

Benchmarking in Australian Higher Education: A Thematic Analysis of AUQA Audit Reports

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AUSTRALIAN UNIVERSITIES QUALITY AGENCY



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Contents

Executive Summary	5
1 Background	11
2 Earlier analyses	11
3 Context of this report	13
3.1 Increasing attention to benchmarking	13
3.2 Varying definitions and methods	13
3.3 The other side of the picture	16
3.4 Benchmarking in the Australian Higher Education sector	17
3.5 Nature of AUQA audits	17
4 What do the audit reports indicate?	18
4.1 Commitment to benchmarking	19
4.2 Range of benchmarking initiatives	19
4.3 Shared understanding	20
4.4 Learning from within	21
4.5 Role of various constituents	21
4.6 Reporting strategies	22
4.7 Little systematic use	22
4.8 Identifying comparator institutions	23
4.9 Selecting appropriate indicators	24
4.10 Ensuring quality of data	24
4.11 Targets and timelines	25
4.12 Coordination and integration	25
4.13 Beyond simple comparisons	25
4.14 Attention to best practices benchmarking	26
4.15 Benchmarks in core areas	27
4.16 Benchmarking Graduate Standards	28
4.17 Library and Information Technology services	29
4.18 Areas for further attention	29
4.19 Much more to be done	30
4.20 Preparing for the AUQA audit	31

5 Audit conclusions.....	31
5.1 Interpreting them with caution.....	31
5.2 Signals from CARs.....	32
5.3 Observations in the text.....	33
 6 Good practices validated by AUQA	 33
6.1 Good Practice Database	33
6.2 Other good practices	34
 7 Progress made after the audits	 35
7.1 Progress reports.....	35
7.2 Acting on the reports	35
7.3 Range of actions	35
7.4 Impact on the institutions	37
 8 Implications for Cycle 2 Audits	 38
 9 Conclusion.....	 39
 References.....	 40
Abbreviations.....	41
Appendix 1: Audit reports of Australian universities considered for this report	43
Appendix 2: Major audit conclusions.....	45
Appendix 3: A note on <i>2002 Institutional Audit Reports: Analysis and Comment</i> by Dr Anne L. Martin (2003).....	53
Appendix 4: A note on 'On-going Analysis of Commendations & Recommendations in AUQA Audit Reports' by Professor Ray W. Cooksey (2003)	55
Appendix 5: A note on 'Meta-Analysis of AUQA Institutional Audit Reports 2002–4' by Professor Susan Holland (2004)	57
Appendix 6: A note on <i>Quality Assurance and Standards of Australian Higher Education: Based on the Institutional Audit Reports of AUQA</i> by Dr Antony Stella (2006)	59

Background to benchmarking

From time to time, AUQA carries out or commissions analyses of its audit reports to gain an overview of the information arising from the institutional audits. These analyses give institutions, their governing bodies, senior management, staff, students, and other stakeholders useful information on the issues that emerge from institutional audits. This document is one such thematic analysis, presenting information on benchmarking in the Australian higher education sector. It covers the 38 audit reports of Australian universities that were in the public domain by June 2007.

AUQA's central responsibility is to carry out 'audits of QA arrangements relating to the activities of Australian universities' (and certain other organisations). (Quotation from AUQA's Objective 1 for the period 2001–2007.)

Taking 'fitness for purpose' as the definition of quality, this means that AUQA investigates how an institution goes about achieving its goals, and how well it is in fact achieving them. However, there is also something of a 'fitness of purpose' aspect to AUQA's work. This is because there are 'external reference points' to which the institution must, or has voluntarily decided to, comply. These include the definition of a university in the *National Protocols for Higher Education Approval Processes*, the institution's own legislation, various AVCC (now Universities Australia) guidelines, and so on.

The existence of these external reference points means that universities cannot be completely inward-looking. Even if they were tempted to do so, they cannot set low-level or inappropriate goals with no reference to the outside world. In particular, they are in touch with universities in other countries, they intersect with the global 'professional colleges', and they take account of the needs and expectations of society.

Therefore, although AUQA refrains from making explicit comparisons between institutions, the institutions themselves are expected to make and use well-chosen and well-structured comparisons with other relevant institutions and organisations. For this reason, in its audits AUQA has asked institutions whether they engage in this process, which is usually called 'benchmarking'. The word is used in many ways. It may mean simply 'comparison of publicly available data'; at the other extreme, it may mean a well-planned, focused and time-consuming process of data matching, collection and use; or it may simply mean 'checking how well you perform in relation to others'. Therefore, in asking a university about its benchmarking activities, AUQA does not imply one particular interpretation of the term; and correspondingly, institutions have told AUQA about many practices they include under that heading (see also section 3.2).

More commitment than achievement

Among the various strategies and techniques Australian universities have developed to monitor and improve their performance, benchmarking has emerged as a popular tool. Many Australian universities have made explicit statements indicating the significant

place of benchmarking in monitoring institutional performance against targets. A range of external reference points and indicators have been mentioned by Australian universities in their benchmarking strategies. There have been a number of efforts to develop benchmarks for specific institutional aspects, using adaptations of models from other sectors or the development of integrated frameworks. However, many of these efforts are aspirational, ad hoc and very new.

A clear picture of why institutions have initiated certain benchmarking strategies does not emerge. Many initiatives seem to have an emphasis on demonstrating reputation rather than learning and improving from those initiatives. Although the AUQA audit reports are positive about the commitment of the universities towards benchmarking, the reports note that the stage of development of benchmarks and success in implementation are found to be variable. A typical audit report comment could be encapsulated as: ‘We note that you are doing, or say you are doing, a lot of benchmarking, but you need to do it more thoroughly / effectively / consistently.’

The panels found little systematic use of benchmarking to monitor institutional performance. There are many instances where institutions have claimed to use benchmarks and the audit reports have questioned the soundness of the evidence provided by the institutions to support these claims. The panels have also questioned whether the approach followed was genuinely systematic. Benchmarking requires an emphasis on systematic means of making comparisons to identify areas that need improvement. It involves continually questioning how processes are performed, seeking out best practices, and implementing new models of operation. The audit reports comment that many benchmarking activities appear not to extend beyond quoting performance indicators, in particular, without any interpretation and adaptation. Aside from monitoring of CEQ, GDS and Rodski data, some universities make very little use of external points of reference in monitoring their performance and there is a lack of qualitative monitoring in some areas.

Need to share understanding

Consistent with the lack of clarity on rationale, audit panels have found that there are various understandings of ‘benchmarking’ in some institutions. This can lead to ambiguity in many key aspects of benchmarking such as the intended outcome(s), the process to be followed, and appropriateness of partner institutions. The benchmarks developed by some institutions are in fact simply procedural rules, making the understanding of benchmarks even more uncertain.

Universities have recognised a need to ensure that the campus community develops a feeling of ownership for, and a shared understanding of, their benchmarking efforts. At the time of audit, several universities were considering institution-wide consultations, and establishing formal frameworks, negotiated and accepted by the university community. While in many cases the progress in the consultation process was slow, in others, attention to benchmarking has resulted in sharing of experience within institutions. This has been particularly useful in institutions that have a culture of devolved responsibility.

In some instances, internal benchmarking is beginning to be refined through a process of external benchmarking with other universities; there are several audit Recommendations

around establishing benchmarks with a peer group of institutions or appropriate comparators. Institutions that have a strategic focus on international standing for an area of activity have been advised to consider appropriate international peers as well. Panels have commented that the synergies between prospective partners need to be explored in order to find optimal institutional benchmark partners. So far, connections with comparator institutions have led to fruitful exchanges of ideas rather than structured institutional comparisons.

The quality of data and indicators

The collection and use of data for feedback and improvement purposes within universities is on the whole rather informal and patchy, except in some service and administrative areas. To get the most value from the gathering and use of data, there is a need to enhance the quality of data-gathering, concentrating on what is most useful to the institution rather than what is easiest to measure. Institutions have been advised to investigate how they can best provide the technical and analytical support for enhancement of data by improving their existing capacity for institutional research. While benchmark activities to demonstrate research strength are in general well developed, perhaps due to wide general agreement on research indicators, other benchmark areas are weak in hard data and the quality of data is also found to be questionable.

There are some problems in the selection of indicators for comparative purposes, with some institutions confusing activity-based indicators and outcome-based indicators. Selecting appropriate indicators, refining them to suit the institutional context, and ensuring that the indicators are well defined and measurable emerge as areas in need of attention.

What to benchmark?

Some benchmarking activities have focused on identifying best practices in select areas, but with various interpretations of what constitutes ‘best practice benchmarking’. In spite of this variance, the overall intent of best practice benchmarking found in the sector includes development of an understanding of the fundamentals that lead to success.

In general, universities seem to have paid attention to considering benchmarking their specific areas of focus, and the reports contain suggestions relating to specific areas. Benchmarking in library services and information technology seems to be well in place. On a number of students and staff-related matters, the panels found no evidence of external measurement against well-chosen benchmarks.

Audit reports advise institutions to pay greater attention to academic standards. Many references to academic standards are *Affirmations*, indicating that the institutions have already identified the area as needing improvement.

Forward planning

Institutions have provided varying timelines for ongoing benchmarking and performance monitoring initiatives. In some reports, panels have commented on aspirational timelines that seem unrealistic and the need to identify milestones and targets.

Benchmarking should be integrated into other operations of the organisation, with routine analysis of the data collected and use of the outcomes to drive improvements. There

are gaps in this respect. Some faculties and schools have independently developed substantial plans to guide their activities, without much in the way of central coordination. The plans vary in form and substance, with some having no clear targets or outcome indicators against which to measure or monitor progress. There is a need for greater consistency and coordination, and stronger oversight of the ‘cascading down’ of the implementation at the division and school levels.

The audit panels saw widespread evidence of gaps in implementation, reliance on voluntarism, and variation in local interpretation. Developing clear guidelines on local variation in interpretation and application will become increasingly important as institutions develop integrated frameworks across all areas of activity.

Reporting and monitoring

One of the major goals of benchmarking is to provide senior managers and governing bodies with an external standard for measuring internal activities. While a number of university councils or senates have shown commitment to quality, some councils appeared not to take sufficient interest in regular, systematic monitoring of institutional performance. Recommendations in this area are mostly in terms of how these bodies can better exercise their governance role by systematically using performance indicators and benchmarks. The role of the academic boards in ensuring standards through benchmarking with other Australian universities has been affirmed in a number of reports.

Attention to benchmarking has led to changes in the reporting requirements of many institutions at various levels, with reporting against benchmarks now required as part of the data presented in many reporting and review forms. Evidence of strengthening the reporting data environment and training to familiarise users with the system were seen in a few institutions.

Much more to be done

In many cases initiatives may have begun due to a forthcoming AUQA audit, and the process of self-assessment in advance of the audit has helped institutions to take benchmark discussions forward. Several institutions have acknowledged that until the AUQA audit they were involved in relatively limited benchmarking, generally restricted to data comparisons rather than structured comparisons of process and practice. The AUQA audit reports now show evidence of an emerging sophistication of benchmark initiatives in the sector. Audit panels have also identified room for improvement in the integration of benchmarking with quality assurance and in the systematic use of benchmarks. In fact, many institutions have not yet fully bedded down their benchmarking and only a few have received *Commendations* for this aspect.

An institution submits a progress report 18 months after the publication of an audit report. Progress reports submitted so far indicate that institutions have considered the AUQA *Recommendations* and Affirmations seriously and acted on them. Consequently, a lot of institutional efforts have gone into better and more effective ways of benchmarking. There has been significant cross institutional sharing of experience and learning from each other.

In summary, as the sector learns from the audit and other experiences, attention to external comparisons and benchmarks have been strengthened. A conducive ambience for meaningful external comparisons is beginning to emerge in the sector. Preparations for Cycle 2 audits, with their increased emphasis on standards and outcomes, have added momentum to this development.

Benchmarking in Australian Higher Education: A Thematic Analysis of AUQA Audit Reports

1 *Background*

From time to time, AUQA carries out or commissions analyses of its audit reports to gain an overview of the information arising from the institutional audits. Some of the analyses have given institutions, their governing bodies, senior management, staff, students and other stakeholders useful information on the issues that emerge from institutional audits. This report is one such attempt, aiming to disseminate information regarding benchmarking in the Australian higher education sector.

While this analysis has a specific focus on benchmarking, some other analyses carried out or commissioned by AUQA have also commented on benchmarking as a part of a broader remit. The observations made in those analyses are in line with the findings of this report, which starts with a brief note on what has emerged in those earlier analyses and then explains the context for this report.

