Challenges, risks, good practice in offshore delivery of VET – Sue Foster & Bernadette Delaney. Paper prepared for the AVETRA 2011 Conference, 28-29 April 2011

Abstract

Delivering Australian VET qualifications offshore is a growing area of activity for public and private VET providers. It is also an area of significant risk to their reputation, that of the Australian VET system and Australian qualifications more broadly.

The research involved data collection across Australia through consultation forums with public and private providers, desktop reviews, interviews, workshops with providers for resource testing, resource testing with state and territory authorities and feedback from critical friends. The process identified 18 challenges faced by Australian providers in delivering accredited Australian Qualifications Training Framework (AQTF) VET qualifications in offshore contexts. The challenges include commercial and reputational issues, which can adversely affect providers' ongoing activity both offshore and in Australia. Not to address these challenges constitutes potential exposure to risks.

The research explored the nature of these risks and how providers, with experience and expertise in offshore VET delivery, have managed their operations to reduce the impact of potential risks. The experience of these providers in effective risk management provides models of good practice that providers may draw on as they plan and execute quality delivery offshore.

The model of 'challenges/risks/good practice' is consistent with the commonly used ADRI (Approach-Deployment-Results-Improve) quality framework. It synthesises the strategies described by public and private VET providers who operate offshore. The model does not provide a 'recipe' or 'rigid lock-step' approach, but it will provide a useful guide to the major generic tasks that need to be undertaken in any offshore project to ensure that delivery organisational, reputational and compliance risks are minimised.

The prominence of the international student market in Australian VET is well known. Australian providers have a long history of delivery of Australian qualifications to international students. Recent history has highlighted the importance of quality assurance in managing international VET programs. The bulk of attention for such quality assurance has been on the market for international students who attend education and training institutions in Australia. There is less awareness of the strength and growth in training and assessment delivery by Australian registered training organisations in offshore locations.

