From old to new: 
The Australian Qualifications Framework

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Foreword

According to an ILO survey, some 70 countries are in the process of developing or implementing some kind of a qualifications framework. A framework is intended to improve understanding of qualifications (degrees, certificates, or recognition of experiential-based learning) in terms of the information they convey to an employer about prospective workers’ competencies. Frameworks are also intended to explain how qualifications relate to each other and thus can be combined to build pathways within and across occupations and education and training sectors. Many countries are trying to improve the relevance, quality and flexibility of their education and training systems, and many of them are looking to qualification frameworks as a tool for bringing about this reform. Development of national qualification frameworks (NQFs) are also motivated by the emergence of regional frameworks, such as in Europe or in the Caribbean, which aim to help employers and institutions of higher education recognize the equivalency of qualifications earned in different countries. With these goals in mind, the development of NQFs has been widely supported by multilateral and bilateral agencies.

However, very little has been documented about the effectiveness of NQFs in bringing about change in skills development systems or about their actual use by employers, workers, and training providers. In 2009, the ILO’s Skills and Employability Department launched its Qualifications Framework Research Project to study the impact and implementation of NQFs in developing countries to help fill this knowledge gap and to be able to provide more evidence-based advice to member States.

The research programme, comprising some 16 country case studies and a review of academic literature on the NQFs, provides an international comparison of the design and purpose of NQFs in developing countries and an empirical analysis of their use and impact based on the experience of those involved in their design and use. The study aims to understand to what extent establishing an NQF is the best strategy for achieving a country’s desired policy objectives, what approaches to qualifications frameworks and their implementation are most appropriate in which contexts and for which purposes, what level of resources (human and other) and what complimentary policies might be required to achieve the policy objectives associated with them, and what might be a realistic assessment of the likely outcomes.

This paper is one of five case studies conducted as part of the research and appears as a chapter in Employment Working Paper No. 45 done in 2009, Learning from the first qualifications frameworks, which consisted of: Chapter 1 on the National Vocational Qualifications in England, Northern Ireland and Wales, written by Professor Michael Young (Emeritus Professor at the Institute of Education, University of London); Chapter 2 on the NQF in Scotland, written by David Raffe (Professor of Sociology of Education, University of Edinburgh); Chapter 3 on the NQF in New Zealand, written by Dr. Rob Strathdee (Head of School of Education Policy and Implementation at the University of Wellington); Chapter 4, written by Leesa Wheelahan (Senior Lecturer in Adult and Vocational Education, Griffith University); and Chapter 5, written by Stephanie Allais (now postdoctoral fellow at the University of Edinburgh). A companion Working Paper (No. 44) (Allais et al. 2009), Researching NQFs: Some conceptual issues, addresses some of the fundamental conceptual issues involved in research on NQFs in order to broaden the debate about their role in skills systems. A full analysis of the new case studies and the policy lessons derived from them was published in 2010 as The implementation and impact of National Qualifications Frameworks: Report of a study in 16 countries, which, along with other background reports and publications, can be found on the Skills and Employability Department website’s theme of ILO research programme on implementation.

As a Research Associate in the Skills and Employability Department in 2009, Dr. Stephanie Allais has led the development of the research and overseen the country studies. Professor Michael Young has served as senior research advisor, and Professor David Raffe gave advice and support to the project. The research programme has been carried out in cooperation with the European Training Foundation. I would also like to thank Jo-Ann Bakker for preparing the manuscript for publication.

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Director
Skills and Employability Department
# Acronyms and abbreviations

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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<td>ACE</td>
<td>Adult and Community Education</td>
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<td>ACTU</td>
<td>Australian Council for Trade Unions</td>
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<td>ANTA</td>
<td>Australian National Training Authority</td>
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<td>APEL</td>
<td>Accreditation of experiential learning</td>
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<td>AQF</td>
<td>Australian Qualifications Framework</td>
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<tr>
<td>AQFAB</td>
<td>Australian Qualifications Framework Advisory Board (replaced by the AQFC in May 2008)</td>
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<td>AQFC</td>
<td>Australian Qualifications Framework Council</td>
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<td>AQTF</td>
<td>Australian Quality Training Framework</td>
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<td>ARF</td>
<td>Australian Recognition Framework</td>
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<td>AUQA</td>
<td>Australian Universities Quality Agency</td>
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<td>CAEs</td>
<td>Colleges of Advanced Education</td>
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<td>CBT</td>
<td>Competency-based training</td>
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<td>CEDEFOP</td>
<td>European Centre for the Development of Vocational Training</td>
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<td>COAG</td>
<td>Council of Australian Governments</td>
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<tr>
<td>CRICOS</td>
<td>Commonwealth Register of Institutions and Courses</td>
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<td>CTEC</td>
<td>Commonwealth Tertiary Education Commission</td>
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<td>DEEWR</td>
<td>Department of Education, Employment and Workplace Relations (the Commonwealth department with responsibility for education and training, among other things)</td>
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<td>DEST</td>
<td>Department of Education Science and Training (the Commonwealth Department with responsibility for education and training under the conservative Howard Government)</td>
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<tr>
<td>EFTSL</td>
<td>Equivalent Full-Time Student Loads</td>
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<td>EQF</td>
<td>European Qualifications Framework</td>
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<td>ESFC</td>
<td>Employment and Skills Formation Council</td>
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<td>ET</td>
<td>Education and training</td>
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<td>ETF</td>
<td>European Training Foundation</td>
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<td>HECS</td>
<td>Higher Education Contribution Scheme</td>
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<td>HEP</td>
<td>Higher Education Provider</td>
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<td>ISCs</td>
<td>Industry Skills Councils</td>
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<td>ITABs</td>
<td>Industry Training Advisory Bodies</td>
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<tr>
<td>MCEEDYA</td>
<td>Ministerial Council for Education, Early Childhood Development and Youth Affairs</td>
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<td>MCEETYA</td>
<td>Ministerial Council for Education, Employment, Training and Youth Affairs</td>
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<td>MCTEE</td>
<td>Ministerial Council for Tertiary Education and Employment</td>
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<td>MCVTE</td>
<td>Ministerial Council for Vocational and Technical Education</td>
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<td>NBEET</td>
<td>National Board of Employment, Education and Training</td>
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<td>NCVER</td>
<td>National Centre for Vocational Education Research</td>
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<td>NFROT</td>
<td>National Framework for the Recognition of Training</td>
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<td>NISC</td>
<td>National Industry Skills Council</td>
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<td>NQC</td>
<td>National Quality Council</td>
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<td>NQFs</td>
<td>National qualifications frameworks</td>
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<td>NTB</td>
<td>National Training Board</td>
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<td>NVQs</td>
<td>National Vocational Qualifications</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>RPL</td>
<td>Recognition of prior learning</td>
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<td>RTO</td>
<td>Registered Training Organization</td>
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<td>TAFE</td>
<td>Technical and Further Education (institutes that are the public providers of VET)</td>
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<td>TAPEC</td>
<td>Technical and Further Education Council</td>
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<td>TEQSA</td>
<td>Tertiary Education Quality and Standards Agency</td>
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<tr>
<td>VET</td>
<td>Vocational education and training</td>
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<td>VRQA</td>
<td>Victorian Registration and Qualifications Authority</td>
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<td>ZMTs</td>
<td>Zones of mutual trust</td>
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From old to new: The Australian Qualifications Framework

1. Introduction

The Australian Qualifications Framework (AQF) is a ‘first generation’ qualifications framework (Tuck 2007, p. 1) that was established in 1995. Its purpose was to create ‘a comprehensive, nationally consistent yet flexible framework for all qualifications in post-compulsory education and training’ (AQFAB 2007, p. 1). It encompasses all post-compulsory qualifications in Australia, which includes: senior school certificates, vocational education and training (VET) qualifications and higher education qualifications. It is often portrayed as a good example of a relatively ‘weak’ or ‘loose’ qualifications framework because it does not have a direct role in accrediting qualifications or in quality assurance.\(^1\) Jack Keating (2003, p. 16) explains that the influence of the AQF ‘depends upon the willingness of the powerful partners to use it as a framework to advance reforms’. This has been both a strength and a weakness of the AQF. It has had most impact on VET where it has been pivotal in creating a national VET system and nationally-recognized VET qualifications, but its influence has been less in universities and difficult to discern in the senior school certificates (Keating 2008b).

All this is set to change. In November 2007, the previous conservative National Government was voted out after 11 years and a Labor Government was elected. The Australian Labor Party (2007a, p. 5) promised to inaugurate an ‘education revolution’, so that Australia would ‘become the most educated country, the most skilled economy and the best trained workforce in the world.’ Among other things, it created a new governing body for the AQF – the Australian Qualifications Framework Council (AQFC) which will be situated within a new, stronger national regulatory body that will first have responsibility for higher education and later for VET (Commonwealth of Australia 2009). The AQFC has been asked by the Government to advise on how the AQF can be strengthened and made more ‘robust’ (Gillard 2009c). The AQFC (2009) is currently undertaking a public consultation on how best it may do this. It is clear that the new AQF will almost certainly be based on a taxonomy of learning outcomes, explicit levels and a measure of volume (or time) of learning. As we will see, this ‘architecture’ is more extensive than the existing AQF. While these changes do not necessarily mean that the AQF will have a greater regulatory role, broader policy means that it almost certainly will do so.\(^2\) The new Labor

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1 While this remains true, it has begun to have a more regulatory role indirectly through other mechanisms. This will be discussed later in this paper. See Keating (2000; 2003, p. 279), Young (2005, p. 13), Tuck (2007, p. 32) for a discussion of Australia’s designation as a weak/enabling framework.

2 This is also signalled by the composition of the new AQFC. The Government has appointed John Dawkins as the Chair of the new AQFC. Dawkins was the Labor Education Minister in the late 1980s who was responsible for the unification of the higher education system which merged colleges of advanced education with universities, and the creation of a national VET system based on competency-based training models of curriculum. The transformation of both tertiary education sectors is referred to in short-hand as ‘the Dawkins reforms’. So when Dawkins (2009) says that,
Government is developing tighter regulatory and accountability arrangements for all sectors of post-compulsory education, and not just VET, and the strengthening of the AQF is part of that process.