In the section that follows the context, issues that have been commented on by audit panels in the 38 AUQA university audit reports published to date (August 2007) are presented under 20 aspects. The analysis has considered observations related to benchmarking found throughout the audit reports as well as the major audit conclusions. Acknowledging the increasing tendency in the sector to analyse major audit conclusions (e.g. Recommendations) alone, this report highlights how any such limited analysis must be interpreted with caution.

As a quality enhancement strategy, AUQA has a Good Practice Database (GPDB) where Commendations that have a high transferability value to other organisational settings are published. In a way, the Database serves as a record of some good practices within the Australian university sector that have been validated by audit panels. This analysis briefly presents what can be found in the GPDB regarding benchmarking and also draws attention to a range of good practices that are found only in the text of the audit reports.

AUQA and its auditees do not see the audit as a 'once in six year event'. Attention to quality is a continuous process in the Australian higher education sector, and, to support that attention, AUQA asks the auditees to give progress reports 18 months after the publication of the audit report. This has resulted in many institutional actions and this report briefly analyses those actions as well.

2 *Earlier analyses*

A need for Australian universities to pay attention to their benchmarking strategies has emerged as a significant concern from the first set of institutional audits. AUQA started its first institutional audits in 2002 and the Board of AUQA commissioned Dr Anne Martin early in 2003 to prepare a thematic summary of those audit reports. At the time of commissioning, eight audit reports had been published. Dr Martin's report presented an analytic overview of themes and issues emerging from the audit reports. Among the 71 issues

presented in the report (39 key issues and 32 other issues) under 12 themes, 'Performance Indicators and Benchmarking' emerged as one of the key issues. The report noted that 'outside the research portfolio and some administrative and support areas, benchmarking was found to be uniformly weak, and reference to external comparators inconsistent' (Martin A., 2003).

By September 2003, when AUQA had published 10 formal audit reports, Professor Ray W. Cooksey of the University of New England considered those reports in the public domain (and the report of the trial audit of the University of New South Wales) and carried out an analysis of the Commendations and Recommendations that AUQA audit panels produced across different universities. The analysis revealed that, among other things, benchmarking appeared to be a process emphasised in Recommendations (Cooksey R., 2003). This analysis was undertaken on a private research basis by Professor Ray Cooksey and kindly made available to AUQA for its own purposes.

In September 2004, Professor Susan Holland was commissioned by the AUQA Board to undertake a meta-analysis of the institutional reports published to date. By then a total of 19 institutional audits (the half-way mark in the first audit cycle) had been completed and the respective reports publicly released. The main purpose of the meta-analysis was to analyse the reports for coverage of aspects relevant to academic activities. The report was written in confidence for the AUQA Board rather than for public release. Among other findings, the report pointed out that 'the highest ranked topic was Performance Management and Benchmarking with citations significantly more than any other topic' (Holland S., 2004). Since most of those citations were Recommendations, benchmarking was found to be an area where AUQA clearly expected the bar to be lifted. For example, out of the 19 reports, the analysis revealed that the following three areas were cited in the Recommendations a number of times:

- use set of key teaching and learning indicators to internally benchmark student learning experiences across campuses and in off-shore locations
- benchmark accreditation processes against those used by Australian universities
- benchmark criteria used in Australia for supervisor selection.

In October 2005, to fulfil the mandate to 'report on the relative standards of the Australian higher education system and its quality assurance processes, including their international standing' (given by its then objective 4), AUQA initiated an analysis of the 25 audit reports of the Australian universities that had been published... That report looked at benchmarking to the extent that it serves as an indicator to reflect the relative standards of the Australian higher education system. In the context of the international standing of Australian universities, the analysis commented that:

- Many institutions have made specific references about their 'becoming internationally competitive' or 'becoming world-class'. But mostly these statements are interpreted in a narrow manner and efforts to establish benchmarks to monitor international competitiveness have been inadequate. Lack of international benchmarking has emerged as an area of Recommendation.

- Of all the audit conclusions related to relative standards, more than two thirds are Recommendations and only a few are clear Commendations. Where there are Commendations on benchmarking performance, they are mostly about national level efforts.
- There are many institutional benchmarking efforts mentioned in audit reports but they are not of much value to draw inferences about relative standing. In fact, Recommendations on benchmarking often comment that the institutional benchmarks need to incorporate external points of reference.
- Most of the Commendations on international standing and benchmark efforts are about acknowledging the initial efforts and they also indicate that much more has to be done to draw further conclusions on the standards *per se*. (Stella A., 2006)

With this background work, the present analysis has a focus on benchmarking as remarked on by audit panels in the AUQA audit reports for universities that were in the public domain by June 2007. **Appendix 1** lists the audit reports of Australian universities considered in this report. The report covers all the Australian universities with the exception of the Australian National University, which was being audited at the time of writing.

3 Context of this report

This report is not about how benchmarking should be done nor does it suggest that some form of benchmarking is the only way to use data systematically for quality assurance. However, this report recognises that attention to benchmarking is increasing in higher education in Australia and internationally. Noting that there are many definitions, interpretations and methods of benchmarking, the report also acknowledges that the effectiveness or otherwise of benchmarking efforts depends on various contextual factors.

3.1 INCREASING ATTENTION TO BENCHMARKING

More than a decade ago, in 1995, Jonathan D. Fife argued that benchmarking in the future may not be optional. Increasingly, institutions are being asked to give specific evidence concerning the value of their outcomes as compared with other institutions. Fife's view was that 'when benchmarking is carefully used to help institutions improve their processes and systems in order to better achieve their educational mission, institutions are equipped to defend against external goals and standards that could be dysfunctional and even destructive to an institution (Fife J. in Alstete J. W., 1995: p.xii). Acknowledging this point of view, this analysis considers benchmarking as one of the tools for demonstrating achievement of appropriate standards against external reference points and for making further improvements. In asking a university about its benchmarking activities, AUQA does not imply one particular interpretation of the term.

3.2 VARYING DEFINITIONS AND METHODS

Definitions

A 'benchmark' is a point of reference to make comparisons, usually with a connotation that it is a good basic standard to achieve. The glossary of the International Network for

Quality Assurance Agencies in Higher Education (INQAAHE) gives the following definition: 'A benchmark is a point of reference against which something may be measured'. This general use is derived directly from the word's original meaning, of a surveyor's point of reference.

In the simplest definition, 'Benchmarking' is the process of identifying benchmarks. For centuries comparisons have been made in many informal ways and today benchmarking has come to mean a formal process of comparison as a way of generating ideas for improvement; preferably improvements of a major nature.

The American Society for Quality defines benchmarking as an improvement process in which an organisation is able to measure its performance against that of 'best in class' organisations, to determine how those organisations achieved their performance levels and use the information to improve its own performance. Meade (1997) states: 'Benchmarking is the formal and structured process of searching for those practices which lead to excellent performance, the observation and exchange of information about them, their adaptation to meet the needs of one's own organisation, and the implementation of the amended practices.'

A few other definitions that emphasise aspects such as structured comparison, learning from comparisons, and making improvements are given below:

- Benchmarking is a process that enables comparison of inputs, processes or outputs between institutions (or parts of institutions) or within a single institution over time. (INQAAHE Glossary, www.inqaahe.org, accessed on 25 June 2007)
- Benchmarking is a learning process structured so as to enable those engaging in the process to compare their services / activities / products in order to identify their comparative strengths and weaknesses as a basis for self improvement and/or self-regulation. (Jackson and Lund, 2000)
- Benchmarking is a self-improvement tool for organisations. It allows them to compare themselves with others, to identify their comparative strengths and weaknesses and learn how to improve. Benchmarking is a way of finding and adopting best practices. (www.acu.ac.uk accessed on 25/06/07)

Types of benchmarks and methods

There are many ways of 'benchmarking' and the type of benchmarks to be considered varies depending on the purpose. Benchmarking can be conducted against internal operations, external direct competitors, industry functional leaders, and generic processes (Camp, 1989 cited in Alstete J. W., 1995). One categorisation of benchmarking is as follows (Woodhouse D., 2000):

- **internal benchmarking**, in which comparisons are made against another division within one's own organisation
- **public information**, in which publicly available data about another organisation is used; obviously this does not require the other organisation to agree, or to be formally designated as a 'partner'; this is generally used as a low-key approach, but may be the only possible approach if the other organisation is a direct competitor

- **sector benchmarking**, in which a benchmarking partner(s) in the same sector is selected and the comparison extends to information known only within the organisations; the benchmarking may be ‘whole-of-organisation’ or focus on some function or aspect
- **generic benchmarking**, which involves comparisons of processes and practices regardless of the industry or field of the partner (e.g. comparing the processes for turning round assignments for distance education students with an analogous process in a totally different industry)
- **best practice benchmarking**, where the interested party selects a comparator believed to be best in the area to be benchmarked.

In AUQA audit Cycle 2, institutions are being encouraged to carry out what is here called ‘sector benchmarking’.

McKinnon et. al. (2000), in *Benchmarking: A Manual for Australian Universities*, discuss two kinds of benchmarks — **criterion reference and quantitative**. The criterion reference approach simply defines the attributes of good practice in a functional area. The benchmark could be simply a checklist of essential attributes constituting good practice. Quantitative benchmarks, on the other hand, distinguish normative and competitive levels of achievement. These distinguish where practice is quantifiably different in some institutions.

Separate from these types of benchmarking are the methods that institutions can adopt. There is no single correct way to conduct all benchmarking studies, and different studies require different methods (Alstete J. W., 1995). Five main approaches are evident (Schofield A., 1998):

1. The **ideal type standards** (or gold standards) is an approach whereby a model is created based on idealised best practice and then used as the basis to assess institutions on the extent to which they fit that model.
2. **Activity-based benchmarking** is an approach in which a selected number of activities, which are either typical or representative of the range of institutional provision, are analysed and compared with similar activities in other selected institutions. Such activities may be considered solely in their own terms, or may act as a proxy for overall institutional performance. The CHEMS Commonwealth Benchmarking Club is an international example of such an approach (www.acu.ac.uk).
3. **Vertical benchmarking** is an approach which seeks to quantify the costs, workloads, productivity and performance of a defined functional area. Consequently, depending on the approach, benchmarks can be in many forms — qualitative (e.g. successful practices) or quantitative (e.g. ratios). They can be expressed as Practices or Statements or Specification of outcomes all of which may overlap. In particular, benchmarks can be either Practices or Metrics where metrics are the quantified effect of implementing the practices.
4. **Horizontal benchmarking**, on the other hand, seeks to analyse the cost, workloads, productivity, and performance of a single process that cuts across one or more functional areas, for example all aspects of student admissions irrespective of their

location within an institution. As such the results provide a comprehensive review of institutional practice in any particular area, but data collection and interpretation may be highly problematic. Both horizontal and vertical benchmarks are useful diagnostic tools in identifying and prioritising opportunities to improve an administrative process or function.

5. A simple use of publicly available **comparative performance indicators** is a straightforward approach which is inexpensive but likely to be less fruitful.

Reasons for benchmarking

A review of the literature indicates that there can be a number of reasons for institutions to embark on benchmarking. Benchmarking increases the potential for improvement in numerous ways, as it:

- provides a systematic approach to quality improvement
- establishes the extent of improvement required
- brings an external focus to internal activities
- uses existing knowledge about the effectiveness of particular processes
- identifies new ideas and innovative approaches
- demystifies, encourages and provides a framework for change
- enables the incorporation of 'best practices' into one's organisation
- decreases subjectivity in decision-making by basing it on hard data
- helps create a learning organisation
- promotes contacts and networks (Meade P. H., 1997).

By highlighting problem areas as well as the potential for improvement, benchmarking provides an incentive to change and assists in the setting of target goals. Furthermore, its emphasis on understanding the processes underlying successful practice makes it a useful tool in establishing plans and strategies for achieving these goals. Benchmarking is thus a comprehensive method for improving organisational practices: it highlights areas needing improvement, it provides objective data to illustrate the need for change in these areas, and it leads to the formulation of plans and initiatives for bringing about the required improvements (Alstete J. W., 1995).

3.3 THE OTHER SIDE OF THE PICTURE

While the higher education sector is in general positive about the benefits of benchmarking, there are also criticisms on various counts such as curbing innovation, promoting copying, and investing efforts that might not match benefits. There are concerns that in the process of benchmarking, undue attention may go to performance indicators, and their mechanistic application might undermine the real benefits of benchmarking. Meek (2005) cautions that 'one must be careful that the development and implementation of performance measures for the purpose of benchmarking in higher education does not undermine the very responsiveness and quality that they may be intended to enhance' (Meek L. et. al., 2005: p.2).

Stella (2001) emphasises that benchmarking is valuable for certain purposes but it may not be the answer to all problems. It might provide information to be used in the prioritisation and decision-making processes of the institution. It might replace 'guessing'

and ‘acting on instinct’ with a systematic approach to tackling difficult issues. But, benchmarking is a resource intensive exercise in terms of cost, time and human effort and as such should be reserved for those areas that are of high value and high opportunity.

