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## ***Response to Discussion Paper Questions 15 – 17***

### **Context**

This submission addresses Section 3.4 of the Review Discussion Paper, Connecting With Other Education Sectors.

### ***Response to Discussion Paper Question 15***

***To what extent should vocational education and training and higher education continue to have distinctive missions and how should these missions be defined?***

To meet future industry demand for high level skills the missions of the Vocational Education and Training (VET) and the higher education sectors need to be redefined to create a common zone for International Standard Classification of Education (ISCED) Initial Tertiary (level 5) type b qualifications. ISCED 5b includes any tertiary level qualification which is:

practically oriented/occupationally specific and is mainly designed for participants to acquire the practical skills, and know-how needed for employment in a particular occupation or trade or class of occupations or trades - the successful completion of which usually provides the participants with a labour-market relevant qualification.

(UNESCO, 2006, p. 36).

### ***The demand for higher level vocational qualifications***

In examining emerging demand the Review Discussion Paper cites Shah and Burke (2006) and Birrell (2008) arguing that these reports present conflicting views as to the future need for more vocational or more higher education qualifications. Re-examination of both papers shows that both are pointing to a growing deficit of people in the Australian workforce holding ISCED 5b qualifications.

Shah and Burke (2006) anticipate a shortfall of 240,000 people with VET qualifications by 2016, with most of this deficit at the Diploma and Advanced Diploma levels. Overall it is expected that 18.6% of new entrants will require Diploma and Advanced Diploma qualification and 26% of existing workers will require qualifications at this level. Only modest growth is anticipated at the trades level (Certificate III). This is because more than half of the new jobs will be in the high skill occupations of managers, professionals and associate professionals (Shah, pp. ix-xii).

Birrell (2008) paints a similar picture by looking at trends in employment between 1996 and 2006. He notes that managers, professionals and associate professionals accounted for 9%, 29.8% and 15.5% respectively of the 1.47 million new jobs created in this period. He goes on to argue that this trend towards high skill occupations is likely to continue.

The two papers reach different conclusions about the implications of these labour market trends for the balance of activity across the higher education and VET sectors. Shah and Burke (2006) predict a slight oversupply of people with higher education qualifications and an undersupply of those with VET qualifications. While Birrell (2008) concludes that because more qualified people will be required in the high skills areas that a greater focus on higher education is required.

Lack of clarity about sector arises here because in Australia the ISCED 5b level is split between VET and higher education, with different regulatory and funding systems applying to each. This fragmentation is reflected in the AQF which contains:

- a VET sector Diploma and Advanced Diploma
- a higher education sector Diploma and Advanced Diploma
- an Associate Degree which is vocational in intent but higher education by sector, and
- a Degree which is higher education by sector but is often delivered as a vocational qualification with content and requirements defined by industry or professional bodies.

VET Diploma and above enrolments which make up the vast bulk of ISCED 5b delivery at the sub-degree level have been declining in popularity down from 197,400 in 2002 to 166,000 in 2007 (NCVER, 2008, 2007). Higher education enrolments in Diploma, Advanced Diploma and Associate Degree enrolments are not making up this gap, they totalled only 12,096 in 2006.

The reason for the deficit of Diploma and Advanced Diploma qualified workers predicted by Shah and Bourke (2006) would then appear to be a lack of people willing to enrol in these programs. A significant cause for this unpopularity is the weak articulation between VET awards and their higher education cousins.

As Long (2006, p. v) points out, while the number students entering Bachelor degrees from TAFE has increased to more than one in ten, the number who receive credit for their prior studies is small at 3.2% and the amount of credit they receive is also small and is declining in most States. Poor articulation makes VET Diploma and Advanced Diploma courses terminal in nature and much less attractive to prospective students.

Major benefits could be derived from a harmonisation of the ISCED 5b area of provision by effectively removing sectoral silos. Benefits include:

1. Increased demand for the Diploma and Advanced Diploma level qualifications seen as likely to be in high demand by industry.
2. Cost savings for government, individuals and industry as TAFE provision is cheaper than university provision.

3. Making a tertiary pathway available to a cohort of young people who are better suited to an applied pathway or are unable to access tertiary education through an academic pathway.
4. Making tertiary education more accessible, relevant and attractive to those already in the workforce.
5. Avoiding over-qualification without cutting off future options, with associated savings.
6. Optimum utilisation of a limited pool of qualified teaching staff and facilities in TAFE and universities.

#### *Pathway for School leavers*

Young (2007) argues that enhanced articulated pathways through lower level applied tertiary programs to the Degree will benefit students currently entering university with low ENTER scores. He notes that students with low ENTER scores who proceed to Degree studies through TAFE qualifications are equally or more likely to succeed than those who gain access to university on the basis of high ENTER scores. Young (2006) calculates that through cost savings, credit transfer and greater success rates in completing the degree, students, governments and industry are all better off.

Current retention strategies at the secondary level are based around increased access to applied learning options in the senior secondary years through the VET in Schools program and the redesign of senior secondary certificates. This group of senior secondary graduates holding VET units and qualifications is likely to increase further as jurisdictions move towards the 90% completion of year 12 or equivalent target set by COAG.

Both students currently gaining access to university with low ENTER scores and the expanding group of students with applied senior secondary qualifications will benefit greatly from improved access to ISCED 5b programs and improved advanced standing arrangements through clearly defined arrangements.