This paper thus tries to capture an important time of transition in Australia as it moves from a relatively weak qualifications framework to a stronger one. It argues that there is a fundamental tension at the heart of the AQF that arises because VET qualifications are based on competency-based training models of curriculum, while higher education qualifications and senior school certificates are based on in-put models of curriculum. This has limited its effectiveness in implementing one of its key objectives, which is to facilitate student transfers, pathways and credit transfer between education sectors. The AQF’s limited success in achieving this objective is one of the problems that the current review is trying to solve. The Chair of the AQFC, John Dawkins, explains that:

"Our goal should be to create greater synergy between the sectors, optimise entrance pathways and transferability between the sectors – bridging academia and VET with student flows and outcomes enhancing the workforce capacity across Australia. (Dawkins 2009)"

The strengthened AQF will contribute to clearer relationships between qualifications, and it will also, in different ways, pressure all sectors of post-compulsory education and training to do things differently so that there is greater alignment between them. However, it is not clear that the current mooted reforms to the AQF will solve the contradiction between two models of curriculum that are, as it will be argued, incommensurable. This paper will also argue that the AQF needs reform as part of wider changes to education policy, but that the options presented in the AQFC’s consultation paper may create problems if the outcome is a unified ‘tight’ qualifications framework in contrast to a unified ‘loose’ framework that is supported by ‘policy breadth’ (Raffe 2005).

**Structure of the paper**

Section 2 of this paper provides the broader context for the AQF by outlining key features of Australian society, educational participation in and outcomes from education, and the relationship between qualifications and the labour market. Section 3 outlines the broader policy in which the AQF was developed and Australia’s federal structure of government and responsibilities for education. It also presents a brief and outline of the higher education, VET and school sectors and it concludes with a discussion of the trajectory of policy. Section 4 outlines the origins, development, nature and structure of the AQF and presents an outline of educational outcomes in which the AQF has played a role. It also discusses the strengths and weaknesses of the AQF and explains why it is now being reviewed. Finally, Section 5 discusses the future of the AQF.

‘The proposal to include the AQF within the proposed new regulatory body may lead to its wider observance’, this is understood to mean that it will result in this outcome.
2. Setting the context 1: Australia in a nutshell

Australia has a population of almost 22 million people. Before British colonization in 1778 it was, for at least 50,000 years, home to its culturally, socially and linguistically diverse Aboriginal and Torres Strait Islander peoples. Australia was not constituted as one nation until 1901 when the six British colonies joined in one federation and it now has six States and two Territories. It is a land of immigrants, with about one quarter of all Australians born overseas (ABS 2008a). It is a vast dry island-continent where the culturally diverse population is mostly concentrated in large cities on the coasts. Australia is rich in natural resources and it was experiencing a sustained economic boom until the recent global financial crisis (Knight and Mlotkowski 2009, p. 12). This prosperity is demonstrated by the fact that, when adjusted for inflation and population growth, Australia now produces over 50 per cent more goods and services than it did 15 years ago (Buchanan et al. 2009, p. 7). However, this prosperity is not evenly distributed over households as those who live in capital cities earn more than those who live elsewhere, and the wealthiest 20 per cent of the population have 61 per cent of household wealth, while the bottom 20 per cent have 1 per cent of household wealth (ABS 2008b, pp. 276, 279).

The qualifications profile of Australians and participation in learning

The rate of retention for students completing secondary school was just over 74 per cent in 2007, and this has not changed substantially since 1997 when it was just below 72 per cent (ABS 2008d, p. 4). The recent Review of Australian Higher Education notes that this compares well to an OECD average (in 2005) of 69 per cent, but it argues that this is still well below the top six performing OECD countries (Bradley 2008, pp. 17, 19). Most Australian State Governments have increased or will increase the school leaving age from around 15-16 years to 17 years, and students will have to be ‘earning or learning’ in school, training or work.

The proportion of Australians holding a non-school qualification has grown over the last 10 years, and around 54 per cent of the population aged between 15 and 64 years held a non-school qualification in 2008 compared to 42 per cent in 1998 (ABS 2008c, p. 3). The greatest growth was in the group with a bachelor degree or above as their prior highest qualification, while there was a slower rate of growth in the group with an advanced diploma/diploma or below as their highest qualification (ABS 2007b, p. 1). Non-school qualifications below advanced diplomas/diplomas are certificates IV, certificates III, certificates II and certificates I.

Some 22 per cent of those aged between 15 and 64 years in 2008 held a bachelor degree or above as their highest qualification, with this rising to 32 per cent for those aged between 25-34 years (ABS 2008a, Table 14). Australia has slipped in the percentage of its population aged between 25-34 years with a bachelor degree or above from seventh place in the OECD in 1996 to ninth place in 2006. Its percentage of this age group with a degree is

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similar to the OECD average, but is rather less than the top six OECD countries (Bradley 2008, p. 18).

In 2008, some 31 per cent of those aged between 15-64 years held an advanced diploma/diploma or below as their highest qualification (ABS 2008a, p. 3). The most common non-school qualifications (in 2007) held by men were certificates I-IV (31 per cent) and bachelor degrees or above (23 per cent), while 25 per cent of women held a bachelor degree or above and 19 per cent held a certificate I-IV. The Australian Bureau of Statistics (ABS 2007b: 1) explains that this pattern reflects the gendered segregation of Australian occupations, with women less likely to work in occupations requiring a vocational qualification than men (such as the industrial trades which require traditional apprenticeships).

In a pattern that is typical of most countries (Santiago et al. 2008), those least likely to finish school in Australia and undertake the senior school certificate are students from low socio-economic status (SES) backgrounds. They are also over-represented among those undertaking VET-in-schools subjects as part of their senior school certificate (Teese et al. 2006). High SES students are far more likely to go to university whereas low SES students are more likely to go to vocational education and training (VET). Low SES students are around 15-16 per cent of all higher education students (and have been so since at least the early 1990s) whereas if they reflected their share of the Australian population they should be 25 per cent (CSHE 2008). Low SES students are over-represented in VET but they are most over-represented in lower-level VET qualifications, while they are only 20 per cent of students in VET diplomas and advanced diplomas (Foley 2007). VET diplomas and advanced diplomas are the main qualifications used by VET students to gain access to degrees, and one consequence is that these pathways deepen participation in higher education by existing social groups, but they do not widen participation for under-represented disadvantaged students (Wheelahan 2009c). This is so even though a key objective of the AQF is to promote equity through providing disadvantaged students with access to higher education via VET pathways.

Participation by adults in formal, non-formal and informal learning in Australia is high by international standards. The ABS (2007a, p. 3) defines formal learning as structured learning taught in institutions and organizations (including workplaces) if it leads to a formal qualification within the AQF. Non-formal learning is structured, taught learning that does not lead to an AQF qualification. Informal learning refers to unstructured, non-institutionalized learning related to work, family, community or leisure. Some 12 per cent of Australians aged between 25-64 years reported participating in formal learning in 2007, while 30 per cent participated in non-formal, learning, and 74 per cent participated in some form of informal learning. Younger adults were more likely to participate in formal learning, while similar numbers in all age groups participated in non-formal and informal learning, except for those aged between 60-64 years. Participation in all forms of learning rises with level of educational qualification so that those with a bachelor degree or above had higher levels of participation in all forms of learning compared to those with lower-level qualifications or those who do not have non-school qualifications. Similarly, those in full-time employment had higher levels of participation in some form of learning (84 per cent), which was similar to those in part-time work (82 per cent), but more than those who

5 However, while full-time workers had similar levels of participation in formal learning compared to part-time workers, they had higher levels of participation in non-formal learning: 38 and 29.5 per cent respectively.
were unemployed (76 per cent) and those not in the labour force (62 per cent) (ibid., Table 1). Higher income earners also had higher levels of participation in all forms of learning than those on lower incomes.

The Australian Government has established new targets for participating in and completing schooling, VET qualifications and higher education qualifications. These are to:

- increase the proportion of the population aged 25-34 years with a degree from 32 per cent in 2008 to 40 per cent by 2025;
- halve the proportion of Australians aged 20 to 64 years without a certificate level III qualification by 2020;
- double the number of VET higher qualification completions (diplomas and advanced diplomas) by 2020;
- raise the proportion of young people achieving Year 12 or an equivalent qualification from 74 per cent in 2007 to 90 per cent by 2015;
- increase the percentage of students from low socio-economic backgrounds in universities from around 15-16 per cent in 2007 to 20 per cent by 2020; and,
- halve the gap for Indigenous students in Year 12 or equivalent attainment by 2020 (Commonwealth of Australia 2009, p. 12).

The Government says that Australia must meet these targets if it is to remain competitive in the international economy and if it is to become more equitable and socially inclusive. Australia’s Deputy Prime Minister and Education Minister, Julia Gillard (2009b), argues that ‘upskilling’ is more urgent in the global economic crisis than it was when Labor’s education policies were first formulated during the economic boom. The Government is introducing a range of policies that it hopes will alleviate some of the worst effects of the economic crisis on young people which includes the guarantee of a training place for those aged under 25 years, and access to income support benefits will be conditional on participation in training (Rudd 2009). This is consistent with the Government’s broader ‘welfare to work’ policies that make training a requirement for those on benefits. However the effectiveness of these policies has been questioned with Lim (2008) arguing that they are a policy-tightening exercise rather than a labour market policy aimed at enhancing the skills of welfare benefit recipients. Barnett and Spoehr (2008) argue that current policies do not adequately distinguish between training for short-term, insecure employment and that required for high quality employment.

The 2008 Review of Australian Higher Education commissioned economic modelling that showed that Australia would experience a substantial under-supply of graduates with degrees and advanced diplomas/diplomas over the next decade and this is informing Government policy (Bradley 2008, p. 16). A contributory factor is, as it is in many other developed nations, the aging of population (Knight and Mlotkowski 2009, p. 13). Consequently, policy is concerned with increasing the retention of older workers in employment and with increasing their skills, particularly as they are less likely to have finished school or hold post-school qualifications (Karmel 2008a). The objective of these

6 However, there are arguments that there is no need to be overly alarmist about impending skill shortages, and that business cycles could have a greater impact on skill shortages than demographic trends (Karmel 2009a).
policies on retaining older workers and increasing the percentage of young people who finish school and obtain non-school qualifications is to ensure Australia does not experience the same kind of skill shortages as it had during the economic boom.

Arguments by Government to increase the percentage of the population with higher-level qualifications are also linked to its social inclusion policy because those with higher level qualifications are more likely to have jobs and higher rates of pay (Gillard 2009d). However, social inclusion is understood as inclusion in the labour market as the basis for social participation in a marketised society, and this is not the same as arguments about distributive justice which are concerned with socially just outcomes of education as the basis for broader social, civic and political concerns. Knight and Mlotkowski (2009, p. 22) explain that:

[... the human capital model] ... in Australia has become the dominant way of thinking about the links between education and training and the labour market. Under this model, education and training are seen as an investment in an individual’s productive capacity, and are motivated by an expectation of a return on that investment.

