EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

Outcome: 3

Output Group: 3.3 – Support for the Australian education and training export

industry and international relationships.

DEST Question No. E273 06

Senator Carr provided in writing.

Question:

ANAO Report Internationalisation of Australian Education and Training-NOOSR

Please provide a report on the current status and location within the Department of the former NOOSR.

What is its staffing? How does this compare with staffing levels and structure before its status as a separate agency? Please provide figures.

What is the budget of the unit? How does that compare with the budget it was allocated prior to its agency status being removed? Please provide figures.

The ANAO report on the internationalisation of Australian education and training reports (p.12) that the median turnaround time for assessment of overseas qualifications in 2004 was nine weeks. What is the reason for this?

What will be done to ensure that you meet the targets?

The ANAO report says (p.13) that the IEG's country profiles have not been updated for over ten years and are not available online. What are the reasons for this situation?

What are the plans to update the profiles? When will they be available online?

ANAO Report *Internationalisation of Australian Education and Training* – other issues [p.12 Strategic planning]

When will the International Education Group finalise its strategic plan? Why has it not yet finalised it? When did work commence on the plan?

Will the IEG take up the ANAO's recommendation that risk management be included in planning?

Will the IEG/AEI be undertaking forecasts of demand for Australian education services, enrolments onshore and offshore and other trends? What factors and trends will be monitored? Will onshore and offshore trends be monitored separately?

The ANAO report says (pp.13-14) that the IEG's risk matrix model does not contain standard risk management approaches such as separating likelihood and consequence. Why is that? Will you in future adopt the kinds of standard risk management approaches referred to by the ANAO?

When will your review of your compliance activities be completed?

Will a report be available? Can the Committee have a copy?

Please describe the compliance package and case management system referred to by the ANAO on p.14 of its report?

When will they be complete and implemented?

What is the staffing level in your compliance section at the moment? What was the level at the same time in the last three years?

The ANAO report notes (p.14) that there have been errors in the annual registration charge paid by providers, resulting in both overpayments and underpayments.

Why are providers allowed to use enrolment data that differs from that contained in PRISMS?

Does this allow providers to understate their enrolments for the purpose of paying the charge?

How do you check the accuracy of the data they use for this purpose?

Shouldn't you be requiring that providers use the PRISMS data? If not, why not?

Why is there no centralised grant management system? Will the IEG be implementing a centralised system as recommended by the ANAO?

Will you be adopting the practices as recommended in the ANAO Better Practice Guide?

The ANAO found (p.15) that DEST and the IEG lack adequate performance information and indicators with regard to Output 3.3. It says that DEST would have difficulty in knowing whether and when it had achieved its desired performance in this area. Why has the Department not developed adequate performance indicators and performance monitoring processes?

What will be done to remedy this?

Will stakeholder groups be consulted in this development process? How will that be done and who will be consulted?

Will you be introducing customer satisfaction surveys and other feedback tools, as suggested by ANAO?

What feedback tools?

ANAO found (p.15) that there was a lack of effective performance monitoring and reporting across all of IEG's main functions. Do you think this assessment is accurate?

What plan will you implement to achieve the fundamental overhaul required to rectify this?

What timeframe will apply?

What will it cost?

Will you be seeking outside advice by means of one or more consultancy contracts?

Answers:

ANAO Report Internationalisation of Australian Education and Training - NOOSR

Please provide a report on the current status and location within the Department of the former NOOSR.

The functions of the former NOOSR that are carried out by DEST reside with the International Education Group (IEG). The recognition work of IEG has recently been incorporated within a new Branch in the Group, the International Policy and Recognition Branch. The key roles of the former NOOSR form the core functions of the new Branch, and continue to provide vital support to the skilled migration program through qualifications assessment and advice for migration skills assessing authorities, and in the case of the professions through approval and monitoring of the assessing authorities.

Qualifications assessment to support increased global labour market mobility and the international student cohort is now the main recognition function in demand. The Branch also supports the recognition of Australian qualifications and professions overseas and is part of a growing international network sharing expertise on qualifications assessment and professional recognition.