An example of this approach is the Tasmania Tomorrow initiative which proposes to reconfigure provision in senior secondary, VET and higher education to develop an applied track within specialist Polytechnic providers at secondary level that leads to an applied pathway to tertiary education via higher level VET qualifications (Department of Education, 2008). This strategy includes the creation of the University of Tasmania College as an entry and articulation mechanism for students from the Polytechnic stream.

The Tasmanian Tomorrow example may not be transportable to other jurisdictions. However, broad national agreement on an alternative entry pathway to ISCED 5b qualifications would greatly assist secondary students to progress into applied tertiary qualifications. One element of such an agreement would be the allocation of a pool of places in TAFE and university which are available on the basis of prerequisite pathway entry rather than ENTER ranking.

#### *Reform of qualifications*

The decline in Diploma and Advanced Diploma enrolments is in part attributable to the nature of the qualifications themselves. State and Territory accredited (VET) Diploma and Advanced Diploma courses have been progressively phased out and with them the existing credit transfer arrangements between these old qualifications and higher education institutions.

The Training Package qualifications which have replaced them are designed with the intention of capturing industry competencies and to date have not taken account of the need for credit transfer into higher education in their design. Furthermore, Training Package qualifications often require significant industrial experience creating barriers to the entry for young people and others without this specific industry experience.

The decline in enrolments in higher level VET qualifications also indicates that the vocational pathway to higher level qualifications for existing workers is not currently being realised despite the availability of credit for those with lower level VET qualifications.

More relevant offerings then need to be developed which are more attractive and accessible to young people and those in the workforce, both with and without relevant industry experience. These need to capitalise on a more accessible applied learning approach, while still keeping open the option of articulation to higher education.

To achieve this outcome through national mechanisms:

- VET and higher education providers need to be involved in the design of national qualifications.
- The AQF would need to be reformed to recognise an ISCED 5b zone with qualifications rationalised to a Diploma and an Associate Degree.
- National higher education registration and accreditation arrangements need to be developed and harmonised with VET registration arrangements to streamline access to ISCED 5b.

TAFEs and other RTOs could then apply to extend their scope of registration into the ISCED 5b zone. In the case of TAFEs a single process to allow self accreditation up to Associate Degree level would be the most rational.

Given that in most cases State and Territory registration and accreditation bodies are responsible for similar functions in VET and for non-self accrediting higher education providers this should be relatively easy to achieve once a national agreement is reached.

#### *Secure national funding required*

ISCED 5b is split between TAFE provision, which is predominantly State and Territory funded, and universities, which are almost entirely Commonwealth funded. This is a significant barrier to the development of articulated programs, as the different sectors have different funding accountabilities and audit regimes. At worst, articulation arrangements have been seen by jurisdictions variously as cost shifting or HECS avoidance.

A prerequisite for significant reform in ISCED 5b is the creation of a single national funding stream expressly dedicated to this area. Funding is required for the development of offerings, partnership arrangements and for delivery. This funding

would need to be targeted at reformed Diploma and Associate Degree level qualifications where skills shortages are identified. However, articulation to Degree programs should be a mandated element of the program. Funding should be available to TAFEs, universities and consortia.

The Foundation Degree initiative in the United Kingdom provides evidence that it is possible to develop programs which are industry focused, provide high levels of credit transfer into degrees, appeal to school leavers and those in the workforce, and can be delivered in TAFE and university type providers (QAAHA, 2005).

***Discussion paper question 16***

***Does the movement between the sectors of students with credit need to be improved? If so, in what ways?***

Examples of seamless pathways between VET and higher education courses are provided at:

- <http://tomorrow.education.tas.gov.au/home/Consultation-Reponse.pdf> , pp 7-8.
- <http://www.southbank.edu.au/site/programs/pathways/articulation.asp>. and
- [http://www.curriculum.edu.au/verve/\\_resources/National\\_Study\\_case\\_studies\\_report\\_FINAL.pdf](http://www.curriculum.edu.au/verve/_resources/National_Study_case_studies_report_FINAL.pdf)

However, the development of articulated pathways with full or significant credit takes a lot of work with credit applying only between qualifications at the institution or institutions that have developed the arrangement.

The low levels of credit granted to those entering university on the basis of prior vocational qualifications indicates that outside of local arrangements between institutions significant barriers do exist. These barriers have been documented in a number of reports including Philips 2006. Tellingly this report notes that:

Even in those institutions both committed to and successful in creating pathways for students to move with credit from VET to higher education, barriers continue to hamper efforts and these pathways do not always operate as smoothly, efficiently or effectively as they might.

The lukewarm response to the recommendations in Philips (2006) by MCEETYA (2007) is evidence of the need for a more comprehensive approach to this issue as outlined above. The appropriate forum in the initial instance may be the Council of Australian Governments as reform of the existing national arrangements would be required to facilitate an appropriate policy response.

***Discussion paper question 17***

***To what extent should relative provision between the sectors be planned or demand driven. What are the effects of current differences on funding, governance and regulation in limiting planning or influencing choice between the sectors?***

As discussed above, the decline of Diploma and Advanced Diploma enrolments are evidence of the impact of different funding, governance and regulation systems across the ISCED 5b level leading to failure in the qualifications market. Planning could occur through targeting of funding including incentives to develop attractive articulated programs to areas of expected industry demand.

## References

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