

# HIGHER EDUCATION REFORMS FREQUENTLY ASKED QUESTIONS (FAQs) FOR CHURCH EDUCATION AGENCIES

## A. TRANSFER OF INSTITUTIONS TO DHERST REGULATORY OVERSIGHT

**Q1. NEC Decision 25/2017 directed that higher education institutions (HEIs) offering post-secondary qualifications transfer to DHERST. What does this mean and how will the transfers be implemented?**

A. The NEC Decision means that most HEIs will move from their current regulatory environment to a new regulatory system under the Department of Higher Education, Research, Science and Technology (DHERST).

The transfers will be implemented by the *Higher and Technical Education Reform Act, 2020* (the Reform Act.) New governance arrangements will be implemented by amendments to the *Higher Education (General Provisions) Act, 2020* (HEGPA).

**Q2. Do these reforms effect Church-agency HEIs?**

A. Yes, they do. Under the Reform Act and amended HEGPA, regulation of HEIs (including Church-agency HEIs) will be based on the extent to which they are State-funded.

State-owned HEIs and Church-agency HEIs that receive more than 50% of their annual funding from the State (including teachers' salaries) will be subject to transitional arrangements and new governance requirements discussed below.

Church-agency HEIs that do not receive more than 50% of their annual funding from the State (including teachers' salaries) and private HEIs will not be subject to the new arrangements but must maintain registration under the HEGPA and have their programmes accredited under the HEGPA.

See attached Annexure which sets out the regulatory structure.

**Q3. What is the policy basis for these reforms?**

A. Essentially, the Government wants to ensure that all HEIs that are supported by significant State funding operate to the highest levels in relation to their governance, management and operations. This has meant bringing in reforms to move most of these HEIs under DHERST regulatory oversight and to introduce enhanced governance requirements for State-owned HEIs and Church-agency HEIs that are substantially State-funded.

**Q4. How and when will HEIs transfer to DHERST under the Reform Act?**

- A. Affected HEIs will transfer to DHERST regulatory oversight from a **transfer date** determined by the Minister for Higher Education, Research, Science and Technology and published in the *National Gazette*. This will allow for a methodical and planned transfer of HEIs. DHERST will work with HEIs to prepare them for transfer well ahead of the determining of a transfer date.

**Q5. What will be the transfer date for the affected Church-agency HEIs?**

- A. The precise transfer date is unknown at this stage. DHERST will work closely with the relevant departments and Church education agencies to ensure that affected HEIs are prepared and ready for transfer before determining a transfer date.

**Q6. What is the effect of determining a transfer date under the Reform Act?**

- A. On the transfer date:
- 1) the HEI transfers to the regulatory oversight of the Ministry of Higher Education, Research, Science and Technology and DHERST; and
  - 2) the HEI is deemed to be provisionally registered under the HEGPA; and
  - 3) the programmes of study of the HEI are deemed to be provisionally accredited under the HEGPA; and
  - 4) the HEI will be subject to the new governance arrangements under the HEGPA.

Ongoing institutional registration, programme accreditation and quality reviews will be in accordance with the quality assurance processes under the HEGPA. The DHERST Quality Assurance Division will work closely with HEIs in relation to these matters.

## **B. TRANSFER OF STAFF**

**Q1. What is the effect of the Reform Act on the staffing arrangements of the affected Church-agency HEIs?**

- A. On the transfer date for a technical or teachers' college, all staff will transfer on their existing Teaching Service Commission (TSC) contracts, terms and conditions for at least 12 months.

On the transfer date for a nursing college, all staff will transfer on their existing employment terms and conditions for at least 12 months.

**Q2. What happens after the 12-month transition period?**

- A. After 12 months, the HEI must determine which staff will be offered ongoing Public Service contracts under specialist/professional categories of employment for HEIs. Staff that are not offered contracts, or who do not wish to take up contracts, must be redeployed, retrenched, retired or as otherwise determined by the TSC (in the case of technical and teachers' colleges) or the Department of Health (in the case of nursing colleges).

**Q3. What will be the nature of the contracts of employment offered to staff after the 12-month transition periods?**

- A. The contracts of employment to be offered by HEIs will be made under the *Public Service (Management Act) 2013* and the General Orders, with the ongoing staff being Public Servants under specialist and professional classifications.