Two units within IEG perform these functions:

Overseas Qualifications Recognition Unit (OQRU):

- Acts as the Australian National Information Centre on Australian education in implementing the Lisbon Convention;
- Provides information, advisory and assessment services on the recognition of overseas qualifications for a wide range of clients;
- Supports State and Territory agencies responsible for the provision of migrant settlement services by providing a free qualifications advisory service;
- Produces Country Education Profiles (CEPs) which provide comprehensive information on education in over 100 countries and guidelines on the comparability of overseas qualifications to Australian qualifications;
- Provides professional development services for other organisations that assess overseas qualifications; and
- Supports VETASSESS under contract to undertake pre-migration skills assessment for general occupations.

Professional and International Recognition Unit (PIRU):

- Promotes and facilitates initiatives to advance international recognition of Australian qualifications through bilateral and multilateral arrangements;
- Supports professional recognition through management of the Professional Services Development Program and the Assessment Fee Subsidy for Overseas Trained Australian Residents scheme;
- Advises on professional recognition matters and manages approval of and support to authorities responsible for the assessment of professional qualifications gained overseas for the General Skilled Migration Program;
- Assesses overseas qualifications for applicants for General Skilled Migration in the teaching profession (this function is in the process of being transferred to the National Institute for Quality Teaching and School Leadership); and
- Administers and coordinates Commonwealth amendments to the legislation for the Trans Tasman Mutual Recognition Agreement as it relates to occupations.

NOOSR moved to DEST in 1989. Prior to this NOOSR was part of the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). It was the successor to the Committee on Overseas Professional Qualifications (COPQ) which was established in 1969 as part of the then Department of Immigration.

DEST is recognised as Australia's national authority on the recognition of overseas qualifications. DEST carries out some of its ongoing overseas skill recognition work under the banner of 'AEI-NOOSR', being part of what is known internationally as Australian Education International.

IEG fulfils the Australian Government's international obligations as a signatory to two treaty level UNESCO Conventions on the recognition of higher education qualifications:

- The 1997 Lisbon Recognition Convention; and
- The 1986 Asia-Pacific Regional Recognition Convention.

These conventions aim to improve how national bodies assess and recognise qualifications by agreeing to implement a number of principles and practices to ensure that the assessment processes are transparent, coherent, reliable and equitable. The Lisbon Recognition Convention also obliges Australia to maintain a National Information Centre, to provide information about the Australian education system, and its courses and qualifications.

What is its staffing? How does this compare with staffing levels and structure before its status as a separate agency? Please provide figures.

Current staffing of the two units performing overseas skills recognition functions totals 34 people. The ongoing ASL resource cover in 2005/06 is around 33. NOOSR was never a separate agency, always being part of a department of state. NOOSR became AEI-NOOSR in February 2003 and at that time its ASL was approximately 30.

What is the budget of the unit? How does that compare with the budget it was allocated prior to its agency status being removed? Please provide figures.

The operating budget for the two recognition units in 2004/05 was approximately \$2.39 million with program funds administered by them in that financial year of approximately \$1.06 million. At the time NOOSR become AEI-NOOSR (2002/03) its operating budget was around \$2.28 million with programs of approximately \$1.06 million. Since that time the BOTPLS (Bridging for Overseas Trained Professionals Loan Scheme) become part of FEE-HELP administered by the Higher Education Group (HEG) of DEST.

The ANAO report on the internationalisation of Australian education and training reports (p.12) that the median turnaround time for assessment of overseas qualifications in 2004 was nine weeks. What is the reason for this?

The average turn around time in 2004 was 9.25 weeks. The median was 9.65 weeks. In 2004 more than 1,500 qualifications were assessed.

Clients are advised when applying for an assessment that the minimum turnaround time is three months. If the qualification is contained in a Country Education Profile (CEP) the turnaround time is much shorter. In 2004-2005 the average turnaround time for these cases, known as guideline cases, was 5 days.

If the institutions/qualifications are not contained in a CEP they can require quite exhaustive research and contact with overseas agencies and, sometimes, the institutions which awarded the qualification. The three month time period also allows for a situation where the client has provided insufficient or incorrect information.

Where there is insufficient information available on individual cases to be able to make a judgement, these cases are referred to an expert Academic and Technical Panel for consideration. This Panel comprises academic and technical experts who have

experience in particular subject matter and also experience in particular overseas education systems.