Further, there is a growing tendency among some groups to indulge in too much benchmarking. Benchmarking can help to clarify the issues, but is an extravagant way of confirming that unfinished work is still unfinished. Many issues can be resolved simply by giving them attention or following through on difficult decisions.

Some other drawbacks of benchmarking which should be avoided are the possible restrictive nature of the focus on current practices and standards, and the temptation for organisations to be followers rather than leaders (Meade P. H., 1997).

3.4 BENCHMARKING IN THE AUSTRALIAN HIGHER EDUCATION SECTOR

In addition to sector-wide initiatives to develop nationally agreed indicators and performance measures, there are two benchmark efforts that have made a significant impact on the Australian higher education sector. They are the outcomes of two DEST funded projects, one by McKinnon et. al., published in 2000, and the other by Garlick and Pryor published in 2004. *Benchmarking: A Manual for Australian Universities* by McKinnon et. al. proposed a set of 67 indicators for Australian universities to initiate their benchmarking strategies. The first set of audit reports indicated that some auditees had adapted some of the McKinnon benchmarks. However, in 2004, the follow-up project by Garlick and Pryor found that the McKinnon et al. manual was not seen positively as a benchmarking tool that could assist universities with their improvement agenda.

The implication is that institutions need a clear understanding of why they want to do benchmarking, what the intended outcomes are, and what processes they wish to follow. Following a ‘one size fits all’ model of external guidelines will not be beneficial to the institutions. Benchmarking can be a good tool for institutional improvement but it is only as good as its users.

Considering these cautions and criticisms, this report recommends that before beginning a benchmarking study, an institution should decide if benchmarking is the correct quality improvement tool for the situation.

3.5 NATURE OF AUQA AUDITS

This report should be read in the context of the following three points that characterise the nature of AUQA audits and the audit reports: objectives of the auditee as the starting point of AUQA audit and the six-year time span of the audit reports considered for this analysis.

First, AUQA accepts an auditee’s objectives as the starting point of the audit and it is explicitly the responsibility of the auditee to devise a systematic process for evaluating its objectives with respect to criteria which may include relevance, desirability, feasibility, distinctiveness, and measurability. As each auditee will have systems that are relevant to its own objectives and character, the actual procedures used and the way they are implemented vary from auditee to auditee. Amid this variety, AUQA’s anchor point for drawing conclusions on quality is always the objectives of the auditee, together with any externally set objectives. In order to check its own policies, procedures and practices, to learn whether

it is achieving its objectives, and to determine how to improve its performance, an institution must have in place appropriate quantitative and qualitative targets and strategies. Therefore, audit panels do not investigate the absolute value of these strategies but to the extent they support the auditee in achieving its objectives.

Second, the audit reports considered for this analysis have been published over a period of about five years — October 2002 to June 2007. In a rapidly changing higher education sector, this time span makes generalisations difficult. This report only highlights how certain aspects of benchmarking have been attempted by the Australian universities and how the panels have commented on them. It does not describe the current situation of benchmarking in the Australian higher education sector.

Third, the structure of the AUQA audit reports has made a significant impact on the auditees. Each AUQA audit report contains a summary of findings together with lists of Commendations, Affirmations and Recommendations. A Commendation refers to the achievement of a stated goal, or to some plan or activity that has led to, or appears likely to lead to, the achievement of a stated goal, and which in AUQA's view is particularly significant. A Recommendation refers to an area in need of attention, whether in respect of approach, deployment or results, which in AUQA's view is particularly significant. Where such matters have already been identified by the University, with evidence, they are termed 'Affirmations'. It is acknowledged that Recommendations in an audit report may have resource implications, and that this can pose difficulties for the auditee. Accordingly, AUQA does not prioritise these Recommendations, and recognises that it is the responsibility of the institution concerned to respond in a manner consistent with its local context.

The post-audit progress reports submitted by many universities at June 2007 indicate that institutions have taken action on almost all Recommendations; they have also experimented with new strategies and consolidated the ones that worked well. Consequently, for many institutions, the current scenario is much different from what the panels saw during the audits and may be much improved. It should be noted that it is not within the remit of AUQA to validate the progress reports and the actions taken by the institutions. However, it is reasonable to infer that significant institutional efforts have gone into better and more effective ways of benchmarking and that there has been significant cross institutional sharing of experience and learning from each other.

Further, this report is published at a time when preparations for Cycle 2 audits of universities have begun. Cycle 2 will pay specific attention to quality and standards of Australian higher education institutions and how well they perform against their own as well as external reference points. AUQA is encouraging the use of benchmarking, as a systematic means of obtaining and specifying comparisons and learning from them. In this context, information on how universities have acted on benchmarking efforts in Cycle 1 and how panels have commented on them will be useful to universities in particular, as well as to Australian non-university providers of higher education.

4 *What do the audit reports indicate?*

Increasing competition, demands for accountability, desire for continuous improvement and new methods of information processing are changing the way institutions monitor

and improve their performance. A plethora of improvement strategies have been developed and implemented by higher education institutions. Among those strategies and techniques, benchmarking has emerged as a popular tool in the Australian higher education sector. Given the diversity of the sector, organisational complexity of most of the institutions and newness of many benchmarking efforts, it is not surprising that panels found good practices in some areas of benchmark strategies but found problems with many other areas.

4.1 COMMITMENT TO BENCHMARKING

Many Australian universities have made explicit statements indicating the significant place of benchmarking in monitoring institutional performance against targets. For example, the Quality Policy of one of the universities states that ‘the University is committed to benchmarking its activities against appropriate benchmark partners, meeting or exceeding relevant national and international standards in its activities, [and] identifying opportunities for improvement through rigorous self-assessment’. In the Tactical Plan for Teaching and Learning of another university, there is a quite explicit requirement that all its schools have to report their performance in specified areas against the McKinnon et. al. benchmarks.

The strategic plans that spell out the priority objectives and associated performance indicators, in many cases identify benchmarking strategies to address how well these objectives are being achieved. Benchmarking is also one of the strategies institutions employ to make further improvements in their performance. However, the level of improvement — marginal or significant — varies depending on many factors related to the appropriateness of the benchmarking activity and how well it is implemented. Although the audit reports are positive about the commitment of the universities towards benchmarking, they note that the stage of development of benchmarks and success in implementation are found to be variable.

4.2 RANGE OF BENCHMARKING INITIATIVES

A review of the benchmarking literature shows that from the 1990s benchmarking has become something of a management watchword, with an increasing number of seminars devoted to the subject and an increase in the published literature. Practitioners in the Australian higher education sector have noted the new language, and the potential of benchmarking to answer questions that have captured the attention of the sector: ‘How well are we doing compared to others? How can we be better than the best?’

In a competitive higher education environment, many different adaptations of benchmarking strategies have been used by universities. The range of external reference points and indicators that have been quoted by the Australian universities in their benchmarking strategies includes:

- indicators published by DEST on equity issues, indigenous issues, teaching and learning performance, and research performance
- Council for Australian University Libraries (CAUL) assessment for library services
- McKinnon-Walker-Davis benchmarks

- AVCC indicators
- Course Experience Questionnaire (CEQ) results
- Postgraduate Research Experience Questionnaire (PREQ) results
- Graduate Destination Survey (GDS) results, and
- Graduate Skills Assessment (GSA) results.

Efforts to develop benchmarks for specific institutional aspects have been observed by audit panels. Adaptations of Australian Business Excellence Framework and the Malcolm Baldrige Education Criteria for Performance Excellence have been commended in a couple of reports. Participation in benchmarking projects by the Council of Australian University Directors of Information Technology (CAUDIT) has been reported in the audit reports. A National Resource Sharing Work Group benchmarking project, which assessed a number of different aspects of library service, is another effort that has been appreciated by audit panels. Some institutions have done a self-analysis by comparing themselves with good practices in selected areas generated by the benchmarking projects of the Association of Commonwealth Universities. Models of Total Quality Management, Continuous Quality Improvement, Balanced Scorecard®, and Business Process Reengineering have also been observed. The MaXemizE benchmarking project that assesses the marketing performance of the participating university against 22 UK universities, a human resource benchmarking project involving a number of Australian and New Zealand Universities, and a community engagement benchmarking project among the Australian universities are a few other benchmarking efforts that find a favourable mention in the audit reports.

While a range of benchmarking strategies and external reference points are observed, the question ‘why benchmarking?’ does not seem to have a clear answer in many institutions. There seems to be an emphasis on demonstrating reputation and competitive positioning rather than learning and improving from benchmarking initiatives. The other questions benchmarking can answer, such as ‘How good do we want to be? How good can we get? Who is doing it the best and how can we adapt what they do to our institution?’ are only just being noticed.

4.3 SHARED UNDERSTANDING

The panels have found that there are various understandings of ‘benchmarking’ within and across institutions, including a general need to look externally; setting of performance targets; structured comparison of particular activities; and developmental activity undertaken to understand how others operate. A clear understanding of what benchmarking means in a particular institutional context is often lacking. Consequently, a number of comments indicate that there is a lack of clarity on many key aspects of benchmarking such as the intended outcome(s), the process to be followed, and appropriateness of partner institutions. The benchmarks developed by some institutions are in fact simply procedural rules making the understanding of benchmarks even more ambiguous.

In several institutions, given the newness of many benchmarking efforts, it is not surprising that the panels found inconsistent understanding of the benchmarking strategies across the campus. Some of the key Recommendations in this respect are:

- clarify the **definition and intent of ‘benchmarking’**

- provide a clear **definition of benchmarking**
- take steps to promote an **university-wide understanding of the ways in which benchmarking can be used effectively** as a quality assurance tool.

The need to ensure that the campus community develops a feeling of ownership for benchmarking efforts has been recognised by the universities. Audit reports indicate that some universities were considering establishing formal frameworks, negotiated and accepted by the university community. Institution-wide consultations were in progress in a number of institutions, although progress in the consultation process was noted as slow in many cases.

4.4 LEARNING FROM WITHIN

Attention to benchmarking has resulted in the sharing of experience within institutions; departments and functional units of an institution learning from the practices of other units has been mentioned by audit panels, especially in the context of institutions with a culture of devolved responsibility. Departments that otherwise functioned as islands in academic isolation have started interacting with each other in an effort to learn successful practices from each other. One of the audit reports notes that it may be possible for leaders to inculcate good practices within their departments or functional areas, which could then be used to derive good practices for the whole institution. This type of internal benchmarking can be refined through a process of external benchmarking with other universities where those aspects are well established. The audit reports give positive signals that this is already happening within Australian universities.

4.5 ROLE OF VARIOUS CONSTITUENTS

One of the major goals of benchmarking is to provide key personnel with an external standard for measuring internal activities, and thus to help identify where opportunities for improvement reside. This activity certainly needs the involvement of different constituencies within the institution, including senior managers and others who can make a major impact by using benchmarking results in their decision-making.

Audit reports recognise the key role of the governing bodies and the academic boards in monitoring university performance against targets. While a number of councils or senates have been praised for a demonstrated commitment to quality, there have also been instances of governing bodies appearing not to take sufficient interest in regular, systematic monitoring of institutional performance. Recommendations are mostly in terms of how these bodies can exercise their governance role by systematically using performance indicators and benchmarks.

The efficiency of these bodies has been commented on variously. One of the audit reports commended the academic senate for demonstrating clarity in its relation with the university's governing body, which in itself is a benchmark by McKinnon-Walker-Davis for good governance. While appreciating some positive developments such as regular self-review of the Council, another panel recommended that the Council eventually incorporate good governance benchmarks. Another audit report recommended that the Academic Board, as a matter of urgency, establish a benchmarking process by which it may assure itself that the university's degrees are of comparable standard with those of other Australian and overseas universities.

There are a number of Affirmations signalling a need for these governance bodies to be more pro-active in safeguarding the quality and standards of the institution. Affirmations are in a way Recommendations — they are areas that need improvement that have been identified by the institutions themselves. The fact that a number of the areas for improvement are categorised as Affirmations indicates that, at the time of the audits, institutions were already aware of the stronger role that the governing bodies had to play in ensuring standards.

4.6 REPORTING STRATEGIES

Attention to benchmarking has led to changes in the reporting requirements of some institutions at various levels. In these institutions, ‘benchmarking’ and reporting against benchmarks are now required as part of the data presented in many reporting and review forms. To support this type of reporting, audit panels have recommended there be adequate support systems with appropriate resources. Evidence of strengthening the data reporting environment and training to familiarise users with relevant systems have been seen in a few institutions. For example, one auditee purchased a national dataset and made it available to its staff. Reference to this data is required for annual and periodic evaluation of programs and the new environment permits ready access and analysis to data sets. Proposals to share certain national datasets among networks of similar institutions were in progress.