Section 144 of the HEGPA provides that DHERST may recommend salaries and conditions for academic and non-academic staff in HEIs.

DHERST is currently working with DPM and other stakeholders to develop attractive terms and conditions for professional staff who transfer and to ensure that transfer processes are as seamless as possible. Further details in relation to terms and conditions of employment will be made available as they are developed with updates accessible on the DHERST website or in the DHERST Quarterly Newsletter.

**Q4. The transfer of HEIs to DHERST regulatory oversight may affect the roles and responsibilities of staff in other departments such as the Department of Education and Department of Health. What arrangements are being made in relation to these staff?**

- A. At this stage, exact roles or functions that need to transfer from other departments to DHERST as part of the reform process are yet to be determined. This is a work in progress. DHERST will develop strategies in relation to this over the coming year.

Once roles and functions have been finally determined in the DHERST structure, there will be opportunities for individuals to request transfer from their substantive positions to DHERST under transparent arrangements developed in consultation with the transferring department.

The Reform Act provides that DHERST and affected departments must use their best endeavours to ensure that any departmental staff affected by the reform process are transferred or redeployed.

## C. TRANSFER OF LAND AND ASSETS

### Q1. Will there be any transfer of land or assets as part of the Reforms?

- A. There will be no transfer of land or assets in relation to Church-agency HEIs which will remain fully owned and operated by the relevant Church education agencies.

On the transfer date for a State-owned HEIs, all land, assets, liabilities, rights and entitlements will be transferred to DHERST under fully audited and transparent legal transfer arrangements.

## D. GOVERNANCE ARRANGEMENTS

### Q1. How will the Reform Act affect the governance of transferred HEIs?

- A. There will be significant changes to the governance of transferred Church-agency technical colleges, teachers' colleges and nursing colleges.

Firstly, the *Education Act, 1993* is amended so that it no longer applies to any post-secondary technical or teachers' colleges. This in turn means that the Department of Education and the National Education Board will no longer have any direct regulatory control of any post-secondary technical or teachers' college.

The amended HEGPA provides for the governance of transferred HEIs including transferred technical, teachers' and nursing colleges.

These amendments include:

- new objectives, powers and functions of all transferred HEIs;
- new processes for the appointment and operation of Governing Councils with approval by the National Higher and Technical Education Board (NHTEB);
- new processes for the appointment of Academic Boards;
- new processes for the appointment of Principals;
- new processes for the appointment of staff; and
- new Rule-making powers

These amendments and relevant procedures are set out in Governance Manual for Technical Colleges and Teachers' Colleges and the Governance Manual for Nursing Colleges which can be found here <https://web.dherst.gov.pg/new-regulations-transition>

### Q2. Will there be any transitional arrangements in relation to the governance of transferred HEIs?

- A. Yes. The Reform Act provides that from the transfer date of a HEI, its existing Governing Council shall remain in place for 6 months and, during that time, work with DHERST to implement the governance arrangements under the amended HEGPA, including appointing a new Governing Council.

**Q3. What kinds of planning and reporting arrangements will HEIs need to undertake?**

- A. Under the amended HEGPA, HEIs will have to provide various reports to DHERST and the Minister.

A **strategic plan** must be prepared in consultation with DHERST outlining the goals, objectives, policies, strategies, activities and resource needs and targets for the HEI for each five-year period.

Each year, the HEI will submit a **business plan** to DHERST for the coming year as to how it intends to implement its strategic plan.

At the end of each year, each HEI will prepare and submit an audited **annual report** to DHERST on the performance of the HEI against its business plan.

This planning and reporting will enable HEIs to measure their performance and will provide DHERST and the wider Government with important data and information for sector-wide policy formation. DHERST will work closely with HEIs in the development of their strategic and business plans.

**Q4. Why have these new governance, planning and reporting arrangements been developed?**

- A. The new governance, planning and reporting arrangements are required to bring consistency to the operation of all HEIs in PNG. The new arrangements will also allow DHERST and the wider Government to effectively implement policies and standards across the sector that will enable HEIs to focus on national skills priorities (both social and economic).

## **E. ENSURING INDEPENDENCE AND UNIQUE NATURE OF CHURCH-AGENCY HEIs**

**Q1. How is the independence and unique nature of church-agency HEIs be maintained under the Reforms?**

- A. The reforms have been developed in close consultation with the Churches Education Council to ensure that Church education agencies can continue to operate Church-agency HEIs in a way that both serves the needs of the State but allows these HEIs to retain their unique nature.