A number of applications contain more than one qualification to be assessed. As shown in the table below, 66 per cent of applications contain one qualification, and an additional 25 per cent have two qualifications. The number of qualifications per assessment has a significant impact on the turnaround time.

No of Qualifications per case YTD 04-05

No Qual's	1	2	3	4	>4
% of cases	66%	25%	7%	1%	1%

What will be done to ensure that you meet the targets?

As noted above the average turnaround time in most cases is well within the specified time frame. IEG has nonetheless been working to further improve client service and reduce the call on the recognition units for advice on matters already covered in the CEPs so that our effort can be better directed to the more complicated cases.

In 2003 the OQRU commenced a change management process to improve efficiency and effectiveness of the assessment and advisory services and to increase, significantly, the number of updated CEPs. This approach is strongly supported by the findings from consultations with key stakeholders.

The Change Program comprises the following initiatives:

- Stakeholder Consultation Project to gauge level of use, relevance and satisfaction:
- An Assessment Efficiency Project to streamline process and reduce turnaround time;
- CEP Online Project to provide an online service to clients on qualification recognition:
- Assessment Guideline Framework Project development of a decision making framework to enable the OQRU to make decisions more effectively and efficiently;
- Knowledge Management Program to make better use of knowledge acquired through research;
- Professional Development Framework for clients; and
- Assessment Application Online Project.

The ANAO report says (p.13) that the IEG's country profiles have not been updated for over ten years and are not available online. What are the reasons for this situation?

A number of CEPs have been developed/updated over the past 10 years. In the early 1990s the expansion of the international education sector was a key driver in the development of CEPs. There was a growing demand for information on overseas education systems and their qualifications. It was decided at this stage to produce more comprehensive publications with information on country education systems to support the assessment guidelines and provide additional information to enable readers to make quality decisions. The outcome was the development of 82 CEPs over a three year period 1991 to 1993.

Throughout the period 1995 – 2004 a total of 35 CEPs were developed which were a combination of new and revised editions and updates. In 2005 Brazil and Thailand, were updated and a second edition of South Africa was published.

What are the plans to update the profiles? When will they be available online?

The OQRU has been managing a major technology project since July 2004 to move CEPs to an online environment.

The 'go live' date for CEPs Online is scheduled for August 2005. The CEPs to be developed for the August launch are: UAE; Indonesia; Bangladesh; Colombia; Chile; India; Iraq; Russian Federation; Brazil; China; Malaysia; South Africa; Thailand and USA. An additional 24 CEPs will have new guidelines which have been available for some time but not published. The remainder will be updated over time depending on demand.

Most of the remaining CEPs will be migrated to the website and will be available and searchable. A total of 103 CEPs will be available online.

ANAO Report Internationalisation of Australian Education and Training – other issues

The audit covered the period 2002 to mid 2004, focussing on the implementation of the 2002 AEI Review (undertaken during 2001) and the development and implementation of the 2003 Budget package. The audit found no substantial issues with these activities. It also addressed performance information and the need to improve this information in order to better demonstrate the positive impact of government programs.

The ANAO report identified some weaknesses, over the period in question, in our planning, overseas skill recognition, industry regulation and administration of grant programs. It also criticised IEG and DEST performance information, suggesting it was difficult to measure how well international programs supported the market. We took immediate action from mid 2004 to address these issues.

The period of assessment is not stated in the audit report, therefore it may not be clear to readers that business practices have improved considerably since the audit was completed. This improvement was clearly acknowledged by the ANAO at their exit interview in December 2004.

Planning [p.12 Strategic Planning]

When will the International Education Group finalise its strategic plan? Why has it not yet finalised it? When did work commence on the plan?

Each year IEG undertakes business planning and reporting, including through the Portfolio Budget Statements and DEST's Annual Report, which is informed by the Government's objectives for Australia's international education engagement.

The development of a strategic plan for AEI was recommended in the 2002 *Review of Australian Education International*. The purpose of writing a strategic plan is to consolidate in one document the strategic framework under which AEI operates for ease of reference by the industry.

IEG proceeded with an early draft, but set it aside late in 2002 as the Government wanted to consider proposals that would significantly change the strategic focus of AEI's work. The next major strategic document was the Ministerial Statement, *Engaging the World through Education* in October 2003.