In terms of the governing body’s role in maintaining oversight of the achievement of university objectives, the reports show that it would be beneficial to have a more structured form of reporting to the council or senate. Developing benchmarks and quantitative indicators, against which performance could be more readily monitored by the governing body has been suggested by many panels. In particular, there are Recommendations that a longitudinal series of quality indicators for teaching and research performance be developed and that the governing body be provided with reports against those measures, together with interpretations and comments on trends and intended improvement measures. There are also comments that it would be beneficial if faculty and unit plans project future values or trends in the indicators, which would then provide the framework for individual and collegial professional self-evaluation that the audit panels believed was lacking.

4.7 LITTLE SYSTEMATIC USE

In spite of satisfactory comments on commitment and intentions, and a range of activities followed to translate these commitments into action (including changes in reporting forms), the panels found little systematic use of benchmarking to monitor institutional performance. In respect of many claims by universities on how well they use benchmarks, audit reports have questioned the soundness of the evidence provided by the institutions and whether the approach used has been genuinely systematic.

Benchmarking is an ongoing systematic means for measuring and comparing the work processes of an organisation. Comparative data has been used by the higher education sector for a long time, but benchmarking makes a difference conceptually and practically, requiring an emphasis on systematic means for making comparisons to identify areas that need improvement. When this difference is not understood well, the benefits of the

benchmarking effort are at stake. This emerges as an important concern from AUQA audit reports.

4.8 IDENTIFYING COMPARATOR INSTITUTIONS

Several Recommendations relate to the establishment by universities of benchmarks with a peer group of institutions. Audit reports comment that there would be value to institutions in putting more effort into the systematic gathering of comparative data on other universities, particularly those with which they would like to compare themselves.

Institutions do make frequent reference to benchmarking but in many cases little has actually been done and what there is appears ad hoc. The absence of a specific comparator group against which to assess aspirations and performance is a weakness for many institutions, both strategically and operationally. For example, in one case, the university's report to its governing body notes that the target for a selected aspect is to be 'equal to or better than a selected cohort of regional universities', but there is no indication of which institutions would be considered appropriate benchmark partners. The audit reports caution that without some meaningful comparators, institutions are at risk of being content with solely internal assessments of their performance and standing.

Audit panels have given due recognition to the diversity of the sector and acknowledge that each Australian university may be unique in some respects. Nonetheless, the panels have emphasised that there is a need to use external references so that the gains recorded internally can be gauged and assessed in terms of the wider world. In the case of one particular auditee, the panel agreed with the institution that, rather than struggling to find mirror-universities and pan-institutional generic indicators with which to benchmark, the institution would find more utility in selecting benchmarking partners in relation to contextualised, function specific indicators.

Some of the key terms from the Recommendations that emphasise the choice of appropriate comparators are:

- give priority to establishing a **peer group of institutions** for the purposes of strategic and performance benchmarking
- develop a strategy for **establishing benchmarking relationships with appropriate** Australian and international universities
- undertake a greater amount of structured benchmarking, **both nationally and internationally**
- extend benchmarking to a **national and international peer group** chosen in the light of its proposed learning and teaching profile
- undertake further structured benchmarking with **peer institutions**
- undertake additional benchmarking of research performance, particularly **at international level**.

One of the auditees acknowledged that the emphasis of the institution previously had been on comparing its current performance with its past performance and that systematic reference to external comparators had been less prominent. Where there are positive initiatives to gain insights from peer organisations, audit panels have endorsed such attempts, even though some of those initiatives were in the initial stages without much evidence to prove their potential.

The institutions that have a strategic focus on international standing in an area of activity such as teaching or research have been advised to consider appropriate international peers as well. There are some instances of auditees already working with international comparators. Connections with the comparator institutions seem to have led to some fruitful exchanges of ideas rather than structured institutional comparisons, however. The panels have commented that the specific synergies between the Australian university and any partner institutions need to be explored in order to find optimal benchmark partners.

4.9 SELECTING APPROPRIATE INDICATORS

Some audit reports indicate a weakness through the lack of a commonly accepted set of measures of performance and outcomes in learning and teaching across the institution.

An absence of understanding about external comparisons and little choice in the indicators used for those comparisons seem to be particularly problematic. In one institution, the audit panel commented that draft indicators, in a form similar to that known as a ‘Balanced Scorecard®’, were fairly standard, and did not capture the mission-specific characteristics of the institution.

The confusion some institutions have between activity-based indicators and outcome-based indicators can be seen from a few audit reports. The activity indicators are largely qualitative indicators. For instance, where the intended action is ‘to review the operation and effectiveness of the student surveys’ the indicator is ‘review completed’, i.e. a process indicator that does not signal how well that review was done and how the results were used for improvement. Such an indicator needs to be strengthened by another measure of the actual achievement in terms of change.

Some indicators lack definition — for example, adopting ‘the number of staff actively involved in community engagement’ as an indicator when the university has yet to clearly identify its communities, and define what ‘community engagement’ and ‘active in community engagement’ mean.

A number of institutions have expressed their objectives and benchmarks in aspirational terms. An overall observation in the audit reports is that institutions need to be more precise in defining those aspirations so that they can set more specific objectives, and more precisely measure progress towards their achievement. A commitment to making more focused and evidence-based external comparisons (whether through benchmarking or other means) would be valuable in enabling institutions, over time, to monitor their performance in more objective terms.

Several institutions have articulated their benchmarking intent very well while realisation of those aspirations is variable. Audit panels have found many instances where indicators were yet to be established, or indicators were poorly defined. Selecting appropriate indicators, refining them to suit the institutional context, and ensuring that the indicators are well defined and measurable, emerge as areas that need attention.

4.10 ENSURING QUALITY OF DATA

The collection and use of data for feedback and improvement purposes is found to be rather informal and patchy, except on some service and administrative areas. To get the most value from the gathering and use of data, audit reports comment on the need to

enhance the quality of data-gathering, concentrating on what is most useful to the institution rather than what is easiest to measure. Institutions have been advised to investigate how they can best provide the technical and analytical support for the quality enhancement of data by improving their existing capacity for institutional research.

While data on research performance and the way institutions have developed institution specific benchmark activities to demonstrate their research strength are in general well developed, probably due to the use of national research indicators to allocate funding, other benchmark areas are weak in hard data and the quality of data is on occasion found to be questionable.

4.11 TARGETS AND TIMELINES

Institutions provide various timelines to audit panels for ongoing benchmarking and performance monitoring initiatives. In some reports, panels have commented on aspirational timelines that seem unrealistic and the need to identify milestones and targets.

4.12 COORDINATION AND INTEGRATION

As with other quality concepts, benchmarking should be integrated into other operations of the organisation. There should be an ongoing process that analyses the data collected, with the outcome used for improvements but there are clearly some gaps in this respect across the 38 universities. In institutions where progress had been made towards benchmarking, the level of progress was uneven. Some faculties and schools have independently, with or without assistance from external experts, established performance indicators and developed substantial plans to guide their activities, without much in the way of central coordination. These plans unsurprisingly vary in form and substance, with some having no clear targets or outcome indicators against which to measure or monitor progress. Greater consistency and coordination emerge as areas that require attention.

Audit panels have found quite widespread evidence of gaps in implementation, reliance on voluntarism, and variation in local interpretation, and these have been commented on in various reports. Developing clear guidelines that indicate where standard central rules and adherence to them are expected, and where some local variation in interpretation and application is possible has been recommended in one report. A decision framework of this type may become increasingly important as institutions develop integrated frameworks across all areas of activity.

In many institutions, the newness of the benchmarking effort was evident to the panel and very few staff were aware of the use to which a benchmarking model could be put in their work area. Strengthening oversight of the ‘cascading down’ of the performance monitoring system to ensure complete and appropriate implementation at the division and school levels has been recommended in several reports.

4.13 BEYOND SIMPLE COMPARISONS

Some of the early developments in university benchmarking reveal that the emphasis has been primarily on measurement per se, and on relatively straightforward comparisons of performance indicators within and among institutions. This has been followed by a gradual shift in attention to processes which have a key influence on overall performance. But, in general, the performance portfolios submitted by the universities and consequently the

audit reports give more details of straightforward targets, performance indicators, and simple comparisons.

If benchmarking is to be used effectively it should be used as a tool for more than just gathering data and making simple comparisons. It involves adapting a new approach of continually questioning how processes are performed, with the intent of making improvements. Acknowledging that benchmarking is not about simple comparisons of numerical data, some of the audit reports comment on the mechanistic comparisons made by institutions and one of them encourages 'the broader use of process benchmarking to identify best practice, rather than a focus on the statistical comparison of numerical outcome measures'.

National data on graduate destinations and satisfaction with the learning experience is available from the CEQ, PREQ and GDS, while comparative data on university libraries is available through annual Rodski surveys. These data are routinely used by institutions (and other bodies) for comparisons. Aside from reviewing CEQ, PREQ and GDS results, some universities make very little use of external points of reference in monitoring their performance and there is a lack of qualitative monitoring in some areas. Audit reports comment that many benchmarking activities appear not to extend beyond the quoting of ratios and survey results, from these surveys in particular, without any interpretation and adaptation.

While institutions find the quantitative benchmarks helpful to distinguish normative and competitive levels of achievement, enabling assessments to be made of differences in outcomes, panels have cautioned institutions against too narrow a focus on numbers. Garlick and Pryor (2004) criticise a 'number focus' in that it gives emphasis to performance assessment rather than improvement; such a focus also can be harmful to longer-term commitment to implementation.

4.14 ATTENTION TO BEST PRACTICES BENCHMARKING

The focus of some benchmarking activities in the Australian higher education sector is identifying best practices in select areas. Audit reports give glimpses of some best practice benchmarking efforts, but various interpretations have been adapted of what constitutes best practices benchmarking.

One definition of an auditee emphasises the 'outcome' in terms of best-in-class achievement, which becomes a recognised standard of excellence. Another definition considers best practices benchmarking to be a structured process for learning from the practice of others who are leaders in a field. In spite of the variance in perspectives, the overall intent of best practices benchmarking found in the sector includes development of an understanding of the fundamentals that lead to success. Such benchmarking also pays attention to closing the gap between the existing practices of the institution and best practices identified through the benchmarking process. A couple of audit Recommendations urge institutions to identify and promote the use of best practices in the following terms:

- undertake further structured benchmarking with peer institutions, in particular comparing processes and identifying examples of good practice as a stimulus to continual improvement

- take steps to promote a university-wide understanding of the ways in which benchmarking can be used effectively as a quality assurance tool, and encourage the broader use of process benchmarking to identify best practice, rather than a focus on the statistical comparison of numerical outcome measures.

A couple of other audit reports comment on considering best practices in specific areas that advise institutions to take actions that include:

- reviewing its website with a view to aligning its usage with the strategic directions of the university, to improving usability and consistency through common publishing standards based on benchmarked good practices, and to improving the external perception of the university
- more explicitly identifying and rewarding the best practice areas of service provision in order to provide performance benchmarks and assist the promotion of a more consistent approach to student support.

In general, there are signs that institutional attention to good practices is emerging.

4.15 BENCHMARKS IN CORE AREAS

Notwithstanding the comments above about the collection and use of data being patchy, many universities are moving to more explicitly benchmark their specific areas of focus. For example, one of the audit reports of a research intensive university acknowledges that the auditee has impressive, benchmarked data to demonstrate its national and international research reputation. Aided by national data collections and thus the ready availability of sector-wide comparable data on various measures, the performance indicators used by universities in relation to their research objectives include: the quantum of research funds; number and value of competitive grants; weighted research publications per full-time equivalent academic staff; research higher degree completions per full-time equivalent academic staff; and number and proportion of research active academic staff.

The audit report of one university indicates that the monitoring and reporting of research activity is robust, and that the university provided considerable evidence of responding to issues that impact upon its research success. It was found to be balanced in its approach to benchmarking these indicators, for example providing evidence of both its most and least favourable comparisons using DEST Characteristics and Performance Indicators. Its recording of research publications was commended for its scrupulousness and quality by external auditors.

Audit panels on the whole find teaching and learning plans and reporting against these plans at the institutional level to be sound. Universities have developed targets and strategies with various measures such as student entry qualifications; institutional finances; proportion of international and fee-paying students; progression and retention rates; regionality and diversity of student cohort; and student satisfaction and outcomes as measured by the CEQ and GDS. However, faculty-level use of these benchmarks and indicators is variable.

Regional engagement has been well developed among the regional universities, some of which have identified realistic targets and measures, including: presence of international

students on campus; participation in international exchange; Indigenous student participation and success; demand from regional students; graduate employment in regional locations; register of regional research activities; value of university sponsored regional consultancies; and contributions to regional communities (artistic, cultural and sporting).