Offshore delivery of Australian VET qualifications is a significant and growing area of activity for public and private providers. The potential offshore market for Australian VET is very attractive to providers, but it is also a market that provides considerable challenges and risks. These risks may impact on the reputation of the individual provider's activities both onshore and offshore, as well as implications for the reputation of the Australian VET system overall (Foster and Schulz, 2009).
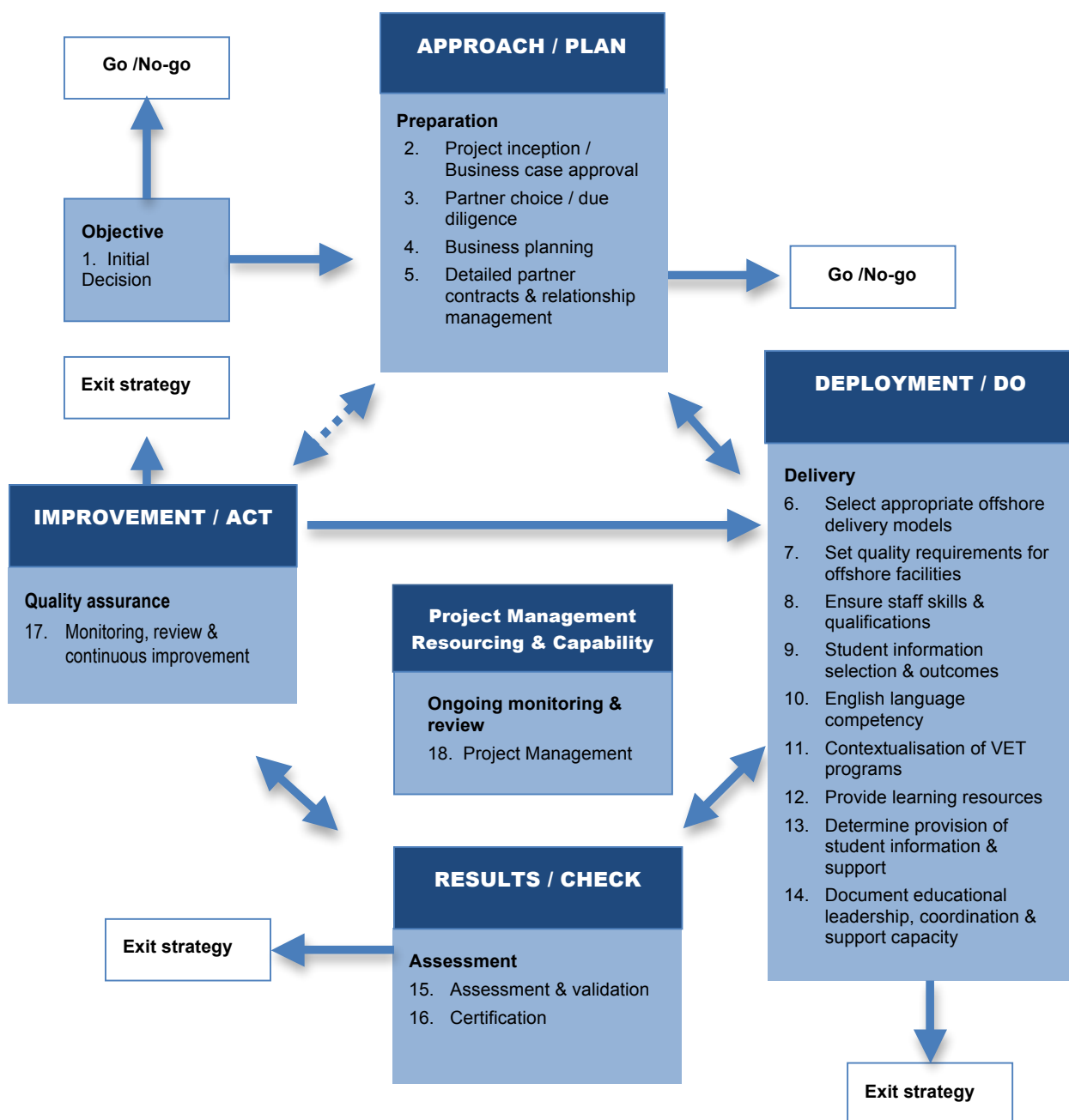
Developing the capability of providers operating in offshore locations is fundamental to maintaining a strong base for quality assurance of offshore delivery of Australian VET. This project was commissioned by the National Quality Council to develop advice for providers on best practice in managing offshore delivery of Australian VET qualifications. The project built on earlier research for the National Quality Council (NQC), which identified a range of challenges to Australian providers operating in offshore markets (Foster et al., 2009). The identified challenges may also be seen to constitute the major risks that apply in this form of activity. When managed effectively, the challenges become the basis of good practice examples for the system.

The research approach involved analysis of earlier national and state studies and good practice projects conducted by individual providers and by a group of TAFE Institutes through the Victorian TAFE International (Dempsey, 2009). Data was collected through forums with public and private providers in Queensland, NSW and Victoria; and interviews with representatives of public and private providers in South Australia and Western Australia and representatives of national and state/territory regulatory authorities (Foster, Delaney and Schulz, 2010).

The original model of risks and challenges was modified to take account of the feedback received during data collection. The revised model was presented to stakeholder groups for feedback, including through a workshop with members of Victoria TAFE International as a means of quality checking the content for its practical application in contemporary offshore practice.

The revised Challenges/Risks/ Good practice model is presented below (Figure 1). With the exception of the important Objective/Go no-go analysis and the overall Project Management, the tasks are framed around four major 'boxes' which are consistent with the commonly used ADRI (Approach-Deployment-Results-Improve) quality framework. The detail within each of the boxes bring together the experiences of providers working offshore. The tasks are not intended to be read sequentially, nor are they presented as a lock-step recipe. Providers may label them in different ways or conduct them in different order. It is inevitable that in real situations the tasks will be conducted in a more 'fluid' and less sequential way than can be represented in a two-dimensional diagram.

Figure 1. Challenges, risks and quality assurance for offshore VET delivery

Challenges, risks and quality assurance for offshore VET delivery

Objective

1. Initial decision

   Providers initially consider some basic questions: Should we be involved in offshore delivery? If so, where? If so, what programs? They have different motivations for engaging in offshore delivery. These include commercial 'investment' or marketing initiative, commercial return, establishing a presence, strategic approach to building reputation and profile and building revenue stream overall. Providers need to be clear about their motivation for operating offshore.