The labour market and qualifications

Keating (2008a, p. 9) explains that compared to Australia, ‘most OECD countries have a larger percentage of their workforce in the manufacturing sectors and lower levels of casual employment.’ There has been a shift in Australia towards more highly-skilled jobs at the expense of middle-ranking skilled jobs in areas such as the trades and advanced clerical and service jobs, while the share of less-skilled jobs has fallen only slightly (Cully 2008, pp. 5-6). Where there has been growth in low-skilled occupations, it has been in service work and support tasks which have been ‘created by knowledge workers’ demand for services which previously would have been provided within the household’ (Cully 2008, p. 6). In Australia, as in some other Anglophone countries, participation rates by women have increased; union membership and award protection have declined as a result of deregulated markets and government policies to weaken union powers; the labour market has become increasingly casualized (van Wanrooy et al. 2007); and there is more heterogeneity in work arrangements with those working the ‘standard’ full-time week now in the minority (Cully 2008, p. 4). Pocock (2009, p. 10) explains that ‘in 2007, 24.1 per cent of Australian workers were employed for 20 hours or less per week, compared to 15.4 per cent in the OECD as a whole’. Keating (2008a, p. 9) contrasts Australia’s labour market with more regulated European labour markets that have ‘regulations or sectoral agreements specifying the types and levels of qualifications required for occupations and industry job types.’ He also explains that many other countries have a stronger emphasis on VET in secondary schools and orient their school-based VET systems to industry areas.

The ‘fit’ between qualifications in the VET and higher education sectors in Australia and the occupational destinations for which students are being prepared is very loose, except for the trades and other regulated occupations (such as electrician and physician) (Karmel et al. 2008). Moreover, the labour market destinations of VET and higher education graduates have become less differentiated with graduates from VET advanced diplomas/diplomas often competing with bachelor degree graduates for the same positions, and in many industries diplomas are being replaced by degrees as the entry level qualification (Foster et al. 2007; Karmel and Cully 2009). However, Karmel and Cully (2009, p. 10) explain that:

... apart from the licensed occupations (particularly the professions and some of the trades), employers rarely require job applicants to hold a non-school qualification. They are much more likely to specify a set of skills and personal attributes they expect an individual to have. Another way of putting this is that, while all jobs can be assigned into an occupation, the
extent of pure occupational labour markets - those characterised by a required qualification - is limited.

Overall, when specific, rather than broad, occupational areas are considered, around 37 per cent of VET student graduates in 2007 reported that they were working in the occupation associated with their VET qualification and this varied extensively by occupational field, ranging from around 14 per cent for managers to almost 61 per cent for technicians and trades. A further 41 per cent reported that their training was relevant or highly relevant to their job, while 21 per cent reported that their training had little relevance (Karmel et al. 2008: 19). Knight and Mlotkowski (2009, p. 24) cite research that shows that ‘57.8 per cent of workers report that their skills and abilities are well matched to their current job, while 30.6 per cent report to being moderately over-skilled, and 11.5 per cent report to being severely over-skilled.’

The extent to which employers engage with VET varies by industry and by size of employer. Stanwick (2009) shows that about 54 per cent of employers used the VET system to a greater or lesser extent in 2007. Larger firms are more likely to engage in training than small firms, and this also varies by the extent to which specific industries require employees to have vocational qualifications, or where there are regulatory, licensing or occupational health and safety requirements. In 2007, some 33 per cent of employers reported that they had jobs requiring vocational qualifications; 22 per cent reported that they used nationally-recognized (accredited) training; 29 per cent employed apprentices or trainees; 49 per cent reported using unaccredited (non-formal) training, 71 per cent reported using informal training, and 14 per cent reported using no training (Knight and Mlotkowski 2009, Table 17).

Cully (2005, p. 8) says that employers are aware of VET, but they find it too complex. This is a particular problem for small- and medium-sized firms, but even large firms find it difficult to navigate the system. Those that are most successful in doing so are firms with staff who had formal responsibility for training. However, almost 81 per cent employers with jobs requiring vocational qualifications were satisfied with VET in meeting their skill needs (NCVER 2008b). Karmel and Cully make the point that government funding and incentives help to shape employer training practices. They argue that while employer subsidies for trainees increased from 1997 to 2005:

… the number of hours of employer-provided training per working hour fell by 22%, at the same time as existing worker traineeships came to account for around a third of trainee commencements. This suggests that some government incentives do not actually increase the level of training to a large degree. (Karmel and Cully 2009, p. 10)

Employers’ engagement with VET training is only a small component of all VET, as it is with higher education. In 2005, the majority of students studying non-school qualifications were studying on their own behalf, with 21 per cent of students studying a

7 The match between the intended destination of the qualification and students’ actual destination was much higher among those undertaking apprenticeships and traineeships (overall at 60.7 per cent at the specific rather than broad group level), but even here there was great variation. It ranged from 11.7 per cent for managers to 84.6 per cent for technicians and trades workers (Karmel et al. 2008, p. 13).

8 ‘Existing worker traineeships’ are traineeships which are undertaken by staff already employed at the firm.
non-school qualification receiving financial support from an employer. In VET overall, around 30 per cent of students received financial support from an employer, including 21 per cent for those undertaking an advanced diploma/diploma; almost 40 per cent of those undertaking a certificate III/IV; and 10 per cent of those undertaking a certificate I/II. The peak at certificate III/IV is because most apprenticeships are at this level. In contrast, only 7 per cent of those undertaking a bachelor degree received support from an employer, but this rose to 28 per cent for those undertaking a graduate diploma/certificate and 23 per cent of those undertaking a post-graduate degree. Many graduate diploma/certificates and many course-work masters are strongly vocational and people often undertake these qualifications as part of their professional ‘upskilling’ (ABS 2005, Table 4).9

The way in which individuals, governments, businesses and others in society who have an interest in the outcomes of education engage with education is mediated by Australia’s system of government and the structures of Australia’s sectors of education. It is to this that we now turn.

3. Setting the context 2: Broader policy, government, and education sectors

The structure and nature of Australian education has changed profoundly over the last 20 years. Raffe (2002, p. 9) explains that common global trends have given rise to similar pressures for the convergence of vocational and general education in post-16 education, and to ‘...a common policy rhetoric: the knowledge economy, lifelong learning, parity of esteem, flexibility of pathways, and so on.’ The reforms to Australian education have much in common with other Anglophone nations and there has been considerable policy migration and policy borrowing between them based on their similarly-structured labour markets and the commitment by Anglophone governments to neo-liberal market principles and policies (Priestley 2002). Anglophone nations redefined the purpose of education as serving the needs of the economy so that education ‘was seen as crucial to economic competitiveness, mobilised for economic reconstruction, and embedded in micro-economic reform, corporatization and marketization’ (Marginson 1997, p. 151).

Anglophone governments believe that markets are the best way to deliver services because competition (putatively) makes providers of goods and services more responsive to customer needs. Consequently, according to this perspective, education should be a market to reduce so-called ‘producer capture’ by education institutions and to elicit competitive and entrepreneurial behaviour from them to ensure they are responsive to ‘client’ needs. Governments proclaim that the aim of these reforms is to make education ‘demand led’ by students and employers rather than ‘user led’ by educational institutions (Young and Allais 2009, p. 2). However, despite the sustained implementation of these policies over at least 20 years, there is little evidence that they have succeeded and, in particular, it is difficult to find any research that demonstrates that fully contestable markets in education have achieved the outcomes sought by government (Wheelahan 2009b).10

9 The ABS very unhelpfully used the age range of 15-69 years in this report, whereas most of their reports use the age range of 15-64 years.

10 In an astonishingly frank article, Robin Ryan (2008, p. 11) who was involved in the development of marketization policies in VET, argues that these policies were developed on the basis of little
Qualifications frameworks in Anglophone countries help to reduce the power of educational institutions because they define qualifications and outcomes of learning independently of educational institutions (Young 2008). Tuck (2007, p. 4) explains that this is a feature of NQFs in Anglophone countries that is not necessarily found in other qualification systems which may include, but are more than, NQFs. Even though the AQF was not as ambitious in scope as NQFs in some other Anglophone countries, like these countries, for reasons that will be discussed later, the AQF has been more successful in severing the link between qualifications and institutions in VET than it has in higher education or schools. However, the AQF has been important in Australia in establishing a market in qualifications (Moodie 2008). Qualifications frameworks are needed to structure and regulate a qualifications market in which qualifications are the unit of currency (masters, degrees, diplomas etc). They are the mechanism through which fees, qualifications and jobs can be exchanged. This is why a qualifications framework applies to higher education (at least in Australia) even if it is unable to specify the learning outcomes for higher education with the same precision as with VET.

While there is a high level of congruence between education reforms in Australia and other Anglophone nations, there are also important differences ‘as local traditions and influences merge with global trends’ (Priestley 2002, p. 122). Global pressures are mediated within nations by political processes and governments, so that ‘It is not the economic pressures themselves but rather how they are perceived which drives educational changes’ (Raffe 2002, p. 5). The discourse of globalization is also used by governments in nation states as a mechanism to drive internal change, and in the case of the Anglophone countries, to implement neo-liberal reforms (Jarvis 2007). This also helps to account for the similarities between educational reforms in Anglophone countries, but also the difference between them.

Goozee (2001, p. 62) explains that the years 1987-1990 were characterized by strong interventionist government policies in Australia that were designed to respond to national economic needs, and this resulted in dislocation and constant restructuring for all sectors of education in Australia. However, governments have not had untrammelled power in this process. Keating (2008b, p. 3) argues:

_Broadly there are three agents in the ownership and management of qualifications: providers (universities, colleges, institutes, schools), the state and civil society in the form of professional, occupational and industrial communities and organizations._

The different relationships between these three ‘agents’ are mediated in different ways in schools, VET and higher education as a consequence of the different social relations and relative power of each constituency within and between each sector of education, but also by the federated structure of Australian Government.

**Government**

Government power in Australia is shared between a National Government (called the Australian or Commonwealth Government) and eight State and Territory Governments. Even though education is constitutionally a State Government responsibility, responsibility and funding for education is shared between the two levels of government. The three main evidence. He says ‘the fundamental point of the desirability of market forces in VET has almost always been resolved simply by assertion, often with reference back to a report which had previously made the same act of faith.’
sectors of education in Australia are schools, VET and higher education. While the Australian Government is responsible for higher education and the State and Territory Governments are responsible for schools and VET, in practice control, responsibility and funding are shared between both levels of government. The Australian Government provides almost all government funding for higher education, but it provides some funding for schools and VET. Both Labor and conservative governments have vigorously used their minority funding to drive VET policy over the last 15 years, and the current Labor Government is increasingly doing so now in schools, as did the previous conservative government.

Co-ordination of education policy occurs through Ministerial Councils which include the Commonwealth, State and Territory Education and Training Ministers. The new Australian Labor Government overhauled the system of Ministerial Councils under the previous conservative government and established two new Ministerial Councils. The first is the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEEDYA). The second, and the one most relevant for this paper, is the Ministerial Council for Tertiary Education and Employment (MCTEE). MCTEE has responsibility for higher education, VET, international education, adult and community education, the AQF, employment and youth policy (Commonwealth of Australia 2009, p. 43). The creation of MCTEE is one element of the restructuring of post-compulsory education that will bring VET and higher education together in a more coherent tertiary education system. It replaces the previous conservative government’s Ministerial Council for Vocational and Technical Education (MCVTE) which had specific responsibility for VET while all other sectors remained under the previous Ministerial Council, which was the Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA), thus contributing to reinforcing sectoral divisions.

