evidence-based policy formulation, along with an intention to respect university autonomy and academic freedom, and to have regard to mission differences among institutions, through funding compacts and other mechanisms. Universities have yet to see these commitments reflected in Government practices. Indeed, there has been a disconcerting lack of transparency in the public policy processes relating to higher education standards and quality, while all the available evidence suggests the Government favours a formulaic and uniform policy approach.

Astonishingly, the TEQSA Interim Chair is proposing to proceed with the accountability for quality agenda in a closed rather than open manner, as indicated in correspondence to the Go8 on 11 October 2010:

“The legislation to establish TEQSA is on the program for introduction to the parliament before the end of 2010 and the Department of Education, Employment and Workplace Relations (DEEWR) is responsible for its drafting. There will be an opportunity for select stakeholders to provide feedback on the legislation through a closed consultation process before it is introduced into Parliament”.

The matters at stake are too significant and controversial for such a myopic and potentially manipulable approach. The tightly balanced federal parliament also has a right to expect a better policy process; otherwise it may refer the TEQSA Bill to scrutiny through its own procedures. If trust is to be rebuilt, and sustainable reform is to be achieved, there is no viable option other than a fully open dialogue. That means, at the very least, the issuing of a comprehensive discussion paper ahead of any draft legislation.