   The 'Go / no-go' decision is based on careful analysis of motivation and an initial assessment of their capacity to operate in offshore markets.

Preparation

2. Project inception / business case approval

   Providers undertake careful analysis of potential commercial and reputational risks before committing to the decision to operate offshore. They take account of regulatory authority requirements; strategic fit of the proposal with the overall strategic goals of the organisation; legal considerations off- and on-shore; the Australian provider's capacity to deliver; environmental scans of global and in-country issues; initial partner analysis (if relevant); and a local visit and analysis.

   A comprehensive business case for the offshore operation is then prepared.

3. Partner choice / due diligence

   Partner choice and management is the most important issue in determining the success or failure of a project. The due diligence analysis draws on publicly available information on a potential partner. The primary purpose is to identify risks, whether to withdraw from the project or how to mitigate/manage potential risks.

   There are different approaches, but suggested approaches include: requesting and assessing a written proposal; assessing strategic and business fit; due diligence checks; offshore partner providing documentation and proposal; a site visit to assess facilities and establish relationships.

4. Business planning

   Business planning provides a design structure for the project prior to commencing any delivery. It includes detailed analysis of the financial aspects of the project including detailed costing that include, but extend beyond delivery costs; identification of investment required; and identification of financial risks.

   The process should ensure mutual understanding and involve collaboration with partners and sensitivity to language and cultural requirements of negotiation. It requires realistic expectations of returns. The business plan should be agreed and approved at the highest levels of each partner organisation.

5. Detailed partner contracts & relationship management

   The quality and usefulness of the formal written agreement/contract depends on the quality of the business planning. There are different forms of contract depending on the nature of the project and stage of negotiation.

Local requirements and cultural understanding of the value of contracts should be understood. The negotiated contract should meet the needs of both provider and partner and should have legal status in both countries. Ongoing communication and relationship management is essential to contract management. It may be useful to have a 'project champion' in each institution to assist communication and contract management including regular review and personal contact.

All contracts should provide explicit provisions for exit strategies. These should be used as a last resort, because of the negative implications for both parties if they are implemented.

Delivery

6. Select appropriate offshore delivery models

   Delivery and assessment offshore must be compliant with the requirements of the Australian Quality Training Framework (AQTF). The delivery model also takes account of infrastructure, partnership arrangements and available resources and specific requirements of the offshore partner/client.

   Offshore activity is not a blanket opportunity. Providers need to be alert to the limitations in what they have the capacity to offer. They also need to consider also how to ensure the integrity of the Australian qualification when Training Packages are designed for the Australian market; how to adapt competency based approaches to the needs of international clients and contexts other than Australia; and how to incorporate the local industry context into the program. All of this requires extensive negotiation. Providers manage the selection of delivery models through:

   - Quality delivery - planning; scoping models; using onshore expertise; identifying partner requirements; exploring a range of models;

   - Implementation – agreed training and assessment strategy; in-country approval; mapping and credit transfer; identifying AQTF requirements.

7. Set quality requirements for offshore facilities and equipment.

   Providers must meet Training Package and AQTF requirements including implementation of a competency based training and assessment approach in offshore contexts. This requires consideration of opportunities for workplace based or simulated assessment, the fit between infrastructure, resources, industry contexts and regulation with the requirements of the Training Package.

   Providers manage the question of offshore facilities and equipment through: planning, checklists; simulated environments; working closely with industry; documenting training and assessment strategies; monitoring offshore facilities and equipment.

8. Ensure staff skills and qualifications

   Providers need to manage the staff skills and qualifications requirements as specified by the AQTF and specific Training Package requirements for trainers/assessors, which may be difficult in offshore contexts. Offshore staff may have high-level qualifications, but not the required Australian training and assessment qualifications or an understanding of competency based training and assessment. The AQTF requirement for current industry competence is a particular challenge in offshore contexts. Cultural understanding and sensitivity is essential for Australian staff delivering offshore.