While the formal arrangements between governments sound collaborative, Commonwealth/State relations have always been fraught in Australia, and this is as true of education and training policy as any other. Although State/Commonwealth relations can be fraught even when the same party is in power at both levels, they are much more so when all the States have a different party in power to the Commonwealth. This was the case during the 11 years of conservative Commonwealth Government with Labor Governments in all States and Territories for most of that time, and Commonwealth/State relations were particularly difficult and often openly hostile. Australia now has a Labor National

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11 Adult and community education (ACE) is sometimes, and sometimes not, included as a sector, although it does come under the purview of the new ministerial council for tertiary education. ACE is constituted as a sector in some States (New South Wales and Victoria), and offers a range of programmes including accredited and funded VET programmes, with accompanying State Government infrastructure to support it. In other States, ACE is a form of provision, which is offered by TAFE institutes and other community-based providers, with the latter not funded to offer accredited VET programmes (Wheelahan et al. 2002). Pre-school and early childhood education is increasingly seen as a sector of education, particularly since the commitment of the Labor Government that all Australian children aged 4 years will have access to structured educational experiences for 15 hours a week taught by qualified early childhood educators (Australian Labor Party 2007b).

12 See the Department of Education, Employment and Workplace Relations (DEEWR) website which explains the establishment of the two Ministerial Councils and the responsibilities of MCEEDYA: http://www.deewr.gov.au/Skills/Programs/Pages/Ministerial_Council.aspx [22 Nov. 2009].
Government and only one of the states has a conservative government, but most political commentators would argue that this situation will not remain for long.

The new Labor Prime Minister, Kevin Rudd, promised that his Government would engage in co-operative federalism in working with the States, and the States have so far willingly participated in this process. As a consequence, the Council of Australian Governments (COAG) has emerged with significant and hitherto unparalleled power. It consists of the Prime Minister and all State and Territory Premiers (the elected leaders of those Governments) and it is playing a key role in schools and VET policy. Arguably, COAG is, as a consequence, bypassing the state education and training departments and ministers in the process, particularly in VET policy (Moodie 2009; Ross 2008).

**The contradiction at the heart of Australia’s education sectors**

Unlike most Anglophone nations, Australia has a deeply-tracked tertiary education system that differentiates VET and higher-education qualifications, curriculum, processes of learning, outcomes and purposes, but like most Anglophone nations, it has an untracked or unified secondary education system. This is at the heart of the contradiction in Australian post-compulsory education and training (Moodie 2005b, 2008; Keating 2006).

Young (2005, pp. 15-16) argues that NQFs are based on two tensions that arise from conflicting assumptions that are used to design qualifications. The first tension is around the principle of difference and the principle of similarity, and the second tension is around qualifications designed on the basis of inputs and those designed on the basis of outputs. Traditional, ‘tracked’ qualifications systems use the principle of difference because they emphasize the different purposes of VET and higher education qualifications and the different occupational destinations they are designed to serve. This works if graduates enter relatively stable labour market destinations and tracked systems are able to effectively allocate graduates to job vacancies and to careers that draw from the differentiated knowledge base in each sector (Moodie 2003). ‘Unified’ systems are designed to meet the needs of more fluid labour markets in which knowledge and skill requirements change in response to change in markets and processes of production and technology, and this means that they are putatively underpinned by common knowledge and skill requirements. There is less of a ‘fit’ between qualifications and their occupational destinations. This is encapsulated most clearly in policy that establishes generic skills as an important component of qualifications. The principle of similarity underpins qualifications frameworks in unified systems that emphasize progression to and from general and vocational education (Young 2005, p. 15).

Qualifications that are based on inputs assume that they cannot be defined independently of the syllabus, processes of learning and assessment and the institutional setting in which learning takes place. This usually requires a high level of trust between all stakeholders. Young (2005) refers to these types of qualifications systems as process-based or institutional systems. Qualifications that are based on outputs sever the link between the institution and learning outcomes because they are based on the premise that learning outcomes can be defined independently of when, how or where learning takes place. Process-based systems use shared agreement among stakeholders (such as professional bodies) about content, learning and assessment, whereas outcomes-based systems are premised on the specification of ‘objective’ criteria in a national framework (Young 2001, p. 11). Governments have used outcomes-based qualifications frameworks to support the shift from the ‘provider culture’ of education and training institutions and awarding bodies to a ‘user-led’ marketized system. National criteria are needed where there is low trust and the ‘rules’ are used to regulate behaviour between stakeholders and to regulate buying and
selling in a qualifications market. In fluid labour markets, the qualifications themselves become signifiers of the knowledge, skills and attributes of individuals (Young 2005).

Qualifications systems in Northern Europe tend to be tracked and process-oriented. In contrast, qualifications systems in Anglophone countries tend to be unified and outcomes-oriented (idem). This maps to the different ways each organizes their economies. The economies of Northern Europe use social partnerships between employers, business, and labour to match graduates to jobs in relatively stable labour markets, whereas Anglophone liberal market economies use the market as the mechanism for matching graduates and jobs in volatile labour markets (Hall and Soskice 2001).

The contradiction arises in Australia because it is a liberal market economy like Britain and the United States, but it has deeply differentiated VET and HE sectors that are in many ways similar to the tracked sectors characteristic of Northern Europe. However, unlike many countries in Northern Europe, which have tracked secondary systems of education, the senior years of secondary education in Australia have been relatively undifferentiated and the senior school certificates have been designed primarily to rank students for competitive entry to university (Keating 2006, pp. 62-63). Keating explains that:

... the logic of these typologies would suggest that the post-school education sector in Australia should be similar to those of the UK, North America and New Zealand. Australia shares with these countries an untracked secondary school system, and upon this basis it should have a more diversified and generalist post-school sector. The open nature of these Anglophone generalist school systems allows for less regulated links with the post-school sectors which in turn can adapt into different orientations and generalist institutions. This contrasts with the academic and vocational tracks of the continental European secondary school systems that articulate relatively directly with the more specialized post-school sectors. (ibid., p.60).

This contradiction is all the more stark given that, as demonstrated earlier, there is a very loose fit between qualifications and their occupational destinations; the occupational differentiation that tracked systems are meant to serve takes place in a relatively undifferentiated labour market with VET advanced diploma/diploma graduates and degree graduates competing for the same jobs.

While the creation of the AQF was meant in part to deal with these contradictions, it has had only limited success in doing so. This is because the AQF was structured by, and the outcome of, broader policies that reinforced the distinction between the VET and higher education sectors, but without challenging the senior school certificates’ primary emphasis on ranking students for university entry. At the same time as the Australian Government was creating a unified higher education system by amalgamating universities and colleges of advanced education in the late 1980s, it was implementing policies to create a national VET system ‘in the skills development or industrial training mould’ based on ‘industry leadership’ and competency-based models of curriculum (ibid., p. 61). While emphasizing that higher education has a vocational role, particularly for the professions, Karmel et al. (2008, p. 9) nonetheless say:

Vocational education and training (VET) is, by definition, vocational in intent. Its purpose is unashamedly instrumental; it is about acquiring skills to be used at work. This contrasts with the broader purposes of school education and university education, where education is often seen as an end in its own right.

This difference, broadly understood, has structured the sectors and the relationship between them.
Higher education

There are 37 public universities in Australia, and a large number of very small private educational providers which includes two small private not-for-profit universities, private-for-profit colleges, religious colleges and preparatory colleges established by public universities and private companies. Ten Technical and Further Education (TAFE) institutes, which are publicly-funded VET institutions, are registered to offer two-year associate degrees and bachelor degrees, although almost all this provision is not publicly funded and is offered for full tuition fees. In 2007, public universities enrolled 94 per cent of all higher education students.\(^\text{13}\)

The Australian Government has principal responsibility for universities, but they are established by State Acts of Parliament, and State Governments play a role in how they are shaped and the contribution they make to education provision and the economy. State governments are key players in deciding where new universities or campuses will be established, which is a matter of some importance because of the contribution universities make to local economies and communities. The State of Victoria is unusual because it has eight public universities and four of these are ‘dual-sector universities’ which include a large higher education and TAFE division. There is only one other dual-sector university and that is in the Northern Territory, which is a vast and sparsely populated region.

Government funding as a proportion of university income has steadily declined over the last 20 years and the Australian Government now contributes 41 per cent of universities’ income, while State and local governments contribute 4 per cent. The proportion paid by students in fees and charges has steadily increased and is now 38 per cent of universities’ total revenue. The source of Australian universities’ revenue is shown in Table 1.

<table>
<thead>
<tr>
<th>Source</th>
<th>$\text{'000}</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Government grants</td>
<td>7,016,258</td>
<td>41</td>
</tr>
<tr>
<td>Student fees and charges</td>
<td>6,563,790</td>
<td>38</td>
</tr>
<tr>
<td>Other income</td>
<td>1,336,455</td>
<td>8</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>837,062</td>
<td>5</td>
</tr>
<tr>
<td>Consultancies and contracts</td>
<td>791,276</td>
<td>5</td>
</tr>
<tr>
<td>State and local governments</td>
<td>691,297</td>
<td>4</td>
</tr>
<tr>
<td>Royalties, trademarks and licenses</td>
<td>79,039</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,315,177</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
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Source: DEEWR (2008a) Adjusted statement of financial performance for each Higher Education Provider (HEP), 2007 (AUD $’000)

Australia’s international education services are increasingly important for the Australian economy and for universities’ incomes. This market consists of full-fee paying on-shore and off-shore international students. Education services are now Australia’s largest service export and the third-largest export overall behind coal and iron ore (Bradley

\(^{13}\) DEEWR (2008b): Table (ii): Summary of student load EFTSL (Equivalent Full-Time Student Loads), 2006 and 2007 full year.
Overseas student revenue is now 15 per cent of universities’ revenue, while overseas students are 25 per cent of all higher education students. Internationalization of Australian higher education is now seen as a cultural and pedagogic imperative as well as an economic one (ibid.). Australia is currently experiencing a crisis in its international student market as a result of poor provision by private VET providers for on-shore international students. A growing number of small private-for-profit colleges have failed and the Australian and State governments are seeking to tighten regulations and quality assurance. While this is a VET ‘problem’, it has nonetheless damaged the reputation of all Australian tertiary education providers, and universities are worried about the impact this may have on demand for their programmes by overseas students.