Firstly, existing arrangements between the State and Church education agencies in place immediately before the transfer date for a HEI remain in place until any new arrangements under the amended HEGPA are negotiated.

The amended HEGPA provides that DHERST may, on behalf of the State, negotiate arrangements with Church education agencies in relation to the nature and levels of State support for Church-agency HEIs.

In negotiating such arrangements, DHERST must recognize the contribution that Church education agencies have made, and continue to make, to the development of higher education in Papua New Guinea and will approach such negotiations in a spirit of cooperation.

Any negotiated arrangement shall be referred by the Minister for Higher Education, Research, Science and Technology to the National Executive Council for approval.

Also, in all dealings under the HEGPA, DHERST and the NHTEB must recognize:

- the right of parents and citizens to obtain the education they wish for their children and themselves; and
- the desirability for diversity of educational methods provided national standards are maintained; and
- the right to define, develop and preserve the identity and character of HEIs of a particular nature, whether of a religious or other nature, provided such distinctions are not based on race, colour or other criteria unacceptable in a democratic society; and
- the central role of Christian principles in Papua New Guinean society.

DHERST will work to develop a strong working association with PNG Church education agencies and their HEIs to ensure that both the interests of the agencies and the State are properly reflected in the management and governance of Church-agency HEIs.

**Q2. Will Church education agencies maintain control over the governance of transferred HEIs?**

- A. Church educations will maintain strong control and leadership over their HEIs under the reforms. Whilst Church education agencies and their HEIs will need to comply with the new governance requirements under the HEGPA, Church education agency leadership is maintained in a variety of ways.

At Governing Council level, Church education agencies may appoint up to eight members on a Council ensuring the philosophy and Christian principles of the HEI are maintained. Church education agencies remain responsible for nominating their Governing Council members and any issues in relation to appointment of a particular member must be discussed with the Church education agency and a resolution negotiated.

Also, the composition of the NHTEB has been amended to include a nominee of the Churches Education Council ensuring Church education agencies are represented at the highest level.

## **F. NATIONAL CURRICULUM AND TRAINING PACKAGES**

**Q1. How do the reforms affect the development of curriculum?**

- A. The amended HEGPA provides that DHERST may develop national curriculum and, in the case of technical and nursing colleges, national training packages in subject matter areas of national importance or that have been identified as national training priorities.

DHERST will develop national curriculum and training packages in consultation with relevant HEIS, professional accreditation associations, advisory bodies, relevant industry and business bodies and other stakeholders.

The newly created National Skills Development Agency (NSDA) will play a key role in developing national training packages to ensure that the packages are demand-driven and are targeted national skills priorities.

**Q2. How will national curriculum and national training packages be approved?**

- A. Once developed, national curriculum and national training packages will be assessed by the NHTEB by using the criteria in the National Standards for Higher Education Programme Accreditation and the PNG National Qualifications Framework.

If the NHTEB approves the national curriculum or national training packages, it shall prepare a report for the Minister, through the DHERST Departmental Head.

The Minister may then determine the national curriculum or national training packages by publishing a Notice in the *National Gazette*.

**Q3. If national curriculum or national training packages are determined, do HEIs have an obligation to teach that curriculum or training package?**

- A. The Minister may, from time to time, determine that for certain programme areas, only approved national curriculum or national training packages shall be delivered in all registered HEIs.

The Minister shall make this determination by publishing a Notice in the *National Gazette*.

The Minister shall only make such a determination after consultation with the DHERST Departmental Head and on the recommendation of the NHTEB.

**Q4. How can a HEI obtain authority to offer national curriculum or a national training package?**

- A. The amended HEGPA provides for an application process whereby a HEI can apply to offer an approved national curriculum or national training package. DHERST Quality Assurance Division will work with HEIs to assist them with such applications.

## **G. FUNDING OF INSTITUTIONS**

**Q1: How will each HEI be funded?**

- A: NEC Decision NG179/2019 approved DHERST's transition to a five year Higher and Technical Education Sector Plan and Budget (2021-2025). The transition includes the phased movement from the current five disparate funding systems (universities, teacher colleges,

nursing colleges, technical and business colleges; and miscellaneous colleges) to a single coherent sector wide funding system.