Work proceeded on a draft strategic plan in consultation with stakeholders throughout 2004. The final draft is being used to inform business planning for 2005-06.

The Strategic Plan 2005-08 is scheduled to be released in August 2005 to coincide with the start of the new business planning cycle and the launch of IEG's new four-Branch structure.

Risk Management

Will the IEG take up the ANAO's recommendation that risk management be included in planning?

The ANAO recommendation states that "IEG develop risk assessments and operational plans for significant policy projects." As noted in the DEST response, significant policy projects developed by IEG will follow the ANAO Better Practice Guidelines on Policy Development, including the development of risk assessments and operational plans as required. In addition, all IEG programmes have, and are required to have, individual risk management plans. Aspects of planned activity requiring risk management are also identified in planning processes, and risk assessments undertaken accordingly.

Will the IEG/AEI be undertaking forecasts of demand for Australian education services, enrolments onshore and offshore and other trends? What factors and trends will be monitored? Will onshore and offshore trends be monitored separately?

AEI's International Research and Analysis Unit monitors market trends using AEI enrolment data, DIMIA visa grant data and other market intelligence such as reports from overseas posts and from the industry. DEST does not produce forecasts of demand as key market factors are too unpredictable. Offshore trends in the higher education sector are monitored using data from the Higher Education Statistical Collection. Growth trends offshore have been stronger recently than onshore, with growth in 2004 of 14 per cent.

AEI is also planning research on current labour market trends in source countries to identify the emerging mix of skill requirements in these labour markets. This will provide some indicators of likely demand for particular qualifications.

The ANAO report says (pp.13-14) that the IEG's risk matrix model does not contain standard risk management approaches such as separating likelihood and consequence. Why is that? Will you in future adopt the kinds of standard risk management approaches referred to by the ANAO?

The IEG's risk matrix model is one part of an overall risk management framework for IEG's compliance and enforcement activities and is part of the identification of providers for compliance and enforcement attention. The model uses a range of indicators to rate the likelihood that ESOS providers are non-compliant. The potential consequences of providers being non-compliant are assessed as individual cases are investigated. Consequence and likelihood are therefore addressed as part of the risk management approach at the compliance and enforcement level and at program level.

The Australian/New Zealand Risk Management Standards (AS/NZS4360:2004) state that "this Standard provides a generic guide for managing risk.... It is not the purpose of this Standard to enforce uniformity of risk management systems. It is generic and... the design and implementation of the risk management system will be influenced by the varying needs of an organization, its particular objects, its products, and services and the process and specific practices employed."

IEG considers that the current approach promotes assessment of likelihood and consequence in terms of provider non-compliance, although the assessment of each may occur at separate times.

Compliance

When will your review of your compliance activities be completed?

IEG's review of its compliance activities was completed at the end of June 2005.

Will a report be available? Can the Committee have a copy?

A formal report will not be available as this review is part of IEG's internal ongoing business improvement processes of its compliance and enforcement activities.

Please describe the compliance package and case management system referred to by the ANAO on p.14 of its report.

The Compliance Monitoring Package (CMP) includes operating procedures for the conduct of compliance reviews, compliance testing methodologies, testing units, data recording sheets and relevant templates. The CMP has been developed to improve consistency of monitoring activities and to support a clearer focus on critical areas of compliance. It will deliver improved efficiencies and effectiveness in the overall business operations underpinning the compliance function.

The IEG's Compliance Case Management System (CCMS) is a computer based system supporting the management of compliance reviews and other compliance and enforcement activities. It replaces, to a large degree, the paper based system and provides enhanced tracking of compliance cases, improved management reporting and more rapid and comprehensive retrieval of compliance case management information.

When will they be complete and implemented?

Both the Compliance Monitoring Package and the Compliance Case Management System have been implemented.

What is the staffing level in your compliance section at the moment? What was the level at the same time in the last three years?

The budgeted staffing level in the compliance section in June 2004-5 is 15. The budgeted staffing level in the compliance section in June 2003-4 was 15.

During 2002-2003 compliance and enforcement activities were undertaken as part of the broader range of regulatory and policy activities associated with ESOS at the time. Under this arrangement there was no separate section for compliance and enforcement activities.

Annual Registration Charge

The ANAO report notes (p.14) that there have been errors in the annual registration charge paid by providers, resulting in both overpayments and underpayments.

