Wednesday 9 September 2015, 2.00–4.00pm

Pre-Conference Workshop 1: Embracing the shark – risk governance = value creation

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**TDA RISK SUPPOSITIONAL**

**Part 1**

Ordonia Institute of Technical and Further Education is an imaginary TAFE located in northern Australia. Inspired by the Draft National Strategy for International Education – excerpts attached – its Board has agreed in principle to pursue growth (in student numbers and revenue) through the delivery of education services and courses to international students.

Ordonia TAFE already boasts a relatively high number of international students in its campus population: about 11% of its 12,000 students are of foreign origin. It aims to expand its footprint substantially by reaching beyond its current “bricks and mortar” boundaries to engage in offshore delivery, but recognises that it is a late arrival to this competitive market sector.

The Chief Executive Officer was asked to consider what opportunities might be available in the Asia-Pacific Region and to put forward a range of options for Ordonia TAFE’s expansion. His strategy paper outlined the following models:

1. **Twinning and Auspicing/ Joint Delivery model** – in broad terms this is a fee for service arrangement with a foreign institution, whereby local students are enrolled in both the local and Australian qualification and are taught by Australian and local teachers (the latter having earned an Australian Certificate IV in Training and Assessment).

2. **Membership of an international network** wherein some 80 campus-based and online institutions offer programs to students around the world – each operates as its own brand, but relationships among the institutions are enriched with shared curricula, faculty, programs and student exchange opportunities.

3. **With support from the target country’s government, develop and operate an overseas campus** that provides both local and Australian qualifications – Ordonia TAFE would adapt its programs to local needs, engage local staff and collect its own fees. The campus would have its own brand but would maintain an affiliation with Ordonia that includes shared curricula, programs, exchanges and so on.

On the home front Ordonia TAFE is concerned about some aspects of the examination performance of its international students. At two of its peer institutions, students from non-English-speaking backgrounds experience significantly higher failure rates than at Ordonia. Also, students of Taiwanese origin seem to perform exceptionally well at Ordonia TAFE.

There is no discernible difference in the levels of language and other support provided by the three institutions. While the comparative success of Ordonian students has had a positive impact on enrolments it has also attracted some questions at professional gatherings.
Consider the following questions.

1. Compare and contrast the risks applicable to each of the three proposed models for overseas expansion.

2. Identify the potential risks associated with the performance of students from non-English-speaking backgrounds at Ordonia TAFE.

3. What, if any, measures might you put in place to address these risks?

(page 16) Australia’s vocational education and training is well regarded, particularly its industry-directed content and nationally recognised qualification system. While there are no international comparisons that benchmark VET systems, an indication of a system’s effectiveness is its ability to meet skills needs. Improving our system’s capacity to produce work-ready employees, meet industry needs and lift completion rates is critical to meet the future skills needs of Australia and our global partners.

(page 21) Institution-to-institution partnerships provide the foundation for Australian international education. Australian higher education and vocational education institutions and schools support a significant range of international partnership activities, including student and teacher exchanges, policy dialogues, leadership or shadowing exchanges and jointly delivered qualifications. Australian providers bring to these partnerships distinct areas of excellence in student experience and research and education capabilities. Partnerships are underpinned by a growing number of arrangements that support mobility, credit transfer, fee waivers for students and access to research grants.

(page 22) Eighty per cent of Australia’s international student enrolments are from the Asia-Pacific region, enabled by strong institutional partnerships. This region will continue to be central to Australia’s business, trade and economic prosperity into the future and we must maintain our competitive advantages in this region. We must remain mindful of the evolving policies, needs and aspirations of governments and societies in the region and continue to provide educational offerings to help meet them. We should also pursue diversification through engagement in Latin America and other regions.

Institutions in northern Australia are well placed to form new partnerships in Asia. The growing number of middle-class households in Asia, their desire for a world-class education and Asia’s proximity to northern Australia all position institutions well to increase their partnerships and the number of international students they host ....
In October Ordonia TAFE announces that it has been selected to operate a “greenfields” campus-based institution in Laos that will, when fully operational, have a student population of 35000. Its proposal was regarded as superior to those submitted by five major institutions from Australia and the United States.

In November the following stories break:

1. The *Northern Advertiser* reports that that a number of former Ordonia TAFE teachers and students have accused it of altering international student exam papers to ensure a pass. They also allege that cheating has occurred but was not investigated. The story was linked to findings in an Australian Education Union survey that 54 per cent of TAFE teachers felt pressured to pass students who might not be competent.

2. An investigation into academic misconduct at Subteria TAFE finds that the internet and smartphones have made it easier for students to cheat in exams. Social media helps students share stolen exam papers and questions quickly, and the average level of cheating on multiple choice exams stands at about 5 per cent. The report states that the problem is especially prevalent in students of Taiwanese origin.

3. The US Department of Justice has invited Ordonia TAFE to “answer questions voluntarily concerning possible breaches of the Foreign Corrupt Practices Act” in the negotiations that led to its selection as the Lao campus operator.

1. Develop a crisis management plan to address these developments so as to bring about the best outcome for Ordonia TAFE.

2. Are there any further measures you would have introduced in Part 1 had you known these events would occur? What are they?