In some reports, the panels note that it was less obvious what the indicators referred to in the specific institutional context and how the university intended to benchmark its achievement. Such comments point to an ongoing tension in the development and use of performance indicators for universities; indicators ideally are context-specific enough to capture core features of the institution but generalised enough to facilitate appropriate comparison. The absence of relevant benchmarks in core areas has also been noted as a major weakness in the case of some universities' quality assurance frameworks. Audit reports have recommended the development and implementation of a coherent set of initiatives to monitor teaching and learning outcomes, academic standards, research performance and research training against appropriate international and national benchmarks.

The overall picture is that in areas of focus, institutions have started identifying benchmarks and indicators. Extending that attention to other areas, adapting indicators to the institutional context and monitoring them still need attention.

4.16 BENCHMARKING GRADUATE STANDARDS

Institutions have been advised to pay greater attention to academic standards. Following are some key terms from audit reports that affirm institutional attention to the benchmarking of academic standards:

... review its processes for assessment, including moderation and benchmarking, so that it is better able **to make unequivocal statements about graduate standards.**

... consolidate plans to externally benchmark the **standards of its honours theses against standards at other Australian and international universities**, as appropriate.

... explore institutional relationships with appropriate partners that will enable benchmarking activities **for monitoring of standards** and quality improvement purposes.

... strengthen benchmarking processes, and notes that this should be undertaken as part of an institution-wide system to monitor and **improve academic standards and outcomes.**

... develop and embed formalised systems and processes for quality assurance, review and improvement across the institution, including **benchmarking of academic standards and outcomes.**

In particular, areas for improvement noted in the audit reports include: standards for final year undergraduate assessment; graduate outcomes and satisfaction; use of international examiners for doctoral theses; and research performance against that of similar national and overseas universities.

4.17 LIBRARY AND INFORMATION TECHNOLOGY SERVICES

Benchmarking in library services, particularly, and information technology (IT) seems to be well established in the university sector. Comparative figures published by Council of Australian University Librarians (CAUL) have been used by panels to comment on the library services and audit reports encourage universities to continue to derive benefits from their ongoing involvement in benchmarking projects with other university libraries (though CAUL or otherwise). Some universities have taken feedback from users to benchmark the services provided. Externally facilitated review of service delivery to ascertain the perception of the students and staff of the standard environment for computer laboratories was highlighted positively in a couple of the audit reports. Benchmarking activities with other universities in IT through the Council of Australian University Directors of Information Technology (CAUDIT) have been appreciated.

4.18 AREAS FOR FURTHER ATTENTION

In addition to general Recommendations for the development of a formal benchmarking framework, through which the universities will be able to assess more accurately the achievement of their core objectives, there are also suggestions for benchmarking efforts in many specific areas. For example, a need to include indicators for the development of community engagement down to course level has been noted.

On a number of students and staff-related matters, the panels found no evidence that practices have been externally measured against best practice benchmarks. Recommendations advising institutions to pay attention to specific areas include:

- give priority to ... strategic and performance benchmarking at **institutional and program levels**
- priority be given to the development of a formal benchmarking framework ... **to assess more accurately the achievement of its core objectives**
- more explicitly identify and reward the **best practice areas of service provision**
- provide performance benchmarks and assist the promotion of a **more consistent approach to student support**
- use the set of key Teaching and Learning quality indicators, to internally **benchmark the nature of the student learning experience** across the University
- between the A and B campuses and in respect of all **off-shore locations**
- develop a quality assurance plan in respect of its international activities that includes, ...evaluation of **student learning outcomes** against domestic students as a benchmark
- clarify the strategy **with respect to internationalisation**, identifying priority objectives, targets, benchmarks and associated resource implications, and clearly specify the expected outcomes

- review the **website** with a view to aligning its usage with the strategic directions of the University, to improving usability and consistency through common publishing standards based on benchmarked good practices
- benchmark with the **human research ethics approval processes** at universities with more established research traditions may be useful.

4.19 MUCH MORE TO BE DONE

The comments and discussions above give a clear signal that much more has to be done, especially on academic standards in the context of peer institutions, and the universities are aware of this.

Some institutions routinely check and report comparisons between indicators of their own performance and those of other institutions, such as the whole Australian university sector or a group of similar institutions, such as the Australian Technology Network (ATN) or Group of Eight (Go8). However, there is very little evidence of structured benchmarking a process for adapting good practice from elsewhere to improve one's own performance. As previously noted, panels have commented that many benchmark strategies have been ad hoc and aspirational.

Universities recognise that they need to do more on benchmarking. One of the auditees acknowledged that until the AUQA audit it 'has been involved in relatively limited benchmarking, generally restricted to data comparisons rather than structured comparisons of process and practice'. Audit panels have endorsed these observations, stressing that meaningful external comparison is necessary for independent validation of standards, and affirming auditees' intentions to move in this direction.

Considering one university that appeared to rely on professional bodies in lieu of providing its own educational standards and academic quality assurance, the panel commented that while professional accreditation fulfils a very important function in the quality assurance system, providing an external validation against nationally (and sometimes internationally) benchmarked standards, this should be seen as complementary to the institution's own means for reviewing the quality of its programs.

Another auditee acknowledged that more work was required to develop indicators that better reflect and measure the influence the University has on its regions and indicated that these would be included in the next iteration of the strategic plan. The panel's investigations supported this view and affirmed the auditee's finding.

One of the auditees had a proposal to benchmark against mid-ranking overseas universities by the following year, but there was no evidence of explicit planning for such benchmarking.

The comforting news is that institutions have already taken note of such observations and a lot of institutional action has gone into addressing these issues. To cite a few, Curtin had earmarked a small percentage of the funds available to its divisions and schools for planned projects in benchmarking. RMIT observed in its portfolio that measuring the outcomes of community engagement work was difficult. To progress this, the University formed a working group to consider the criteria for benchmarking and performance measurement of community engagement. Some scoping work for this project has been

undertaken. The panel endorsed the University's efforts to address the difficult question of performance measurement in community engagement.

Bond University introduced the Balanced Scorecard® (BSC) concept and the panel commended Bond University's use of this as a systematic way of implementing the strategic plan and ensuring that the desired range of activities are included within the scope of the quality management system. The University of Notre Dame has developed the PIER (Plan-Implement-Evaluate-Review) approach as the framework for continual improvement and quality management within the University. The panel commented that it explicitly links the Strategic Plan to relevant performance indicators and appropriate benchmarks. However, the panel noted that the PIER approach was not yet well known nor well understood by staff and was in its very early stages of development.

Similar efforts are found in many other audit reports. How effective have they been in ensuring better benchmarking and performance monitoring will be known in the next cycle of audits.

4.20 PREPARING FOR THE AUQA AUDIT

Audit reports suggest that many benchmarking initiatives commenced at least in part because of an impending AUQA audit but in some cases they have provided useful information and are planned to continue. One audit panel was advised that the information technology committee learned, *inter alia*, about its rates of access to computers and online resources as compared to other universities, and strategies were developed to address areas of concern.

The self-assessment in advance of the AUQA audit has helped many institutions to take their benchmarking discussions forward. One university provided an internal grant for work to determine a limited number of academic related qualitative and quantitative indicators, to be agreed and tracked at university level, and to be used to characterise core elements of the performance of each of the faculties, schools and research services.

5 **Audit conclusions**

5.1 INTERPRETING THEM WITH CAUTION

Throughout the audit reports there are observations relating to benchmarks and external reference points. However, some readers pay attention only to the major audit conclusions, namely, Commendations, Affirmations and Recommendations (CARs). While this serves certain purposes, it also provides some misleading signals, if taken out of context.

An audit panel investigates a university's activities taking institutional goals and objectives as the starting point. The panel findings that lead to the major audit conclusions are, most probably, the ones that have a very significant bearing on progress towards those goals and objectives. Therefore, if benchmarking finds a notable mention in the CARs of one auditee, say Recommendations, that does not necessarily mean that the auditee is weak in that aspect. It might mean that for the goals and objectives of that auditee, benchmarking requires further attention. For example, the audit report of the Australian Maritime College (AMC), which has not been included in this analysis, has many Recommendations on benchmarking. This was not because it was a weakness of that institution but because AMC had the aspiration to become a university, so the audit panel recommended that

AMC needed to benchmark its operations against other Australian universities. In other words, the panel recommended what needed to be strengthened for AMC to progress towards its goal.

At the same time, an AUQA audit considers certain external reference points as well, and the audit panels investigate how well the auditees perform against those reference points. Amidst diversity, Australian universities have embraced certain common elements and have made commitments to various guidelines, codes of practice, and external requirements. In other words, irrespective of the diversity in goals and objectives, all Australian universities have made a commitment to promote the Indigenous cause, engage with the community, ensure certain levels of student support, etc. This gives the anchoring points for audit panels to look at common patterns. If panels find that improvements are required in these areas, this would lead to a Recommendation irrespective of whether the auditee has a research goal of international eminence or regional emphasis. Seen from this point of view, an analysis of the Recommendations and Affirmations can throw light on some broad areas of benchmarking that need attention.

5.2 SIGNALS FROM CARs

There are seven Commendations that explicitly relate to benchmarking in the 38 published audit reports. Three are about the library services and two are about the use of Balanced Scorecard®. There is one Commendation about benchmarking facilities, and another about a benchmarked risk management framework.

There are ten Affirmations, six of which are about using external comparisons and benchmarks across a range of activities to ensure academic standards. The other four are about specific aspects such as staff feedback mechanisms, human resource benchmarking, benchmarking of student services, and using student feedback for benchmarking. As already mentioned, benchmarking on standards is a substantial concern across the sector that many institutions have noted as an issue to address.

An analysis of the Recommendations indicate that they are around five clusters. The majority of the Recommendations are in respect of aspects of performance monitoring. They encourage institutions to identify appropriate peer groups and external comparisons, and to develop an integrated approach to quality assurance and monitoring. The next set of Recommendations concerns the necessity of defining the intent of benchmarking and developing a university-wide understanding of this. Another set of Recommendations has a bearing on the core objectives of the institutions and their specific strategic priorities such as 'aspiration to be world-class' and 'excel in research performance'. In such cases the panels have recommended that appropriate benchmark strategies be initiated to demonstrate that those aspirations and core objectives are achieved. Yet another set of Recommendations addresses academic standards, although but not as markedly as the Affirmations do. The rest of the Recommendations on benchmarking specify aspects that need benchmarks; most of them are about student issues including student support, student learning outcomes and support provided to off-shore students. Website review and internationalisation also find a mention. Overall, the focus of the Recommendations seems to be performance monitoring and consistency in dealing with student related issues.

In addition to the CARs mentioned above, a few CARs related to benchmarking in the 38 audit reports use generic terms such as ‘performance management information’ and ‘strategic management information’. In the case of one university, a positive finding on benchmarking has been described explicitly in the text of the report but the actual Commendation has been worded at a broader level. The panel commented on the Strategic Management Information System (SMIS) that provides reports on Teaching and Learning measures against national benchmarks (as collected by DEST). Acknowledging the potential for this system, although a recent development, to add value to the strategic and operational planning of the university, the panel commended the SMIS as likely to add value to strategic decision-making, rather than commending the benchmarking it enables.

There have been cases where audit panels have commented on specific outcomes that encompass benchmarking. An example is a Peer-Assisted Learning Support program (PALS) at one of the universities in which some students who have completed a course with high distinction provide assistance to students in that course’s current cohort. PALS was developed as a result of benchmarking similar initiatives overseas and has proven successful in improving student pass rates. The panel has commended the University ‘for the PALS service, which is an example of innovative and good practice in supporting students with their academic endeavours’. The salient feature of the PALS in terms of its development through a benchmark activity is found only in the report text.

5.3 OBSERVATIONS IN THE TEXT

There are audit reports that have very favourable comments closely related to benchmarking but which for various reasons did not become Commendations. Some of these reasons are: newness of the benchmarking activity; lack of evidence to demonstrate the sustainability and benefits of those efforts; and the benchmarking activity not being very significant to the strategic priorities of the institution.

For example, one audit report mentions an extensive project to benchmark personal counselling and careers services with four other universities. Few precedents of benchmarking in this area were found. The project report allowed participating institutions to compare their services with those of others, to determine if practices different from their own may be fruitfully applied, and reflect on how they wish to develop services in the future. Acknowledging that it was too early to see what changes have resulted at the time of the audit, the panel made the comment that ‘the University is commended for this initiative’ only in the text of the report.