Public universities receive funding to offer public under-graduate places to domestic students in undergraduate degrees and research higher degrees (research masters and PhDs), but other post-graduate courses are usually full-fee, which includes graduate certificates/diplomas, course-work masters and professional doctorates. The Labor Government has overturned a decision of the previous conservative government and prohibited public universities from offering full-fee under-graduate places to domestic students. Students in under-graduate public places make a substantial contribution to the cost of their degrees depending on the discipline in which they are enrolled, and in 2009 this ranged from 84 per cent in business and law, 52 per cent in the humanities, 32 per cent in medicine, to the lowest of 22 per cent in science. Domestic research higher degree students do not pay fees. All public and full-fee-paying under-graduate and post-graduate domestic students can defer payment of their fees in public universities and appropriately registered private higher education providers through an income-contingent loan. This means that they pay a percentage of their income through the tax system once their income reaches a threshold, which is around average week earnings and their debt does not accrue a real rate of interest.

The Australian Government has announced that it will introduce demand-driven funding for public higher education places at public universities based on student entitlements by 2012 (Commonwealth of Australia 2009, p. 17). The Minister for Education, Julia Gillard (2009d) insists this is not a student voucher, however, this is a difficult argument to sustain given that universities will be funded only if students enrol at those institutions, and students are free to choose the institution in which they will enrol (provided they meet the entry criteria). Similar arrangements are considered ‘indirect vouchers’ in the literature (see Agasisti et al. (2009, p. 39) and the literature there cited). Other higher education institutions have been excluded from access to this funding at this stage, including TAFE, but commentators think that this position will be hard for the Government to sustain if it is insisting on a market-driven higher education sector with competitive private higher education institutions. Moreover, it will arguably be difficult for the Government to meet its higher education expansion targets without the involvement of TAFE, either through directly funding TAFE to deliver public higher education, or through franchise arrangements between TAFEs and universities.

Only universities and a very small number of other institutions are self-accrediting. Other institutions that wish to offer higher education qualifications must be registered with their State higher education registering body and each programme that they wish to offer

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must be accredited as well. The processes for registering higher education institutions and accrediting qualifications are similar in all states because all states implement the MCEETYA National Protocols for Higher Education Approval Processes. The purpose of the National Protocols is to:

... protect the standing of Australian higher education nationally and internationally by assuring students and the community that higher education institutions in Australia have met identified criteria and are subject to appropriate government regulation (MCEETYA 2007, p. 1)

The protocols have criteria that must be followed in establishing universities; awarding self-accrediting status to higher education institutions that are not universities; registering non-self accrediting higher education institutions; and approving international higher education institutions that seek to operate in Australia. One of the conditions of registration is that accredited higher education qualifications must comply with the AQF higher education titles and qualifications descriptors. This is honoured more in the breach by universities, but it is enforced on all other higher education providers by the State government registering bodies. This is one way in which the AQF is indirectly coming to play a more regulatory role. It has, however, led to complaints among non-university providers and others in the sector that non-university providers are required to meet higher standards in accrediting their programmes than are universities (Wheelahan et al. 2009). In addition to this, all education providers from all sectors of education that wish to offer full-fee qualifications to overseas students must register their courses on the Commonwealth Register of Institutions and Courses (CRICOS) and they cannot do so unless their courses are AQF compliant, and universities must comply with this.

The Australian Universities Quality Agency (AUQA) is responsible for auditing the quality of Australian universities and they are audited every five years. State Government higher education registering bodies are responsible for the quality of higher education programmes that they accredit, and they are also audited by AUQA. In addition, AUQA can choose to audit non-university higher education providers. However, there are perceptions that the current model is: ‘...too focused on inputs and processes and does not give sufficient weight to assuring and demonstrating outcomes and standards’ (Bradley 2008, p. 115). Moreover, among other things, there are concerns about different and overlapping jurisdictions and regulatory and quality frameworks for registering higher education institutions, for VET, and for consumer protection for overseas students (idem). Consequently, a new Tertiary Education Quality and Standards Agency (TEQSA) is to be established to evaluate higher education institutions against ‘objective and comparative benchmarks of quality and performance’ that are to be developed by TEQSA (Commonwealth of Australia 2009, p. 31). It will be established by 2010 and it will encompass VET by 2013.

**Vocational education and training (VET)**

The wide-ranging reforms to the VET sector in Australia since the 1980s have largely had bipartisan support from both Labor and conservative Commonwealth and State and Territory Governments. Before these reforms, each State and Territory had its own qualifications and systems of accreditation which were often not recognized in another State, even if the qualification was for the same occupation. The creation of a national VET system was a key component of Government attempts to transform VET into a lever of micro-economic reform, and to underpin industry restructuring and reforms to industrial relations. Government reforms sought to create:

- an open, competitive training market; and,
a nationally coherent, ‘industry-led’ training system based on competency-based training frameworks, with nationally-recognized and portable qualifications.

As a consequence of these reforms, TAFE is only one educational ‘provider’ in a competitive VET market. All educational providers that wish to offer accredited VET qualifications must become a ‘registered training organization’ (RTO) by seeking registration with their State training authority. There are 59 TAFE institutes and over 2,000 other RTOs, and of these, around 30 per cent are community education providers or other government providers, while the rest are ‘other’ providers which include private training organizations as well as a small number of ‘enterprise’ providers who are registered to train their staff using accredited VET qualifications. However, TAFE remains the dominant provider and in 2007 it accounted for almost 79 per cent of all students, and around 84 per cent of the ‘number of hours of delivery’, which is how student load is measured in VET (NCVER 2008c, Tables 8 and 9). In 2006, some 19 per cent of VET students were apprentices and trainees (idem, Table 3). Two-thirds of all apprentices and trainees were male, and 46 per cent of all apprentices were in the Tradespersons and related workers (trades) occupational group. Just over 60 per cent of all male apprentices and trainees were in this group, compared to just over 16 per cent of females (ABS 2008b, p. 387).

The Australian and State and Territory Governments have co-operated to create a national VET system even though the relationships between them have been tense and difficult at times. Foremost within this is the National Skills Framework. It consists of the Australian Quality Training Framework (AQTF) and training packages. The purpose of the AQTF is to guarantee the quality of VET delivery and national recognition of VET qualifications, while training packages comprise nationally-portable VET qualifications. Publicly-funded VET qualifications in Australia must be based on national training packages, which consist of competency-based qualifications using ‘industry’-specified units of competency. Units of competency describe discrete workplace requirements and the knowledge, skills and attitudes that are needed to perform workplace tasks or roles (DEST 2007c). Training packages are the equivalent of the British National Vocational Qualifications (NVQs). Another way of explaining the AQTF and training packages and the distinctions between them is that the AQTF is concerned with regulating the providers of training and ensuring that the training they conduct is of high quality, while training packages are about the qualifications that are issued.

The AQTF was introduced in 2001 and was updated most recently in 2007 (DEST 2007a). The AQTF 2007 Essential Standards has three components which are:

- the essential standards for registration that RTOs must meet to deliver, assess and issue nationally-recognized qualifications. RTOs are audited against these standards through quality indicators which include employer satisfaction, learner satisfaction, and completion rate for units of competency (idem, p. 6);
- the standards that State and Territory registering bodies must meet in registering RTOs; and,
- voluntary ‘excellence criteria’ that RTOs can use ‘to improve their performance’ and thus gain recognition for meeting these criteria.

\[\text{\textsuperscript{15}}\] It is unfortunate that the VET’s quality assurance framework was entitled AQTF – it is too close to the AQF and causes considerable confusion for those trying to understand the VET system and the distinction between the AQTF and the AQF.
The national recognition of VET qualifications means that all qualifications or statements of attainment (which record completed units of competency, but not a full qualification) must be recognized by other RTOs throughout Australia.

Industry ‘leadership’ of VET is achieved by a number of mechanisms (Knight and Mlotkowski 2009, p. 29). This is achieved by:

- The National Quality Council (NQC), which is a committee of MCTEE, is responsible for quality assurance and the application of the AQTF. It is also responsible for endorsing training packages and is consequently a very powerful body. It comprises a range of representatives from peak employer bodies, a union representative, officials from the States and Commonwealth, a representative each from public and private providers, and two equity representatives.\(^\text{16}\)
- The National Industry Skills Council (NISC), which provides advice to MCTEE on training, workforce planning and training priorities;\(^\text{17}\) and,
- Eleven industry skills councils that are responsible for developing and maintaining training packages, as well as providing industry ‘intelligence’ to VET about training requirements through developing industry skill reports.\(^\text{18}\)

In addition, the new Labor Government established ‘Skills Australia’, which is a statutory body that advises government on current and future skill needs in vocational and higher education.\(^\text{19}\) There are also State and Territory industry training advisory bodies. Skills Australia has argued that the governance and industry advisory arrangements in VET are overly complex and need to be streamlined.

...and what happens in practice

While VET is meant to be a national system, in practice there is considerable diversity between the States because the States still retain authority for VET and manage VET systems. The Commonwealth contributes about 25 per cent of recurrent public funding to VET (Productivity Commission 2009, pp. 5-9), but most of this is distributed through the States. The States have differed in the way they have organized their VET systems and in particular, their TAFE systems. Victoria affords its TAFE institutes more independence from government than other States, but in a more marketized and competitive environment. Victoria also funds its TAFEs at around 13 per cent lower than the national average, and much lower than some individual States (Knight and Mlotkowski 2009, Table 16). There is also considerable variation in fees that students pay. Victoria is instituting an income-contingent loan for publicly- and privately-funded VET qualifications, whereas this option is open in other States only to students who pay full-fees for VET diplomas and advanced diplomas that lead to credit in degrees.


\(^{18}\) This is an overarching website that provides information about and links to the 11 industry skills councils: [http://www.isc.org.au/display_main.php?id=about](http://www.isc.org.au/display_main.php?id=about) [10 June 2009].

VET is often portrayed as the sector concerned with the education of adults, while higher education is often portrayed as the sector most concerned with school leavers. This is because young people under aged 25 years were around 60 per cent of all higher education students in 2006, while they were almost 43 per cent of VET students in the same year. However, VET has many more students in one year than higher education and VET has a much higher number of young people than higher education: there were 437,649 domestic higher education students aged under 25 years in 2006 (600,512 if international students are included), while there were 715,800 young people of the same age in VET. This is important because VET qualifications are premised on the notion of workplace training and assume that students are in the workplace. The AQF website says, for example, in explaining VET qualifications:

To be assessed as competent for one of the vocational qualifications, you have to show you can use your skills and knowledge under workplace conditions, so a lot of your training will be in the workplace.  

Yet most training is not in the workplace. Knight and Mlotkowski (2009: 34) explain that only 6.8 per cent of recognized VET delivery in the public VET system in 2006 took place in the workplace, while 75.2 per cent was campus or classroom based, 5.3 per cent was in online or other off-campus modes, and the remaining 12.7 per cent took place in other modes. Young students in VET have the same requirements as those in higher education; both require an education that will prepare them for work, for further learning, and for their broader development as the basis of their participation in society. However, VET students are required to undertake qualifications in which the rationale, pedagogy and curriculum are focussed on training in the workplace, even though this is a fiction.