The ANAO report refers to the variation between the student enrolment data maintained by providers on the Provider Registration and International Students Management System (PRISMS) and the student enrolment data reported by providers on payment of the annual registration charge (ARC). The ESOS Registration Charges Act 1997 (the Charges Act) requires providers to pay an ARC based on the total enrolments of overseas students on student visas in the previous year. The Charges Act does not specify the source of data providers must use to calculate their student enrolment numbers for payment of their ARC.

In 2004/05 the base fee was \$307 per annum and the charge per student enrolment was \$26. The ARC is calculated on the basis of 1.0 enrolment for any course enrolment duration of 26 weeks or over and on 0.5 enrolment for any course enrolment of under 26 weeks in each calendar year. Discrepancies in provider reported data with PRISMS data

were revealed by a reconciliation which the Department conducted at the conclusion of the 2004 collection. PRISMS data is created by providers. The reconciliation between PRISMS data and provider data is in effect a reconciliation of one form of provider data with another. While the maintenance of PRISMS data is regulated by the *Education Services for Overseas Students Act 2000 (the ESOS Act)* and is a reliable source of data for ARC purposes, there may be valid reasons for a discrepancy between the provider's calculation of its ARC and the number of enrolments calculated on PRISMS.

The Department notes the ANAO recommendation that providers are clearly informed of their requirements for calculating their enrolments, and is working on a communication strategy to improve provider awareness of their reporting obligations. The Department also agrees that the issue of anomalies in the amounts of the ARC paid by providers with PRISMS data needs to be addressed with a view to resolving the reasons for any discrepancies.

Why are providers allowed to use enrolment data that differs from that contained in PRISMS?

Providers are required by the Registration Charges Act to pay, through a self-assessment process, an annual registration fee based on their overseas student enrolments. The data source used to determine the number of enrolments is not prescribed by legislation, although the Department does encourage providers to use PRISMS for this purpose. While there could be variations in data between systems, due to factors such as delays in processing times and different reporting parameters, providers must ensure their registration fee is correctly calculated.

Does this allow providers to understate their enrolments for the purpose of paying the charge?

No. Providers are required to meet their obligations under the Charges Act.

How do you check the accuracy of the data they use for this purpose?

An indicative estimate of potential discrepancies can be undertaken by cross referencing the number of student enrolments according to PRISMS data against the number of enrolments reported by providers as the basis of their calculation of their ARC. The ANAO report recommended that this be done annually and, where cost effective, to take remedial action. The Department has agreed to do this.

Shouldn't you be requiring that providers use the PRISMS data? If not, why not?

No, there is no force of law to require providers to use PRISMS data. The Registration Charges Act does not specify what source of data is to be used to calculate student enrolments.

While providers are required by legislation to create Confirmations of Enrolment in PRISMS and report on students in PRISMS, differences in processing times between systems means that PRISMS data may not actually equate to a provider's student enrolments for a specific period for the purpose of calculating their annual registration charges.

Grants Management

Why is there no centralised grant management system? Will the IEG be implementing a centralised system as recommended by the ANAO?

Grant management is not covered in the ANAO recommendations. The report suggested such a system could be considered.

IEG's grant management is integrated with DEST program administration, risk management, financial management and business planning. Consolidated management information is available to Group SES from the central database (SAP).

Although the ANAO Report raises the possible benefits of IEG establishing a separate grants management system, the Department is not convinced that such a system is necessary or cost-effective for IEG in isolation.

All payments are made through the Department's SAP-based financial management information system.

Will you be adopting the practices as recommended in the ANAO Better Practice Guide?

IEG will examine further ANAO's *Administration of Grants Better Practice Guide* (May 2002) and adopt relevant practices that are currently not fully implemented, including an improved reporting framework and more regular reviews.

Performance Information

The ANAO found (p.15) that DEST and the IEG lack adequate performance information and indicators with regard to Output 3.3. It says that DEST would have difficulty in knowing whether and when it had achieved its desired performance in this area. Why has the Department not developed adequate performance indicators and performance monitoring processes? What will be done to remedy this?