6 *Good practices validated by AUQA*

6.1 GOOD PRACTICE DATABASE

As a quality enhancement strategy AUQA administers a searchable collection of good practices. A good practice is a system or activity that has been commended through national audit processes by AUQA as adding value for the auditee and its stakeholders, and that can be adapted and transferred to other organisational settings. Only audit report Commendations are considered for the Good Practice Database (GPDB). With the permission of the auditees, these good practices are made freely available via the GPDB

website: <http://www.auqa.edu.au/gp/search/index.php>. Since the launch of the GPDB on 27 November 2003, individual good practices have been accessed over 53,000 times. Today, the GPDB has become a valuable resource for higher education practitioners and managers as it provides the collection of good practices across the spectrum of activities carried out by auditees.

Of the seven Commendations that explicitly relate to benchmarking, two have been included in the GPDB. One is on the Balanced Scorecard® and the other is on IT. There is one more entry on Balanced Scorecard® that has been included in the GPDB as a good practice of performance management information.

Good practices are classified under thirteen topics. Although benchmarking is not a separate topic, it is covered as a part of many other topics such as IT and Library, Management Planning and Review, and Teaching and Learning, and many exemplar practices of effective use of benchmarks find a mention. Good practices on benchmarking *per se* might be strengthened when Cycle 2 audit reports are published.

6.2 OTHER GOOD PRACTICES

As mentioned earlier, audit reports make positive observations throughout their text and a reading of the full report is necessary to identify some of the good practices appreciated by the audit panel. A few of these relevant to benchmarking are:

- the 'Culture of Evidence' project of the Australian Catholic University
- the benchmarked research activity data of the University of Adelaide
- the Student Charter of Central Queensland University
- reporting requirement against benchmarks in certain areas introduced by the University of Canberra
- the Framework for Benchmarking in Teaching and Learning and Research and Research Training of Deakin University
- *A Benchmarking Framework: Ongoing Development* at Edith Cowan University, which is a resource designed to assist staff with their benchmarking activities
- benchmarking of research performance by James Cook University
- the Outside Employment Policy of Macquarie University, which is found to be consistent with an appropriate benchmark
- the University of Melbourne's commitment to international benchmarking
- Murdoch University's commitment for more appropriate benchmarking exercises that feed into the existing Quality Management Frameworks
- faculty or school level benchmark activities of the University of New England
- the Strategic Management Information System of the University of Southern Queensland
- the performance monitoring system of the University of Technology, Sydney through the Online Business Intelligence Portal, and
- research performance monitoring of the University of New South Wales.

A closer reading of the audit reports indicate that several institutions have good examples of benchmarking initiatives that are effective and appropriate to those institutional contexts. As Cycle 2 preparations set in, institutions will begin to reflect on these ex-

amples and show interest in learning from the others. Again, many of these good practices were very new at the time of the audit and the next round of audits will investigate how well institutions have progressed on these initiatives.

7 Progress made after the audits

7.1 PROGRESS REPORTS

As mentioned earlier, the AUQA audit reports have been published over a period of five years — October 2002 to June 2007. At the time of writing, progress reports are available from a significant number of universities; an institutional progress report is expected to be available 18 months after publication of the university's AUQA audit report. The progress reports indicate that institutions have taken action on almost all Recommendations recorded in the audit reports, or have developed plans to do so.

Progress reports mostly address action taken on Recommendations and Affirmations. Some institutions have covered the other suggestions for improvement noted by the panels in the text of the audit reports. In general, the reports indicate how well institutions have progressed in areas that needed improvement at the time of audit.

Although AUQA does not encourage investigating only CARs, to keep the progress report requirement non-intrusive, AUQA expects institutions to report on Affirmations and Recommendations at a minimum. AUQA assumes that the auditee will consider the audit report in totality and integrate appropriate actions with its other planned activities. It is left to the institutions to include in their progress reports action taken on other observations. As a result, some institutions have reported in an exhaustive manner including Commendations and observations while some others reported only on Affirmations and Recommendations. This section looks at only the actions against Affirmations and Recommendations.

7.2 ACTING ON THE REPORTS

Of the 38 reports considered, 25 received CARs that relate to benchmarking. In the case of the other 13 institutions, the audit panels have either made observations on benchmarking in the text of the report without making a major audit conclusion or used general terms that encompass benchmarking.

Out of the 25 auditees that received CARs, one institution received only a Commendation and positive observations about its benchmarking initiatives. Of the remaining 24 that received a combination of Affirmations and or Recommendations (in addition to Commendations in some cases), a progress report has been analysed for 16 institutions (these institutions are highlighted in **Appendix 1**).

7.3 RANGE OF ACTIONS

A range of institutional actions have been reported, some of which are discussed below.

The 2005 progress report of the University of Adelaide comments that work has already begun on the benchmarking framework, which will build on the outcomes of the three working parties established as part of the Institutional Planning and Performance Framework. In the meantime, attention has been given to the investigation of good practices at other universities, particularly Go8s. The Faculty of the Professions has included

procedures for benchmarking in its review of courses and the Faculty of Sciences has developed new structures based on disciplinary strengths with a view to establishing strong benchmarking practices with other research institutions.

In its 2006 progress report, Bond University notes that it has commenced its benchmarking with Dartmouth in the United States. It has also joined a formal benchmarking organisation to gain access to additional information. The Human Resources Department of the University participates in an HR benchmarking program which allows for comparative data to be collected on Human Resources.

At Curtin University, a major international benchmarking project in research and development commenced in 2004 and was continued through 2005 to include areas such as intellectual property management and commercialisation, research quality assurance, and national and international e-research initiatives. More attention has been paid to benchmarking in the monitoring component of the planning and quality cycle process.

Macquarie University's progress report of 2005 addresses the Recommendation on internal benchmarking of student learning outcomes of international students against domestic students. The report mentions a grant from the Offshore Quality Project administered by the then AVCC to investigate and report on quality assurance in online programs off-shore. The project will examine, among other things, equivalence between face-to-face delivery in Australia and on-line delivery for overseas candidates which was the emphasis of the audit panel's Recommendation.

Queensland University reports that, as a first step in achieving more systematic benchmarking across the institution, it has developed a proposal for a University benchmarking strategy. Separately, the Equity Office, Information Technology Services, Human Resources, the Library, Property and Facilities, the Graduate School and the Office of Research and Postgraduate Studies have undertaken benchmarking exercises with a number of Australian and overseas institutions. The terms of reference / guidelines for school reviews and reviews of academic and administrative service units set out specific requirements in relation to benchmarking of performance and processes. Schools are expected to present benchmarking data for comparison of discipline-based teaching and learning and research performance from at least two comparative Go8 institutions nationally and one Universitas21 institution internationally.

At Southern Cross University, a Benchmarking Framework has been approved by the University Council as an extension of the Performance Reporting Framework. The University has entered into a benchmarking arrangement with Edith Cowan University and the University of Canberra and has funded five benchmarking projects in organisational units in 2004. The University has negotiated with the Association of Commonwealth Universities relating to its International Management Benchmarking Program, and participated in benchmarking three topics in 2004: Engagement with Region and Community, Commercialisation, and Multi-Campus Management.

Swinburne University of Technology has approved a benchmarking policy and procedures to ensure a consistent approach to both internal and external benchmarking. An audit of benchmarking activities undertaken by academic units and corporate units has been completed in order to establish an information and good practice database.

The University of South Australia (UniSA) has included benchmarking in its policies as an important tool for making informed judgments about quality—identifying areas of good practice and areas for improvement, and taking appropriate action. In mid-2005, the University commissioned a brief discussion paper on benchmarking that described benchmarking as it is currently required by UniSA policy and offered observations and actions. Actions have been formulated that target levels of awareness and capability in key policy areas. In September 2005, a set of guidelines on Review was approved that included explicit reference to benchmarking requirements, and clarify expectations. Similar guidelines to support program evaluation are under development. Links to benchmarking data sources are not included in various review reports.

La Trobe University has implemented the promotions and professional support policies and practices to encourage the regular use of student evaluation of teaching as benchmarks. The University is implementing an online survey system to provide enhanced flexibility and increased access. Ongoing training and advice is available to staff. Current review of promotions and professional support will require the submission of scores of student evaluation of teaching. The University reported an increase in the use of these scores from 360 in 2004 to over 500 in 2006.

James Cook University reported that it has adopted plans to externally benchmark the standards of its honours theses against standards at other peer institutions. The Board of Coursework Studies monitors compliance. To address the issues of benchmarking student services, national and regional benchmarking exercises are being conducted. Scholarship processes are about to be reviewed. Equity and disability programs for students were reviewed in 2005 and reported to the Senior Management Group in 2006. The National Association of Graduate Careers Advisory Services undertook its review in 2004. In 2005, an external report was commissioned and reported to Student Services and Senior Management.

In response to the Recommendation that Griffith University ensure that it undertakes sufficient and appropriate external comparisons, the University has revised its Strategic Plan and in doing so has incorporated a new set of performance indicators that seek explicitly to measure University performance against national benchmarks and state clearly what ‘top ten’ performance means in each targeted area.

7.4 IMPACT ON THE INSTITUTIONS

A reading of a progress report reveals that clearly a good deal of work has gone into maintaining the momentum generated through the preparation for an AUQA audit. An analysis prepared by AUQA in 2006 of institutional actions indicated that auditees for which progress reports were available have reported an average of over 50 improvement actions per institution. It is reasonable to generalise this overall finding on improvement aspects with specific reference to benchmarking, since this is an area that has been cited very often in the Recommendations and Affirmations.

It is also true that in some universities, the progress report statements against the Recommendations on benchmarking are statements of intent rather than results of action. A few universities have explained some delays in acting on the Recommendations due to change in leadership, or major institutional restructuring. These instances are in the

minority and AUQA has followed-up if progress reports appear unsatisfactory, although as noted above AUQA does not validate the actions reported in progress reports.

It should also be noted that these progress reports were produced 18 months after the publication of the audit report; during the time that follows, institutions might have taken many more actions. Given that Cycle 2 audits will investigate how institutions have acted on selected Recommendations and Affirmations, and due to the fact that benchmarking is going to be an important strategy for external comparisons in Cycle 2 audits, one can hope that additional positive actions will be taken by the time the institutions undergo their Cycle 2 audits.

8 *Implications for Cycle 2 audits*

The context of Cycle 2 has a significant impact on institutional attention to benchmarking.

In Cycle 2 audits, AUQA has been asked to adopt an ‘academic risk assessment’ approach and pay attention to ‘evidence of setting, maintaining and reviewing institutional academic standards and outcomes, together with evidence of the institution’s comparative national and international performance, ...’. To implement this new emphasis, the AUQA Board invited a Reference Group of some senior and experienced people to provide advice.

Over the period January to May 2007 the Reference Group developed an indicative risk assessment framework. For each Cycle 2 audit, the institution may use this to select one or two possible themes for audit. The Reference Group has also developed a framework describing an approach to standards, evidence and outcomes. This standards framework will be used in the context of appropriate external reference points and the application of comparative benchmarks.

The standards framework gives the context in which an institution will present its evidence to the audit panels. Auditees will interpret the indicative examples and external reference points relevant to them and will describe in their portfolios how well they perform against their own and external expectations. It is against these points of comparison that the audit panel will make judgements about the auditee’s achievement of academic standards and outcomes. Starting from the information it is given, the audit panel will:

- review the institution’s judgement of this evidence against
 - its strategic direction (objectives, fitness for purpose)
 - comparator institutions (benchmarks, standards)
 - external reference points (assessment)
- interpret and evaluate this material.

AUQA is encouraging the use of benchmarking, as a systematic means of obtaining and specifying comparisons, and making independent statements about outcomes achieved. In concentrating on benchmarking and outcomes, AUQA audits will check the strength of comparators, using proxies as necessary (e.g. professional accreditation) and measures that correlate with standards as appropriate (e.g. student engagement).

This emphasis on academic standards, external reference points and systematic comparisons is expected to strengthen institutional attention to using and learning from benchmarking. What has been initiated by institutions for Cycle 1 audit preparations will now find more meaningful application and consolidation in Cycle 2.

9 Conclusion

The audit reports show evidence of an emerging sophistication of benchmark initiatives in the sector, although many institutions have not yet fully bedded down their benchmarking strategy. AUQA audits have identified room for improvement in the integration of benchmark strategies with overall quality assurance frameworks. Audits have revealed very little systematic use of external benchmarks to measure and monitor progress and only a few institutions have been commended for this aspect.

As the sector learns from the audits and other experiences, attention to external comparisons and benchmarks is being strengthened. A conducive ambience for meaningful external comparisons is beginning to emerge in the sector and Cycle 2 audit preparations have added momentum to this development.