Guthrie (2009, p. 25) says that there is strong support for Competency-Based Training (CBT) among industry peak bodies and skills councils, and that there is ‘...a large measure of support, but still some lingering disquiet, among providers using CBT, and amongst a number of academics.’ He says that there is a need for ‘...a refined model of CBT which addresses some of the issues with the conception of competence and the ways Training Packages and the training system operate’ (idem). He claims that ‘On the whole, a strong case has not been made for an alternative approach’ (idem). However, he argues later that better change management strategies are still needed, and that ‘The secret will be to focus attention on those who are sceptical about training products and processes to convince them of the change required’ (idem, p. 27). Arguably, Guthrie’s tempered account of criticisms of CBT and training packages does not reflect much of the literature, while it may reflect the views of industry peak bodies and skills councils.

In the 2004 high level review of training packages, Schofield et al. (2004, p. 10) found that, on the one hand, there can be:

… insufficient variation between the requirements for AQF qualifications. This can lead to poorly differentiated outcomes, the potential for the same groupings of units of competency to lead to multiple qualification outcomes for vastly different content and training effort.

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20 DEST 2007b, Tables 19 and 20; NCVER 2008c, Table 2.

On the other hand, there were wide variations in the size and dimensions of training package qualifications. The alignment of qualifications to AQF qualifications was shaped by ‘...industry’s interpretation of the AQF descriptors and documentation...’ and there is some anecdotal evidence to suggest that in some instances, allocation of an AQF level to a qualification may be influenced by factors other than the content of the qualification, such as eligibility for New Apprenticeship incentives’ (idem).

A recent OECD review of VET in Australia found many problems with training packages (Hoeckel et al. 2008, p. 36). The report says that the consultative nature of the training package development process means that there is a tendency for them ‘to expand in order to accommodate every interest and concern’ and many are hundreds of pages. Providers reported that they planned to use higher education qualifications because they were easier to deal with, and employers appeared unhappy with the current form of training packages. Training packages take a long time and are expensive to develop and this limits their relevance because skill requirements change frequently in some industrial sectors. They are designed around jobs (and workplace tasks or roles), yet ‘they are not useful for students who want to study in a certain area but do not have a particular job in mind’, and nor are they suitable for international students because they are designed for Australian jobs (idem). The OECD team say that they heard complaints that those who develop training packages are not in touch with the needs of industry, and they argue that in the absence of national assessments, ‘there is no standard to ensure that a particular set of skills has in fact been acquired’. Moreover, training packages are ‘frequently too complex to follow for teachers and trainers, who are not involved in their development.’ They say that ‘about 80 per cent of all publicly recorded enrolments in 2006 were in just 180 qualifications (out of the 1709 available). Around 70 qualifications were not used at all in 2006’ (idem). This leads them to the conclusion that:

Now that a national system is well established... [training packages] have outlived their usefulness, particularly in view of the time and effort involved in developing and maintaining them. (idem, p. 37)

However, they recommend that instead Australia adopt simple and briefer skills standards, and they offer NVQs as one possible model. They also recommend more external national assessments and more thorough marketization and demand-driven student funding models.

Training packages have also been controversial among TAFE teachers. In their high-level review of training packages, Schofield and McDonald (2004, p. 27) found that there was an ‘unacceptably high level of confusion amongst educators in particular about the relationship between Training Packages and teaching, learning and assessment.’ Furthermore, it wasn’t just that teachers do not understand training packages, they are also hostile to them, and Schofield and McDonald (2004, p. 33) argued that this legacy needed to be dealt with if training packages were to be based on a ‘new settlement’. They said that all parties needed to acknowledge that the introduction of training packages could have been better handled as a first step in engaging ‘clients’ (that is, teachers in this instance). They argued that a ‘new settlement’ was needed to underpin training packages and that part of this new settlement should be less regulation and more faith in the professionalism of teachers.
Schools

School education is more thoroughly a State Government responsibility although the Australian Government has been seeking to increase its control over school education by making funding conditional on compliance with its policies. In 2006-2007, the Commonwealth provided 8.8 per cent of funding to government schools, while the State and Territory Governments provided 91.2 per cent. These proportions are reversed for funding of non-government schools: the Commonwealth provided 72.5 per cent of public funding while the States and Territory Governments provided 27.5 per cent (Productivity Commission 2009, p. 4.4).

Some 67.2 per cent school students attended government schools in 2005, while 32.8 per cent attended non-government schools. The percentage attending non-government primary schools in 2005 was 29.1 per cent, while the percentage attending non-government secondary schools was 37.9 per cent (MCEETYA 2009). Keating (2003, p. 272) explains that non-government schools can be divided into low fee and comparatively open entry schools to high fee, selective schools. In 2005, some 61 per cent of students attending non-government schools were enrolled in Catholic schools (MCEETYA 2009). The percentage of students attending government schools rose by 1.7 per cent from 1997 to 2007, while the percentage attending non-government schools rose by 21.9 per cent over the same period (ABS 2008d, p. 4). Ryan and Watson (2004) argue that this drift to private schools has resulted in a higher proportion of students from low socio-economic backgrounds in government schools. High fee and selective schools dominate entry to the elite universities, particularly to the elite professions (Keating 2003, p. 272; Teese 2000). Keating (2003, p. 272) explains that:

... unlike almost every other OECD country, and in contrast to other large non-government systems such as Belgium and the Netherlands (Eurydice 2001) non-government schools are free to select students on their capacity to pay fees as well as their academic and other prowess.

Each State has its own senior school certificate and a board of studies which is a statutory body and independent from the State education departments. Boards of studies are responsible for the senior school curriculum and exams and for awarding qualifications. The senior school certificates are geared towards university entrance, and students are ‘ranked’ and awarded a tertiary entrance rank depending on their grades in the senior school certificate (Keating 2000, 2003). Keating (2003, p. 272) argues that the boards of studies have powerful constituencies in elite academic schools and universities and this contributes to their relative autonomy and capacity to resist thorough reform of the senior school certificates. These relationships are sustained through membership of subject or curriculum committees and other networks (Keating 2006, p. 61).

However, there are continuing pressures on the senior school certificates to respond to a range of demands such as increasing school participation and retention, and the increased diversity of students and post-school pathways. All States now include VET-in-schools as part of the senior school certificates, although the States differ in the extent to which they

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22 This section is primarily dependent on Jack Keating’s (2000, 2003, 2006, 2008b) work.

include VET-in-schools as part of the tertiary entrance rank. Most secondary schools now offer VET-in-schools and almost 34 per cent of senior secondary school students are enrolled in VET as part of their senior school certificate (NCVER 2008a, Table 1). VET-in-schools mostly consists of VET certificates I and II, and there have been concerns over the quality of this provision (Polesel 2008). School-based apprenticeships, where students commence an apprenticeship while undertaking their senior school certificate, are also available to students. The numbers are still small (but growing) – 17,000 commencements in the 12 months before 31 March 2007 (ABS 2008b, p. 384).

The Australian Government is increasing its control over school education. Australia now conducts national literacy and numeracy tests commencing in the early years of school. Students’ achievements are measured and ranked and, as part of the Government’s commitment to ‘transparency’, information will be published about individual school results and how the school compared to ‘similar’ schools, as well as information about the student population (Gillard 2008, 2009a). The Australian Government is also establishing a national curriculum board to develop a national curriculum for all levels of school education, initially in key learning areas such as English, mathematics, the sciences and history (ABS 2008b, p. 378).

**Summary**

Government policies are contributing to blurring the sectoral divide in two ways. First, the Australian Government is establishing the ‘architecture’ that is required for a coherent tertiary education system based on stronger regulatory and quality assurance arrangements for all sectors. This includes:

- the structuring of the Commonwealth Department of Education, Employment and Workplace relations so that higher education and VET are within the same ‘group’;
- a ‘strengthened’ AQF;
- a ministerial council for tertiary education;
- a new regulatory body for higher education that will eventually include VET; and
- more consistent student fees through the extension of income-contingent loans to some VET qualifications; a process that will undoubtedly be extended.

Second, Government policies that seek to create markets in education are contributing to the blurring of the sectoral divide. The educational sectors are increasingly defined by the qualifications that are accredited in each sector and not by the type of institutions that comprise those sectors, even though most institutions are still defined by their primary sectoral location. Many of Australia’s 37 public universities are registered to offer VET qualifications, or have established companies to do so (Karmel 2009b), and now ten TAFE are registered to offer higher education programmes (Wheelahan et al. 2009). As explained above, most schools now offer VET as part of their senior school certificates. To add to the complexity, the number of private providers in VET and higher education has grown considerably over recent years to be a small, if growing, part of both sectors, and many of these institutions offer both VET and higher education qualifications (Watson 2000).

However, while these policies and market pressures are contributing to blurring sectoral divides, there are still important contradictions. First, the Government will not
allow public universities to offer full-fee under-graduate programmes to domestic students, but the public provider in VET (TAFE) is expected to increase its proportion of full-fee students and income.\textsuperscript{24} The ‘market’ that is being constructed in each sector differs. This is perhaps a transient contradiction. More important is the insistence that VET qualifications be competency-based in an ‘industry-led’ system, while schools and higher education have an input-based model of curriculum.

4. The Australian Qualifications Framework (AQF)

This section first outlines the origins of the AQF. It explores the intrinsic and institutional logics that shaped its development (Raffe et al. 1994). The structure of the AQF is then outlined, and this includes a discussion of student articulation between the sectors, credit transfer and recognition of prior learning (RPL). Following this is an evaluation of the AQF. The Appendix at the end of this paper contains a list of dates and events in the evolution of tertiary education in Australia.

\textbf{Origins of the AQF: Intrinsic and institutional logics}

The AQF was introduced in 1995 and phased in over five years. Keating (2000) says that a qualifications framework has three broad purposes. It aims to:

\begin{itemize}
\item establish equivalence and links between qualifications in articulation, credit transfer, pathways and ‘seamlessness’, by ensuring that qualifications are recognized by different jurisdictions and stakeholders;
\item be a mechanism of quality control, encompassing quality assurance, user confidence in the system, and funding; and,
\item achieve coherence between general and vocational streams, the aim of which is to provide a basis for measurement and comparison of outcomes, and to provide the basis for embedding key or core skills.
\end{itemize}

This describes the ‘intrinsic logic’ of qualifications frameworks – the rationale upon which NQFs are justified or supported independently of the ‘context in which the reform might be implemented’ (Young 2003, p. 201). However, reforms are always mediated by the economic and social interests of different constituencies as well as the construction of sectors and the institutions within them – Raffe et al. (1994) refer to this as the institutional logic of reforms.