   A key consideration is to develop the capability and awareness of offshore personnel in implementing Australian qualifications offshore as well as cultural sensitivity, including

contextual expectations, awareness of cultural stereotyping, cultural etiquette and religious protocols, of Australian staff. Flexible staffing models, careful selection and induction, mentoring, professional development and clear communication channels are essential to offshore delivery.

9. Student information, selection and outcomes

Students need clear and comprehensive information to inform their participation. Information would include student selection processes, course information including entry requirements if relevant, students' rights and responsibilities as required by the AQTF. Student intentions for their participation are also important considerations when designing course information, course content and delivery modes. For example, student intentions for articulation to work or further study. Student selection processes may be influenced by the partner institution or offshore client requirements and may differ from considerations onshore.

Providers deal with the question of student information, selection and outcomes through: consistent policies; contractual arrangements; student handbook; clear selection principles; documenting training and assessment strategies; and clear processes for student application and selection; monitoring student outcomes; and collecting student destination data.

10. English language competence

Offshore delivery is challenging for providers in balancing the language requirements of the AQTF with the language and learning needs of students. Effective approaches need consider students' intentions for participation in terms of where they are likely to deploy the skills learnt. This has implications for learners and teachers to have competence in English language as well as trainers' ability to work with CALD learners.

Providers manage the question of English language competence through: testing offshore; student selection and preparation; teaching and learning approaches including bilingual programs and materials; plain English learning materials; and providing English language assistance throughout the program.

11. Contextualisation of VET programs

Training Packages do not always translate directly into offshore contexts. Providers are often challenged by the need to balance the integrity of the Australian qualification, the Training Package requirements, English language levels, and with the social and cultural context of learning, learner needs and experience.

Current advice on contextualisation is provided in the Training Package Development Handbook, which outlines the extent to which additions or amendments to units of competency may be made. In summary, providers may not alter the elements or performance criteria, but may add to the range statement and evidence guide. Contextualisation should not diminish the breadth of application or reduce the portability of the competency.

Contextualisation in offshore contexts is difficult, particularly where the students will deploy the knowledge and skill offshore in very different industry contexts to the Australian context that underpins Training Package qualifications. Providers deal with the question of contextualisation by: scoping learner needs; contextualising to local conditions; accrediting special courses; contextualising resources; comprehensive mapping processes and/or provision of dual qualifications.

12. Provide learning resources

Providers consider the extent to which they provide learning resources to their offshore partners as a means of quality assurance of the Australian qualification. As described above, consideration of the extent of contextualisation required is important, as is developing consistent assessment resources and assessor guides. Ongoing management of resources and document control is a further quality assurance consideration.

Providers deal with the question of learning resources by: identifying and planning in the contract stage; collaboration in resource development; designing, trialling and revising resources to learner needs; using technology such as Sharepoint and Moodles to assist ready access to the same resources as would be available if the student were studying onshore; and contextualising resources to specific offshore locations.

13. Determine provision of student information and support

Students should be provided with clear marketing and information, but perceptions of the level and nature of support required may differ between the Australian provider and their offshore partner.

Providers deal with the question of student support through: customising information; assessing student needs; providing induction to offshore students and staff; RPL and credit transfer; personnel, services and resources; complaints and appeals processes; professional development; ongoing services; satisfaction surveys; and a range of information channels including online access to information.

14. Educational leadership, coordination and support

Clear coordination of offshore programs and educational leadership and sponsorship are required for successful operation and ongoing management of offshore programs. Integrating coordination and leadership of both on- and offshore programs is needed.

Providers allocate experienced staff with an explicit role in coordinating across on- and offshore programs and for ensuring regular communication and support to offshore staff and partners. They also ensure: clear contractual arrangements; documented management roles; prepare staff for offshore; have a structured management system; build management and staff capacity including staff exchanges and involving managers in teaching offshore; provide ongoing support, manage records, and review agreements.

Assessment

15. Assessment and validation

Assessment of competence must be consistent with AQTF and Training Package requirements. The notion of workplace competence is central to this approach, yet it is problematic in many offshore contexts.