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ABBREVIATIONS

ACU	Association of Commonwealth Universities
AMC	Australian Maritime College
ATN	Australian Technology Network
AVCC	Australian Vice-Chancellors' Committee (now Universities Australia)
BSC	Balanced Scorecard®
CARs	Commendations, Affirmations and Recommendations
CAUDIT	Council of Australian University Directors of Information Technology
CAUL	Council for Australian University Libraries
CEQ	Course Experience Questionnaire
DEST	Commonwealth Department of Education, Science and Technology
FTE	full-time equivalent
GDS	Graduate Destination Survey
Go8	Group of Eight
GSA	Graduate Skills Assessment
GSS	general social survey
HDR	higher degree by research
NACUBO	National Association of College and University Business Officers, USA
PALS	Peer-Assisted Learning Support program
PIER	Plan-Implement-Evaluate-Review
PR	progress report
PREQ	Postgraduate Research Experience Questionnaire
SMIS	Strategic Management Information System

APPENDIX 1

Audit reports of Australian Universities considered for this report

(Shaded areas indicate that the progress reports have been considered for this analysis. See also page 35.)

S.No.	Month and Year of Release of audit report (AR)	Institution
1	October 2002	University of Southern Queensland
2	October 2002	Curtin University (PR considered)
3	November 2002	University of Ballarat (PR considered)
4	December 2002	Australian Catholic University
5	January 2003	The University of Newcastle
6	March 2003	University of Adelaide (PR considered)
7	March 2003	Swinburne University (PR considered)
8	June 2003	University of Canberra (PR considered)
9	July 2003	Macquarie University (PR considered)
10	September 2003	University of Queensland (PR considered)
11	October 2003	Southern Cross University (PR considered)
12	November 2003	Notre Dame University (PR considered)
13	December 2003	Royal Melbourne Institute of Technology
14	April 2004	Griffith University (PR considered)
15	April 2004	University of Western Australia
16	May 2004	The University of New England
17	August 2004	University of South Australia (PR considered)
18	September 2004	James Cook University (PR considered)
19	October 2004	Edith Cowan University
20	November 2004	Charles Sturt University (PR considered)
21	December 2004	The University of Sydney
22	February 2005	Deakin University (PR considered)
23	February 2005	Bond University (PR considered)
24	March 2005	Latrobe University (PR considered)

25	August 2005	Queensland University of Technology
26	October 2005	Charles Darwin University
27	November 2005	University of Tasmania
28	January 2006	The University of Melbourne
29	February 2006	Central Queensland University
30	March 2006	University of Wollongong
31	March 2006	University of New South Wales
32	August 2006	Murdoch University
33	August 2006	University of Technology, Sydney
34	December 2006	Flinders University
35	December 2006	Monash University
36	December 2006	Victoria University
37	January 2007	University of Western Sydney
38	February 2007	University of the Sunshine Coast

APPENDIX 2

Major Audit Conclusions

COMMENDATIONS

AUQA commends UX's use of the **Balanced Scorecard®** as a systematic way of implementing the strategic plan and ensuring that the desired range of activities are included within the scope of the quality management system.

AUQA commends UX for systematic monitoring of its performance by means of a **Balanced Scorecard®**.

AUQA commends UX for its efforts in effectively presenting and using **performance management information** and, in particular, for the Business Intelligence Portal and its development and implementation of the Course Performance Report.

UX is commended for the significant improvements it has made to the IT infrastructure and the processes put in place to gain **stakeholder feedback and to benchmark services**.

AUQA commends UX for the development and ongoing implementation of a comprehensive, **benchmarked risk management framework** across the University.

AUQA commends UX for the outcomes it achieved on a national **benchmarking activity relating to Library Services**.

AUQA commends UX for its **effective Library**, which has a central place in decision-making within the University, is highly responsive to its users (including those in remote locations), and is committed to quality improvement of its services, **informed by benchmarking activities** and robust student feedback mechanisms.

AUQA commends UX for the significant improvements demonstrated in the **Library** over a short period of time and **exemplary use of benchmarking** for monitoring the quality of its services.

AFFIRMATIONS

AUQA affirms the need for UX to review its processes for assessment, including moderation and benchmarking, so that it is better able **to make unequivocal statements about graduate standards**.

AUQA affirms that UX consolidate plans to externally benchmark the **standards of UX honours theses against standards at other Australian and international universities**, as appropriate.

AUQA affirms the need for UX to explore institutional relationships with appropriate partners that will enable benchmarking activities **for monitoring of standards** and quality improvement purposes.

AUQA affirms the recognition by UX of the need to strengthen benchmarking processes, and notes that this should be undertaken as part of an institution-wide system to monitor and **improve academic standards and outcomes**.

AUQA affirms the need for UX to develop and embed formalised systems and processes for quality assurance, review and improvement across the institution, including **benchmarking of academic standards and outcomes**.

AUQA affirms UX's recognition of the need to implement a systematic approach to the **effective use of external comparisons** across its range of activities.

AUQA affirms UX's decision to formalise **staff feedback mechanisms** through administration of a University-wide staff culture survey that will enable benchmarking of outcomes with selected universities.

AUQA affirms UX's attempts to strengthen workplace planning systems, including development of systematic succession planning processes and introduction of **human resource benchmarking** processes.

AUQA affirms UX's commitment to undertake **benchmarking of student services** is an important aspect of the Quality Assurance System, and that the initiative of the UX Counselling Service demonstrates a possible model for the other student service providers across the University to use.

AUQA affirms UX's plans to promote **greater use of its Student Evaluation of Teaching survey**, but particularly so that more staff will seek and act upon student feedback on their teaching through a system that may provide **for benchmarking and professional support**.

RECOMMENDATIONS

AUQA recommends that the Council and the Vice-Chancellor of UX give priority to establishing a peer group of institutions **for the purposes of strategic and performance benchmarking** at institutional and program levels.

AUQA recommends that priority be given to the development of a formal benchmarking framework, through which the University will be able **to assess more accurately the achievement of its core objectives**. Such a framework was under consideration by the University at the time of the audit.

AUQA recommends that UX develop a strategy for **establishing benchmarking relationships with appropriate** Australian and international universities.

AUQA recommends that the UX more explicitly identify and reward the best practice areas of service provision in order **to provide performance benchmarks and assist the promotion of a more consistent approach to student support**.

AUQA recommends that UX formalise its expectations around use of the term 'review' including how it is distinguished from 'monitoring' and develop guidelines on initiation, frequency, process, use of external input and follow-up of reviews for both academic and service areas of the University. Clarification is also required of the **definition and intent of 'benchmarking'**.

AUQA recommends that, in the light of UX's desire to be 'world-class', and its intent to use comparisons as a prime mechanism for achieving this, UX undertake a greater amount of structured benchmarking, **both nationally and internationally**.

AUQA recommends that UX use the set of key Teaching and Learning quality indicators, which together constitute the minimum standards for Teaching and Learning at UX, **to internally benchmark the nature of the student learning experience across the University**, and in particular between the A and B campuses and in respect of all off-shore locations.

AUQA recommend that UX develop a quality assurance plan in respect of its international activities that includes, inter alia, a model contract with partnerships, due diligence of partners prior to approving contracts, provision for program and unit approvals and regular reviews, communication systems with partners, defined assessment processes and responsibilities, academic security provisions, evaluation of **student learning outcomes against UX's domestic students as a benchmark**, evaluation of teaching using an accepted methodology.

AUQA recommends that, as the University formalises its performance monitoring system, a **framework for external benchmarking** across all areas of activity be instituted.

AUQA recommends that the University clarify its strategy **with respect to internationalisation, identifying priority objectives, targets, benchmarks** and associated resource implications, and clearly specify the expected outcomes.

AUQA recommends that UX **undertake further structured benchmarking with peer institutions**, in particular comparing processes and identifying examples of good practice as a stimulus to continual improvement.

AUQA recommends that UX continue work on developing its Quality System to ensure that feedback loops are closed post reviews in a timely manner; that there is greater clarity on performance indicators at both the institutional and operational levels; that more **work is done in relation to performance benchmarking**; and that the Management Information System is developed to manage quality information and data more effectively.

AUQA recommends that, in developing a **more systematic approach to external benchmarking**, attention be paid to outcome, as well as input, measures.

AUQA recommends that UX provide a **clear definition of benchmarking**, and provide assistance to divisions and units in identifying, collecting and interpreting benchmarking data.

AUQA recommends that UX take steps to promote a **university-wide understanding of the ways in which benchmarking can be used effectively** as a quality assurance tool, and encourage the broader use of process benchmarking to identify best practice, rather than a focus on the statistical comparison of numerical outcome measures.

AUQA recommends that UX develop an **integrated planning and reporting framework**, ... aligned to the risk management and quality assurance frameworks and **incorporating appropriate external benchmarking**; and that the various structural entities with quality and risk management responsibilities be integrated so as to more effectively support this framework.

AUQA recommends that UX **take greater cognisance of national higher education standards (such as the AQF and AVCC Guidelines, and benchmarks** with comparable degree programs at other universities) when determining advanced standing for its degree programs.

AUQA recommends that UX **review its website** with a view to aligning its usage with the strategic directions of the University, to improving usability and consistency through common publishing standards **based on benchmarked good practices**, and to improving the external perception of the University.

AUQA recommends that UX **undertake additional benchmarking of research performance**, particularly at international level.

AUQA recommends that UX develop policy, procedures and standard criteria for the review of courses when they become due for reaccreditation, including advice on the nature and extent of stakeholder and independent expert input that is required. Further, UX is encouraged to **consider benchmarking the academic standard** of those courses where there is no established link to professional registration or accreditation requirements.

AUQA recommends that UX **extend its benchmarking to a national and international peer group** chosen in the light of its proposed learning and teaching profile.

AUQA recommends that, in keeping with the objective to measure its performance against the 'Top 10' universities in Australia, UX **ensure that it undertakes sufficient and appropriate external comparisons**. The University has itself identified the need for more, and more formalised, external comparisons.

AUQA recommends that UX continue to develop its suite of performance measures to provide indicators of progress against a broad spectrum of activity, and that the University **seek external points of reference**, including internationally, in order to gain a more comprehensive interpretation of them.

Some more audit conclusions that relate to benchmarking

COMMENDATIONS

AUQA commends UX for developing a clearly articulated research strategy which builds on well-defined organisational structures, internal and external partnerships and indicators of success.

AUQA commends UX for good outcomes in research across a number of research indicators and for a demonstrated trend of improved performance in most measures.

AUQA commends UX for developing a framework for performance indicators that will aid the governance and planning processes.

AUQA commends UX for the careful, consultative change management processes used in recent planning and restructuring activities including the development of the Strategic Plan 2003–2007 and associated performance indicators and targets.

AUQA commends UX for the improvements in a number of teaching-related outcome indicators.

AUQA commends UX for the improved trend in many of its indicators of research and research training performance.

AUQA commends UX for the development and implementation of the University key performance indicators as a means of monitoring its performance systematically against the strategic directions throughout the University.

AUQA commends UX for its development and use of a well-considered set of KPIs.

AFFIRMATIONS

AUQA affirms UX's finding that additional research indicators need to be identified that more appropriately reflect and measure progress towards its objective of engaging in research of significance to its regions.

AUQA affirms UX's finding that indicators need to be identified that more appropriately reflect and measure the influence the University has on its regions.

AUQA affirms the intention of UX to embed workforce planning into the strategic planning and budgeting cycle and notes as a positive development the inclusion of workforce planning indicators in management reports.

AUQA affirms the need for UX to pay urgent attention to the development of key performance indicators and associated targets, supported by reliable and accurate data provision, to examine appropriate governance models, and to clarify funding and financial incentive arrangements (including distribution of intellectual property income).

AUQA affirms that UX continue to monitor its indicators of student satisfaction with student administration services, and consider ways to increase access to core enrolment-related services and make further improvements to client service.

RECOMMENDATIONS

AUQA recommends that in implementing the new 'Learning Paradigm', UX identify milestones, reporting requirements, resources needed, and appropriate teaching and learning indicators; and ensure that it is widely understood and comprehensively implemented.

AUQA recommends that as part of the planned development of a new strategic plan, agreement be reached on the form of reporting and performance indicators that will be regularly submitted to Council for monitoring purposes.

AUQA recommends that in continuing its refinement of institutional-level key performance indicators, UX place emphasis on ensuring that the indicators are well defined and measurable.

AUQA recommends that the University establish and implement a specific system for assuring the quality of all its programs delivered offshore, including (inter alia): a robust process of due diligence for partners and agents; quality controls for translation services; comparisons of learning outcomes for students in offshore and equivalent onshore programs as one indicator of equivalent quality.

AUQA recommends that the University consider working to a Strategic Plan that is based upon a three to five year planning cycle and that the revised Plan more clearly prioritise the University's objectives across its range of activities and identify accompanying performance indicators. Each college should develop a plan consistent with the aims and objectives of the University's Strategic Plan.