The institutional logics had a powerful impact on the nature of the AQF and its subsequent development. A key driver shaping the AQF which it shared with NQFs in other countries was to develop a national VET system (DEST 2003, p. 12; Tuck 2007). This is expressed in one of the AQF’s objectives which is to ‘...encourage the provision of more and higher quality vocational education and training through qualifications that normally meet workplace requirements and vocational needs, thus contributing to national economic performance’. There is no parallel AQF objective to establish national coherence to qualifications in higher education and the senior secondary qualifications in the different

\textsuperscript{24} I am not condoning markets and full fees in education here, just pointing to an inconsistency in policy.
States. This reflects the influence of institutional logic, specifically the relative autonomy of the universities and powerful stakeholders in the senior secondary school systems (Keating 2003). It also explains why the AQF mainly applies to the VET sector. When the national VET system was established in the 1990s, business and unions shaped the structure and governance of the system, and the nature of qualifications as competency-based. Industry interests shaped the structure of the AQF. For example, Keating (2006, p. 65) explains that:

... a decision was made in 2002 to take out any mention of ‘levels’ in the description of the framework. This was made under pressure from the business sector to ensure that qualification levels could not be linked to industrial awards, and thus acknowledged the AQF’s major and arguably only tangible function: that of a set of descriptors for assembling VET qualifications from the industry derived units of competency.

However, even though the AQF mainly applies to the VET sector, the higher education sector has been influential in shaping its structure and in maintaining the sectoral differentiation between VET and higher education. Associate degrees – two-year degrees – were added to the AQF in 2004 as higher education qualifications, even though the key statutory body with authority for VET argued at the time that they should be both a higher education and a VET qualification. Furthermore, key stakeholders in VET argued that graduate diplomas and graduate certificates should be VET qualifications as well as higher education qualifications. The peak body for universities opposed this, but it ‘supported’ VET in ‘developing and accrediting its own separately-titled awards’ (DEST 2003), and so VET graduate diplomas and certificates were added to the AQF in 2005.

This helps to explain why the AQF is a ‘loose’ qualifications framework with weak regulatory functions without many of the features of NQFs elsewhere, such as taxonomy of learning outcomes, explicit levels and a measure of volume (or time) of learning.

Structure and design of the AQF and outcomes

This section outlines the origins of the AQF, its structure, the purposes it was designed to achieve, and its relationship to each of the sectors. The AQF was established in 1995 and it lists all qualifications that are accredited in the senior schools, VET and higher education sectors respectively. The AQF replaced the ‘Major National Tertiary Course Award levels established by the Register of Australian Tertiary Education’ (Goozee 2001, p. 88).

The AQF website says that the AQF ‘...is a quality assured national framework of qualifications’. Its objectives are, among other things, to promote pathways, credit transfer and articulation between sectors, and between work and life experience and qualifications through recognition of prior learning, and to promote ‘national and international recognition of qualifications offered in Australia’ (AQFAB 2007, p. 2). When the AQF was established, there were 12 qualifications, but there are now 15 with the addition of associate degrees in 2004 and VET graduate diplomas and certificates in 2005 (ibid.).

25 This is how the new AQF Council describes the AQF. See the AQF website: http://www.aqf.edu.au/AbouttheAQF/TheAQF/tabid/108/Default.aspxAQF [22 Nov. 2009]. In contrast, under the previous AQF Advisory Board, the AQF was described as ‘a unified system of national qualifications’ (emphasis added), and this was the description on the AQF website as recently as 15 June 2009 http://www.aqf.edu.au/aboutaqf.htm [15 June 2009].
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The AQF consists of broad ‘characteristics of learning outcomes’ for each qualification, but it does not have a taxonomy of learning outcomes. It generally indicates how long it would take to do a senior school certificate or a higher education qualification, but has no measure of time for VET qualifications (because they are based on competency-outcomes). Each sector and jurisdiction is responsible for programme development, accreditation and quality assurance, and this is indicated in the AQF which specifies the ‘authority for learning outcomes’ for each sector. It also indicates how pathways can be used to achieve each qualification and undertake further study, and in this way establishes relationships between qualifications (for example, diplomas, advanced diplomas or associate degrees can lead to a degree). However, as discussed above, while it establishes relationships between qualifications, it specifically does not specify ‘levels’. The ‘authority for learning outcomes’ for VET explain that VET qualifications ‘are based on nationally endorsed competency standards’ in which achievement of learning outcomes are ‘identified as sets of competencies for levels of workplace performance’ (AQFAB 2007, p. 6). In contrast, the ‘authority for learning outcomes’ for schools and higher education do not specify the nature of curriculum, only the stakeholders who are involved in developing outcomes. The AQF is also supported by:
national guidelines on cross-sectoral links, which among other things, provides advice about the ‘quantum’ of credit for VET qualifications in higher education qualifications; and[26]

national principles and operational guidelines for RPL.27

There are, in addition, two sets of MCEETYA principles to support credit transfer from VET to higher education. These are:

- Good Practice Principles for Credit Transfer and Articulation; and,
- Principles for Good Practice Information Provision on Credit Transfer and Articulation from VTE [VET] to higher education.28

Outcomes: Educational pathways

The data are deeply problematic and subject to much debate. This arises in part because the sectors fund, count and report students differently, and much of the data on credit transfer and prior study history is based on student self-report (Curtis 2009; Moodie 2004). However, the following outcomes are observed.

- Most student transfer or articulation occurs within educational sectors (Curtis 2009).
- In 2007, approximately 10 per cent of students were admitted to higher education on the basis of a prior VET qualification, with the dual-sector universities admitting the highest percentage of students (17.4 per cent), and the elite universities the fewest (2.7 per cent) (Wheelahan 2009c).29
- Around 3.4 per cent of higher education students were awarded credit or exemptions based on their prior VET studies in 2006.
- The ‘basis of admission’ underestimates the percentage of students with prior TAFE qualifications in higher education because not all VET students are admitted on the basis of their VET qualification, and it does not take into account students’ multiple enrolments in both sectors (Moodie 2005a). Moodie’s (idem, p. 3) research shows that 25 per cent of commencing under-graduate students and 19 per cent of commencing post-graduate students in 2003 had studied in TAFE, while Curtis (2009, p. 4) shows that 16 per cent of under-graduate commencing higher education students in 2007 reported a VET award as their highest qualification.

26 For these guidelines see: http://www.aqf.edu.au/AbouttheAQF/Pathways/Crosssectorqualificationlinkages/tabid/157/Default.aspx [22 Nov. 2009].


28 For these guidelines see: http://www.aqf.edu.au/Portals/0/Documents/Credit%20Transfer%20Project%20-%20Final%20draft%20policy.pdf [22 Nov. 2009].

29 Swinburne University of Technology, a dual-sector university, admitted the highest percentage of students on the basis of prior VET studies – 27 per cent in 2007.
- VET diplomas and advanced diplomas provide an important pathway to higher education for young people aged under 25 years. Some 32 per cent of students aged under 25 in 2003 who completed a VET diploma or above went on to study a degree, as did around 14 per cent of graduates aged 25 years and over. In some fields of education such as banking and accountancy, over 50 per cent of VET diploma graduates aged under 25 years go on to study at degree (Stanwick 2006, pp. 31-32).

- Enrolments in VET diplomas and advanced diplomas are static and in some areas have declined in recent years (Karmel 2008b), and this may be a restraint on the volume of student transfer from VET to higher education because the diploma is the main qualification that students use to make this transition.

- Most students who seek admission to degrees based on a VET diploma/advanced diploma find one, and they are offered places at university at a similar rate to other categories of applicants. This may be a reflection of Australia’s strong economy and relatively weak demand for tertiary education, and it will be important to ensure that VET articulators continue to be provided with access as demand for higher education places increases now that the economy is weak (Wheelahan 2009c, p. 8).

- VET to higher education student transfers are becoming more important, but there is no substantive national policy to support these transfers. Most young people who transfer from higher education to VET do so because they have not completed their degree and they enrol in VET programmes in the same broad field of study. Older students who transfer from higher education to VET have often finished their degree and are often seeking a VET qualification in a different area (Curtis 2009).

- About 3.4 per cent of all successful subject enrolments in VET in 2007 were achieved on the basis of RPL. This is quite low given the central importance placed on RPL by governments and the fact that the AQTF makes it mandatory for all RTOs to offer RPL to individuals upon enrolment (NCVER 2008c, Table 13). The data on RPL in higher education are not recent and they were collected on a different basis to VET, however, in 2001 the percentage of higher education students reporting that they received some RPL was minimal (Wheelahan et al. 2002). In both sectors, those students who receive the most RPL are older; study higher-level qualifications; are already in work; and have the considerable knowledge and skills that are needed to navigate the RPL process.

**Outcomes: qualifications and employment**

The data concerning the relationship between qualifications and employment outcomes are limited. However, as discussed earlier, there is not a good ‘fit’ between qualifications and the occupations for which they are intended, with the exception of regulated occupations where the fit is tighter (Karmel et al. 2008, p. 19). Unlike northern European countries which use agreements between social partners to regulate the match between supply and demand, in Australia the match between supply and demand is regulated through the market. The research is limited, but Ridoutt et al. (2005a, b) show that while employers value qualifications as proxies for knowledge and skills, they value experience more highly in many of their business decisions.

Larger employers were more likely to value qualifications than smaller employers, as did those who were required to meet regulatory requirements. In a small-scale research project, Ridoutt et al. (2005b, p. 7) say that ‘While 90 per cent of the respondent employers valued qualifications in managing at least one risk in their enterprise, less than 25 per cent value qualifications unconditionally.’ In other research, Ridoutt et al. (2005a, p. 11) say that employers do not value qualifications in the same way as does the VET sector: ‘The approach taken to “qualifications” by enterprise managers is generally to seek recognition only of a small number of competencies, not a whole Australian Qualifications Framework.
qualification.’ In other words, there are no data that can demonstrate that the introduction of the AQF has directly raised the qualifications level of the workforce. The relationship between the two is more indirect and, while important, it is only one component of broader educational and employment policies and the way these are mediated by educational institutions, professional bodies, industry associations, unions, employers, and government. Of particular importance is the extent to which government regulates occupational requirements, as this leads to higher numbers with qualifications in those areas.

**Frameworks to support pathways**

A range of frameworks and models has emerged to support the development of pathways between the sectors. PhillipsKPA (2006c, p. 3) report that the trend is ‘... towards developing more systematic models both within institution-to-institution partnerships and in multi-institutional arrangements.’ The State Governments have been active to varying degrees in promoting cross-sectoral collaboration that lead to pathways. Several State Governments have instituted State-wide approaches to credit transfer by developing memoranda of understanding between TAFE at the State level and universities collectively or with individual universities in their State, and by publicizing information about pathways on websites (PhillipsKPA 2006b, p. 85). All levels of government have funded projects to facilitate greater co-operation and pathways between institutions in both sectors, and to promote resource sharing.