Assessment must be demonstrated to be: equivalent to comparable onshore programs; at least approved and moderated by the Australian provider; aligned to the same learning outcomes as onshore assessment; include timely formative assessment tasks to assist learning; allow for the same conditions as onshore; and provide appropriate levels of security for assessment tools and authentication of candidates (International Education Association Australia, 2008).

Competency based assessment may provide a challenge to staff offshore where graded assessment is prominent. Access to industry and workplaces including workplaces that are comparable to the contexts required by Training Packages may also be challenging.

Cultural difficulties may develop where the candidate is not judged competent, particularly if this is interpreted as a loss of public esteem and status in some cultures.

Providers deal with assessment and validation offshore through: careful planning and negotiation with the partner organisation/s; continuous improvement and monitoring; defined and agreed validation and moderation processes; developing staff capability; strategies for workplace assessment; conducting assessment to the same standard and application as in Australia; and developing clear roles in the assessment process for onshore and offshore participants.

16. Certification

Accredited qualifications and national qualifications frameworks provide assurance of the quality of training and assessment as well as the nature of outcomes achieved by students. Delivery and assessment is conducted at a distance and may be through delegation of roles and responsibilities. There are risks of poorly managed or even fraudulent activity related to issuing certificates, which constitutes a risk to the provider and the Australian VET system overall.

Providers manage risks associated with certification through strict onshore control of all credentials which are issued in their name; due diligence in selection of offshore partners; authentication that the evidence provided in assessment is the candidate's own work; varying assessment over time; clear records management; the Australian provider is responsible for managing enrolment and certification and with printing certificates; and providing clear information on issues of copyright, plagiarism and intellectual property. They also celebrate students' achievement to ensure recognition of the status of programs.

Quality assurance

17. Monitoring, review and continuous improvement

Continuous improvement involves learning from practice to enhance services and reduce risks to reputation and viability. This is achieved through collecting, analysing and acting on information from the full range of stakeholders about the operation and progress of training and assessment. This may be a challenge with training and assessment that is at a distance and may be through delegation to a provider or through staff with autonomy in their operations offshore. Continuous improvement is also central to managing compliance against the AQTF.

The responsibilities of the Australian and the offshore partner need to be clearly defined and understood. Language differences may challenge mutual understanding as may cultural differences in accepting the value of external scrutiny.

Providers manage monitoring, review and continuous improvement of offshore delivery and assessment through: ensuring a fit to onshore continuous improvement; collecting a range of data to inform improvement; managing risks through internal and external audits; benchmarking performance across offshore and onshore operations to evaluate equivalence of programs; professional development of internal auditors in cultural understanding and knowledge of the offshore contexts that they are reviewing; peer review and support; consistent resources and common tools for partners and provider staff for validation an audits; communication through a nominated contact officer for each offshore course; and clear governance arrangements through, for example, an internal governance committee.

Ongoing monitoring & review

18. Project management

Successful management of offshore operations is achieved through careful project management. This applies across all aspects of the operations over the life of the project so that changes in personnel and clients do not affect expectations and quality of delivery and assessment.

Providers deal with project management through: planning to identify and mitigate risks such as turnover in staff and changes to Training Packages; resource allocation and defined responsibilities for project management; project planning through formal strategic planning processes that take account of every step in the project; resources for project management, such as a 'transnational matrix' which maps each area of activity against responsibility for the outcomes.

Summary

In summary, offshore delivery of Australian VET qualifications is a growing area of activity, which affords both rewards and challenges for providers. Research identified 18 key challenges for providers operating offshore. These challenges constitute risks to individual provider's reputations and ongoing viability. The risks also apply to the reputation of the Australian VET system overall. When managed well, these challenges and risks become a source of good practice advice for providers operating offshore.

A *Good practice guide for offshore VET delivery* was also prepared for the National Quality Council (Foster et al., 2010). It outlines information for each of the tasks presented in the model: the issue; key considerations (for individual providers); how providers deal with the issue; and resources available to assist providers.

It is hoped that the model and associated Good Practice Guide will provide a useful resource for providers in describing the generic tasks that need to be undertaken in any offshore project if AQTF delivery is to be compliant, continuously monitored and improved, and if organisational risks are to be mitigated.

References

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