AUQA recommends that UX clarify to staff its overall strategy for research and research training and the key priorities therein, including ongoing work to rationalise performance indicators. Associated with this is an urgent need to clarify accountabilities and responsibilities with respect to research and research training performance.

AUQA recommends that as part of the development of the research strategy for UX campus in country Y, the University explicitly consider how Melbourne staff can support and facilitate research capacity building and set agreed targets and research performance indicators so as to monitor progress.

AUQA recommends that UX investigate, develop and use a greater range of relevant outcomes indicators to track progress towards its desired outcomes.

AUQA recommends that in order to achieve its aims in internationalisation in teaching, research and service, UX identify more specific performance indicators and targets, and strategies for achieving them.

AUQA recommends that UX develop a conceptual and strategic planning framework for its objective of community engagement, developing indicators and measurements, and pay explicit attention to evaluating the desired objectives.

AUQA recommends that UX continue to develop its suite of performance measures to provide indicators of progress against a broad spectrum of activity, and that the University seek external points of reference, including internationally, in order to gain a more comprehensive interpretation of them.

AUQA recommends that UX continue to develop Key Performance Indicators that are clearly linked to faculty and divisional outcomes and to the priorities in the Strategic Plan and that the format in which they are presented enables Council to easily assess performance against targets.

AUQA recommends that UX pay prompt attention to explicitly embedding its identified major theme of sustainability across all areas of the Strategic Plan and develop associated key performance indicators.

APPENDIX 3

A note on 2002 Institutional Audit Reports: Analysis and Comments by Dr Anne L. Martin (2003)

The Board of AUQA commissioned Dr Anne L. Martin early in 2003 to prepare a thematic summary of the audit reports of institutional audits carried out in 2002. At the time of commissioning, eight audit reports had been published and the thematic summary was intended to assist AUQA and its Board to gain an overview of the information arising from the first institutional audits, and thereby to begin to assemble an appreciation of standards and quality assurance processes across the Australian higher education system.

Dr Anne Martin's analysis is based on a close, comparative reading of the audit reports of eight self-accrediting institutions (SAIs). Four of the institutional Portfolios were consulted briefly, but they were not read in detail. Further, the supporting documentation was not consulted, as it was not intended to repeat the audit panels' work.

Dr Martin's report presents an analytic overview of themes and issues emerging from the audit reports. The report begins with a sector overview and is divided into sections based on the main headings used in the Audit Reports. Within each section are identified Key Issues (those which occasioned Commendations and Recommendations in a number of reports) and Other Matters (those raised in the body of the reports or in only one or two Recommendations or Commendations). The report presents 71 issues — 39 key issues and 32 other issues — under 12 themes.

Overall, Dr Martin's report indicated that the audit reports did not show any single, consistent gap in the academic standards of the SAI sector. In the main, the picture that emerged was of committed staff and contented students, generally sound quality assurance practices to support teaching and learning and research and research training, recognition and appreciation from the communities served by the institutions, and an active international presence. There was variation in the strength of institutional management and infrastructure to support academic activities. Most of the institutions had introduced a variety of review and redefinition exercises in anticipation of the audit and there were many newly initiated quality assurance processes. Outreach teaching in all its forms — off-shore campuses, partnerships and external delivery — was identified as an issue that presented challenges for maintaining consistency of standards, of resourcing and of planning.

Although the work covered a sample of only 20% of the SAIs, the AUQA Board observed that:

'... it may be possible to provide some provisional generalisations from these reports about matters that are or are not being addressed across the sector, and general issues for attention that are not readily apparent from individual reports. This summary will feed into the overall assessment made by AUQA in due course in fulfilment of its fourth objective to report on the higher education sector as a whole'.

APPENDIX 4

A note on 'On-going Analyses of Commendations & Recommendations in AUQA Audit Reports' by Professor Ray W. Cooksey (2003)

By September 2003 when AUQA had conducted three trial audits (one agency and two SAIs – reports were not published) and published ten formal audit reports, Professor Ray W. Cooksey carried out an analysis of the Commendations and Recommendations that AUQA Audit Panels produce across different universities. Among other things, the analysis recognised the potential for learning from the Commendations and Recommendations certain consistent themes that can be identified as emerging across universities. These themes can point to more general problem areas in the sector as well as to areas where the sector appears to be doing well.

All Commendations and Recommendations from the ten AUQA audit reports published as at 30 September 2003 and Recommendations from the trial audit of the University of New South Wales were considered for the analysis. Qualitative analysis of the content of Commendations and Recommendations proceeded in an iterative fashion using the NVivo software. Two distinct types of thematic analysis were pursued. The first and more extensive analysis was functional in focus and attempted to capture and represent micro and macro facets of meaning in the context of structural, support and mission-related aspects of university functioning. This analysis was therefore termed the *functional analysis* and it encompassed all AUQA Commendations and Recommendations. The second analysis focused only on AUQA Recommendations and attempted to capture and represent specific organisational actions directly stated or implied in those Recommendations. This second analysis was termed the *actions analysis*.

To carry out the analysis, ten major macro themes were identified. Under these ten macro themes, 83 micro themes were identified and all the Commendations and Recommendations were coded under these themes.

To highlight emergent patterns, Professor Ray Cooksey identified 'more prevalent micro sub-themes' and 'highly prevalent micro-themes'. Although AUQA discourages anyone from seeing the number of Commendations or Recommendations in an audit report as some sort of 'quality index', it might be possible to derive some cautious conclusions based on the numbers that emerge in relation to sub-themes. Based on this consideration, Professor Ray Cooksey's report identifies the more prevalent micro sub-themes in each macro category based on a very rough criterion of containing five or more coded instances. Highly prevalent micro-themes are based on a very rough criterion of containing ten or more coded instances.

The analysis revealed that in commending universities on aspects of their functioning, AUQA found the main areas of achievements to be External & Partner Relations, Management, Staff & Student Support Systems, and Quality Assurance. It also indicated that virtually all of the 'prevalent micro-themes' for Commendation, with the exception of facilities & learning environment, were also 'prevalent micro themes' for Recommendations, some of them highly so (e.g. mission-vision-strategy focus, quality assurance framework,

planning and monitoring). Communication management was emerging as the key focal theme for the Recommendations. Benchmarking appeared to be a process emphasised in Recommendations.

APPENDIX 5

A note on 'Meta-Analysis of AUQA Institutional Audit Reports 2002–4' by Professor Susan Holland (2004)

In this report, the meta-analysis was undertaken in a number of steps. In the first instance all the audit reports were read in full together with the contents pages from the corresponding portfolios. Note was taken of the major functions identified in the audit reports and the way these were categorised by the institutions in their portfolio submissions. Four major functions and five supporting activities were identified. To these two kinds of activities (Major Activity and Supporting Activity) a number of categories/topics were assigned in each case.

Once the topics were identified for each category of activity, relevant Commendations and Recommendations were coded accordingly and tabulated. The table was further analysed to see the extent of coverage of aspects, other aspects that should desirably be included, and the general aspects of consistency or lack thereof between the reports. The proportion of attention to each of these categories in those audit reports, according to this measure, was as follows:

<i>Category</i>	<i>Coverage</i>
<i>A. Core functions</i>	
T&L*	31%
R&RT	18%
Community	5%
International /TN	9%
	63%
<i>B. Supporting activities</i>	
QA systems & governance*	14%
Leadership	8%
Corporate services	4%
Student services	4%
Staff services	7%
	37%
* A large number of benchmark-related citations are included in the QA systems and governance category and T&L category.	

The overall conclusion from the meta-analysis was that there are very few aspects of academic activity that are not covered at least to some extent in the audit reports considered. The report also identified new topics that need attention, emerging issues as audits progress, the topics with the highest rankings in terms of total citations, the categories for which citations concerned with outcomes was low, and coverage trends over time. The analysis was positive in general about the consistency aspects of the audit reports. Among other findings, the report pointed out that the highest ranked topic was Performance Management and Benchmarking (under QA systems and governance) with citations significantly more than any other topic.

APPENDIX 6

A note on Quality Assurance and Standards of Australian Higher Education: Based on the Institutional Audit Reports of AUQA by Dr Antony Stella (2006)

Among the objectives specified in the Constitution of AUQA is the mandate to ‘report on the relative standards of the Australian higher education system and its quality assurance processes, including their international standing, as a result of information obtained during the audit process.’ To address this objective, in 2006, AUQA carried out the thematic analysis of the 25 audit reports that were published by then.

Observations of the audit panels on performance indicators, benchmarks, national and international competitiveness and internationalisation efforts of the SAIs are likely to give information about relative standards. A reading of the audit reports with specific reference to comparative data indicates the following:

- All institutions have internationalisation strategies. But most of the strategies are about increasing international students’ enrolment and offering educational services off-shore. They are not about quality and standards of the SAIs in the international context or in comparison to similar institutions from other countries. ‘Lack of clarity’ about the internationalisation strategies has been mentioned in many audit conclusions.
- Many institutions have made specific references about their ‘becoming internationally competitive’ or ‘becoming world-class’. But mostly they are interpreted in a narrow manner and the audit conclusions mention this.
- Efforts to establish benchmarks to monitor international competitiveness and to substantiate international standing have been inadequate. Consequently, evidence that could demonstrate international standing of institutions and that could be reliably accepted by the audit panels is also inadequate.
- Most audit conclusions on the claims of the SAIs about their international standing are about how benchmarking and indicators to support the claims are inadequate. Lack of international benchmarking has emerged as an area of Recommendation.
- Of all the audit conclusions related to relative standards, more than two thirds are Recommendations and only a few are clear Commendations.
- There are many institutional benchmarking efforts mentioned in the audit reports but they are not of much value to draw inferences about relative standing. In fact, Recommendations on benchmarking often comment that the institutional benchmarks need to incorporate external points of reference.
- Certain aspects of research, teaching, and community engagement emerge as areas where many positive comparative phrases have been used in the audit conclusions. At the same time certain other aspects of these broad areas emerge as Recommendations.

- Most of the Commendations on international standing and benchmark efforts are about acknowledging the initial efforts and they also indicate that much more has to be done to draw further conclusions on the standards *per se*.
- Where there are Commendations on benchmarking performance, they are mostly about national level efforts.
- There are audit reports where institutional claims about their national and international standing have been questioned by the audit panels.

Some specific observations on quality assurance frameworks (QAF) are:

- Most QAFs specify continuous improvement as a key goal and carry out a variety of reviews — systematic and/or ad hoc — self and/or external — at various levels towards improvement. Many institutions have been commended for the thoroughness with which self-reviews have been conducted and for the improvements identified in that process. However, effectiveness of the action plans identified as an outcome of the self-review and the need to prioritise them have been noted by the audit panels.
- All institutions have reasonably well defined academic reviews and the Recommendations are about appropriate standards, scope, coverage within a time frame, frequency, enhancing the effectiveness and follow-up.
- Recommendations on accreditation and reaccreditation of programs are about expanding the scope (e.g. formal approval for change of mode, change of location), information dissemination about the accreditation status, accelerating the process, and benchmarking.
- The role of the Academic Board (AB) seems to be an area that has received many Recommendations. They are about the role of AB in establishing processes for comparability of standards, AB's involvement in certain academic activities, its role in off-shore program related issues, strengthening its ability to maintain oversight of academic activities, and clarifying its relationship with other bodies.
- On quality assurance in teaching and learning, Recommendations are more about ensuring standards, ensuring consistency across campuses and courses, adopting good practice and ensuring alignment with the standards and policies of the university.
- In many cases, assessment policy seems to vary among faculties, within an institution. Professional accreditation is taken as the quality assurance mechanism for professional programs and there are many Recommendations about ensuring standards in other programs. On assessment policy and ensuring standards, the Recommendations are about practices related to moderation, monitoring students' outcomes, attrition rates, plagiarism, credibility and performance of off-shore partners, cross-campus equivalence of programs including off-shore campuses and clarity in graduate standards.
- Quality assurance processes for and standards of off-shore programs have received adequate attention of the audit panels. Some institutions have been

commended for aspects such as the following in relation to quality and standards of off-shore teaching:

- maintenance of educational standards for off-shore students
- robust manner in which certain programs are offered off-shore with maintenance of equivalent standards
- quality outcomes and international recognition of certain programs
- effective partnership that provides framework for well supported award programs
- thorough self-review of off-shore programs
- good practice regarding off-shore teaching at postgraduate level
- good examples of positive and well-managed relationships with off-shore partners.
- Recommendations under off-shore operations are on paying more attention to management of off-campus academic programs, monitoring of off-shore partners, clarity in lines of responsibility and accountability, systems for review of transnational programs, internal audit report regarding international arrangements, staff orientation, policies governing entrance and advanced standing and consistency in standards.