The Audit Report No. 18. 2001-02, Performance Information in Portfolio Budget Statements and Audit Report No. 11, 2003-04, Annual Performance Reporting made assessments of DEST's presentation of performance information and its underlying performance reporting framework. The ANAO made an assessment of progress against recommendations in both of those Audits by examining the DEST 2004-05 Portfolio Budget Statements (PBS), which provides only a partial view of progress. The ANAO did not consider either of the DEST Annual Reports published since Audit Report No.11 was released.

The Department recognises that the performance reporting framework needs to evolve to meet changing policy objectives and improve accountability. DEST's framework is designed around broad policy responsibilities across the Department, rather than the organisational structure or the activities of a particular functional division. DEST's Outcomes and Outputs Framework, and the Strategic Priorities outlined in the Portfolio Budget Statements (PBS) are not directly aligned to DEST's organisational structure. For example, Strategic Priority 14 also covers the international work of the Department's Science Group. In this context, while DEST accepts that improvements could be made to the framework as a whole, the Department does not accept that it should be changed to reflect the operations of one area of the Department. In addition it should be noted that DEST's Outcomes/Outputs Framework is developed in consultation with the Department of Finance and Administration (DOFA).

IEG has revised its performance indicators and the text outlining its functions for Output 3.3 in the PBS for 2005-06 (as now published). Further work is being done currently, in consultation with the ANAO, to ensure that key deliverables and performance indicators in the IEG and Branch Business Plans are adequate and appropriate for the measurement of whether and when the Group has achieved its desired performance in its areas of responsibility.

Will stakeholder groups be consulted in this development process? How will that be done and who will be consulted?

The proposed Key Performance Indicators (KPIs) link to AEI Strategic Directions 2005-2008. Stakeholders have been consulted on the strategic directions including the International Education Advisory Body (IEAB), the Affiliation of International Education Peak Bodies (AIEPB), and the International Education Network (IEN). The AIEPB comprised the Australian Vice Chancellors Committee (AVCC), the Australian Council of Independent Vocational Colleges (ACIVC), English Australia (EA), TAFE Directors Australia (TDA), the Schools International Government Group (SIGG), and the Independent Schools Council of Australia (ISCA). The IEN is made up of State and Territory education agencies with an interest in international education. Further consultation with stakeholders including members of the IEAB is also planned in relation to the KPIs themselves.

IEG is currently in consultation with the ANAO regarding the appropriateness of its proposed KPIs.

Will you be introducing customer satisfaction surveys and other feedback tools, as suggested by ANAO?

Yes, IEG will introduce customer satisfaction surveys and other feedback tools.

What feedback tools?

IEG will use a range of tools designed to suit the particular needs of the evaluations concerned. These tools will include:

- Evaluation pro-formas circulated for completion by participants during industry seminars; and
- On-line survey tools to evaluate specific programs (for example we are currently
 evaluating stakeholder perceptions of AEI-Online (http://aei.dest.gov.au) with the
 assistance of an external researcher).

IEG is also exploring how this approach could be widened to measure broader stakeholder satisfaction.

ANAO found (p.15) that there was a lack of effective performance monitoring and reporting across all of IEG's main functions. Do you think this assessment is accurate?

IEG has acknowledged that some improvements could be made to performance monitoring and reporting. The ANAO has posed a challenge to find performance indicators that measure the impact of government programs on the market without attributing direct causality. In the area of more intermediate output measures, such as industry uptake of AEI services, IEG has made significant improvements in the current PBS. The ANAO report is incorrect in this regard at paragraph 25 on page 16, which states that no change has been made.

What plan will you implement to achieve the fundamental overhaul required to rectify this?

IEG has developed a revised internal performance monitoring and reporting framework for 2005-06. The framework includes medium term key deliverables and key performance indicators to inform IEG's business planning. More generally, the Department will review the key deliverables and key performance indicators of all business areas to ensure that targets and indicators are meaningful and outputs can be adequately measured and reported. These include external indicators (reported in the PBS and Annual Report) and internal indicators included in business plans and reported to management.

What timeframe will apply?

Substantial action has already been taken and business plans for 2005-06 will incorporate the issues raised.

What will it cost?

Required action is being taken within existing resources.

Will you be seeking outside advice by means of one or more consultancy contracts?

Yes, a consultant was engaged to assist with the development of performance indicators and key priorities for IEG.