In preparation for the 2021 Budget, DHERST, Planning, Treasury and Finance are already mapping to the new standardised Chart of Accounts for each Higher Education Program the Higher Education sector. The mapping makes provision for the transfer (at the appropriate time) of specified higher education funding allocations from other Agencies to DHERST as directed by NEC Decision NG25/2017.

DHERST continues to work closely with key central agencies, Treasury and Planning, on the five-year sector plan and budget processes with the goal of securing greater reliability of HEI funding. There is still much work to be done as the five-year sector plan and budget processes evolve.

Subject to Central Government core funding availability, the funding relationship between DHERST and HEIs will be underpinned by an affordable, equitable and transparent funding model for all HEIs. When fully established the funding model will assess the relative funding position of HEIs for existing and new resource levels across five categories of Grants viz: Base Grants; Institutional Factors Grants; Innovation Grants; Incentivised Performance Grants; and Research Grants.

Equitable funding formulae for each of the Grants components will be negotiated via HEI Funding Agreements. Prior to transitioning to the full implementation of the sector-wide funding model a preferred funding model will be distributed for broad consultations with all sector stakeholders. The final funding model agreed will be phased in over a period of five years.

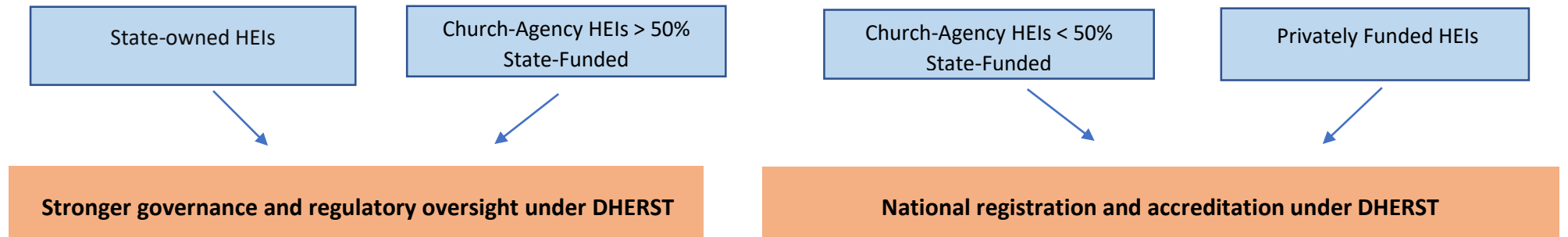
When fully implemented the sector wide funding model, developed in consultation with all HEI stakeholders will provide incentives for good governance and management. The generic performance indicators for each HE Program include:

- ❖ Enrolments Growth – annual compound growth in enrolment ratios across each HE sub-sector
- ❖ Enrollee to Graduate trends - improving trendline conversion of enrolees to graduates
- ❖ Quality Assurance - satisfactory external quality assurance audits.
- ❖ Gender - steady improvement in the balance of male and female enrolment and graduation ratios.
- ❖ Demonstrated improvement in the quality of management and governance on key indicators

The transition to a five-year funding model is based on recommendations contained in the DHERST publication: *Financing of Higher Education in Papua New Guinea, 2011 to 2019*.



## REGULATORY STRUCTURE FOR HEIs UNDER HIGHER EDUCATION REFORMS



- HEIs transfer to DHERST oversight on determination of a transfer date
- Transitions provisions under Reform Act apply in relation to Governing Councils (6 months); staff terms and conditions (at least 12 months); land, assets and files of State-owned HEIs to be transferred
- Existing arrangements with Church education agencies to remain in place until replaced with new arrangements under HEGPA
- All HEIs to be registered and their programmes accredited by DHERST in accordance with the National Standards
- All HEIs subject to new Part XB of HEGPA dealing with:
  - Objectives, functions and powers of HEIs
  - Establishment, functions, membership of Governing Councils
  - Appointment, operations of Governing Councils and committees
  - Strategic and Business Planning; Auditing
  - Establishment of Academic Boards
  - Appointment of Principal and staff
  - Council Rules

- HEIs to be registered and their programmes accredited by DHERST under HEGPA in accordance with the National Standards
- NTC registration and accreditation of private HEIs to transfer to DHERST