The Victorian Registration and Qualifications Authority (VRQA) has developed a ‘credit-matrix’ to facilitate credit transfer in that state. It contains a taxonomy of learning across three domains (knowledge and skills; application; and degree of independence), levels, and points for the amount of learning involved. Unlike the AQF which is sector specific, the descriptors and levels in the credit matrix were designed to encompass all sectors (Noonan et al. 2004). It operates at the level of subjects and modules and not whole qualifications (as is the case with the AQF) (Noonan 2003). Its purpose is to facilitate pathways and credit transfer between qualifications, and courses that are submitted for accreditation or re-accreditation ‘...should include Credit Matrix levels and points in the accreditation submission’. By using the credit matrix to assign a position to all subjects in qualifications within the matrix, its use is extended beyond a tool that can be used by educators to mediate their discussions. Arguably, this is where it has most value. Otherwise, it adds a level of complexity to the development of qualifications that may not be particularly helpful because it is premised on the assumption that subjects, units or modules can and should be considered independently of the qualifications of which they are part.

**Strengths and weaknesses**

The AQF has been successful in a number of key areas. These can be summarized as follows:

- It has helped create a national VET system out of the pre-existing State-based disparate and fragmented VET systems.
- It has near-universal coverage of post-compulsory education qualifications and has controlled the proliferation of different qualifications which would have added great

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complexity to sectoral provision and created difficulties for businesses, parents and students in understanding qualifications.

- It has a high level of acceptance within the sectors, partly because the sectors ‘own’ their qualifications within the AQF, but this is at ‘the cost of some discontinuity and inconsistency’ (Keating 2008b, p. 10).
- It has contributed to providing national consistency to VET and higher education qualifications, while it has been less successful in doing so with senior school certificates.
- It is well regarded internationally and this has contributed to the high standing of Australian qualifications internationally.
- It has, to a limited extent, provided the basis for dialogue between the sectors and been used to underpin credit transfer agreements and pathways even though the perception in government is that this has not gone far enough.
- It has avoided the problems of some other NQFs as a consequence of its distributed ownership, accreditation and quality assurance arrangements (Keating 2008b).

There are, however, considerable weaknesses. Rather than being a unified system of national qualifications, it is, as Tuck (2007, p. 21) points out, more characteristic of a linked NQF rather than a universal one. The current AQFC (2009, p. 7) consultation paper goes further and says that ‘some commentators’ have suggested that the AQF is effectively three separate frameworks, with one for each sector. It argues that it has fallen behind international developments, is slow to accommodate changing circumstances, doesn’t assist credit and articulation across sectors, ‘contains descriptors that are considered inadequate and conciliatory’, and has had minimal impact in the schools and higher education sectors (idem).

The AQF’s credit transfer and RPL guidelines and MCEETYA’s ‘good practice’ credit transfer principles are not prescriptive and operate more at the level of ‘good suggestions’, particularly for universities, which are self-accrediting and are therefore free to determine if, when and how they will provide credit for VET qualifications. VET providers are more compelled to comply because VET policy insists on credit transfer and RPL, but this is mainly within VET and does not incorporate credit transfer for students moving from higher education to VET. Universities are required to report to government on their credit transfer and articulation policies as part of their annual reporting and this puts them under some pressure to demonstrate they have such policies, but this is not onerous.

Arguably, the AQF contributes to entrenching sectoral differences, because, even where qualifications are shared by the VET and higher education sectors – as is the case with diplomas and advanced diplomas – and even though they have the same broad learning outcome, they are ‘different’ because:

… there are no standardised rankings or equivalences between different qualifications issued in different sectors, as these qualifications recognise different types of learning reflecting the distinctive educational responsibilities of each sector. Where the same qualifications are issued in more than one sector but authorised differently by each sector (ie Diploma, Advanced Diploma) they are equivalent qualifications, although sector-differentiated. (AQFAB 2007, p. 2)

In other words, the sectors’ qualifications are differentiated from each other by the principle of difference. VET qualifications are based on ‘outputs’ that sever learning outcomes from institutions and processes of learning whereas higher education qualifications are based on ‘inputs’ and are process driven. The AQF states that the objectives and academic requirements of higher education qualifications are ‘set by higher education institutions having regard for requirements set by peer review and the
requirements of relevant professional bodies and employer groups’ (idem, p. 7). That is, they are developed through shared understandings of stakeholders about the syllabus, processes of learning and assessment and outcomes.

The tensions between equivalence and difference and between inputs and outputs within the AQF are not recognized in policy. In 2005, all Commonwealth and State education and training ministers endorsed a set of ‘good practice’ principles for credit transfer from VET to higher education. These principles clearly assume that learning outcomes can be determined independently of processes of learning. The first principle says that credit transfer and articulation is used to establish ‘equivalence of learning outcomes’ that are ‘regardless of the similarity or differences of the education processes’, which includes ‘delivery, teaching methodology and assessment’ or type of provider delivering the qualification (MCEETYA 2005).

5. The future ‘stronger’ AQF

As stated at the beginning of this paper, the new AQF will almost certainly be based on a taxonomy of learning outcomes, explicit levels and a measure of volume (or time) of learning. However, it is not clear that this will be able to resolve the contradiction at the heart of tertiary education in Australia unless it confronts the dilemmas that arise from:

- an AQF based on the principle of similarity when its sectors of education are based on the principle of difference;
- VET qualifications that are based on ‘outputs’ while school and higher education qualifications are based on ‘inputs’.

It is not clear that this is regarded as a problem for the AQF. The AQFC is, at the Minister’s directive, undertaking research on how competence-based qualifications and merit-based higher education qualifications can be better ‘aligned’. This is in addition to an AQFC project that has been developing a ‘common language’ that the sectors can use in developing ‘seamlessness’. It does not seem that the differences between the sectors are regarded as substantive.

Keating (2008b, p. 8) explains that an NQF ‘is unlikely to be neutral on the two central questions for qualifications – the nature of the knowledge (including skills) that they represent, and the nature of the learning that has led to the knowledge.’ The current proposal in the AQFC consultation paper will have different consequences depending on whether the surrounding policy results in a tight or loose framework. The different domains of learning can be understood as broad guides that can be used to structure relationships between qualifications and to guide discussion between the sectors, or they can be used to tightly specify the nature of qualifications and change the nature of learning outcomes by insisting that qualifications be derived from these outcomes. The latter has the effect of severing learning outcomes from institutions, pedagogy and syllabi. However, learning outcomes cannot be considered independently of these processes because the outcomes are determined by these processes. To insist that this should be so, results in endless processes of specification that fragment knowledge and the access that students have to knowledge (Allais 2006, 2007a, 2007b). This is reflected most strongly in competency-based training which provides students with access to contextually-specific knowledge as it is applied at work, but not the disciplinary system of meaning in which that knowledge is embedded (Wheelahan 2009a).

An AQF with levels will help to establish clearer relationships between qualifications and provide the basis for a ‘climbing framework’ (David, 1997, p. viii) and notions of ‘time’ will help to establish notions of broadly commensurable learning ‘effort’ between
qualifications at the same level and at different levels. This would make it easier, for example, to raise doubts about the quality of diplomas that are normally meant to be delivered in a year being delivered in three months; or a two-year masters delivered in one year or even six months. Both levels and time will help establish fair and defensible levels of credit between qualifications. This too can be tight or loose with different consequences arising from each. If it is part of a loose framework, it can be understood as providing broad guides about how qualifications can be structured and the relationships between qualifications and levels of credit. For example, it would be commonly understood that advanced diplomas may provide access to a VET graduate diploma or certificate, but that it should not provide credit towards the latter because these qualifications are meant to be at a ‘higher level’ of complexity and depth. It would provide the basis for discussions about the relationship between degrees and graduate diplomas and certificates. Many graduate diplomas and certificates (and even some coursework masters) are arguably repackaged under-graduate degrees that are being used to provide degree graduates with access to a different field. Other graduate diplomas and certificates have higher demands and higher levels of complexity.

The notion of levels also implies that progression from a qualification at one level to another level on the framework will be based on educational attributes, not competences demonstrated in the workplace or a simulated workplace as is currently required for VET qualifications.

The current AQFC (2009, p. 23) consultation paper provides an ‘indicative example’ to demonstrate the way in which levels and time can be linked in qualifications, so that, for example, a certificate IV may have 90-150 credit points (based on notional hours of learning) ‘with at least x per cent of the final level of this qualification’. This indicates that it may be part of a tighter framework. There are two problems with this approach: first, a qualification can only be understood relationally by the way in which all its elements relate to each other (Keating 2008b). Insisting on how the qualification is to be made up does not take account of the differences between disciplinary fields or professional and occupational areas. The second problem is that it reduces a qualification to the sum of its parts and contributes to fragmented notions of learning. It is argued that this is necessary to support credit accumulation and credit transfer. However, the cost is too great and is unnecessary. Moodie (2008) has shown that many States in the United States have higher levels of student transfer from community colleges (the analogues of TAFE) to elite universities than does Australia, and this often occurs with specified credit. This takes place in the absence of a qualifications framework but in the context of policy ‘breadth’, where State legislatures pass policies that insist on these outcomes.

Qualifications will be valued only if they are trusted by those who use them and not by what they say a person can do or knows (Young 2003, p. 208). Coles and Oates (2005, p. 12) argue that student pathways, credit transfer and articulation can only be built on ‘zones of mutual trust’ (ZMTs) which comprise agreements between key players about the quality, standard and outcomes of qualifications.\(^{31}\) They explain that ZMTs ‘exist through the behaviour of people who are participating in them, operating through, or anticipating, common values and concerns. ZMTs cannot be imposed, they are dependent on processes of consensus and on voluntary participation’ (idem, p. 13). Raffe (2005, p. 36) says these zones are based on agreements that result in specific learning outcomes (such as

\(^{31}\) See Raffe (2005) and Hart (2005) on ZMTs. Michael Young (2003) uses the notion of ‘communities of trust’ as the basis of the credibility of qualifications.
qualifications) to be automatically accepted and credited by another institution or sector and can be at the level of a discipline, institution or network. He says that ‘the existence of an agreed credit system can make negotiations on such zones easier’ (idem).

A revised AQF can contribute to these relationships or it can seek to substitute itself for them. The issue of trust and qualifications has not been sufficiently explored in the literature and Young and Allais (2009) emphasize that the issue of trust cannot be evaded. Levels of credit and student transfer are higher when there is trust between institutions (PhillipsKPA 2006a). Such trust is based on confidence in teaching, learning processes, syllabi and assessment and not independently of these. Consequently, it does not make sense to talk of credit transfer and articulation between sectors in outcomes-based systems independently of ‘inputs’ when the trust needed to establish such arrangements is based precisely on those inputs. Minimal levels of credit transfer may take place based purely on outcomes and result in credit transfer agreements that have been ‘bolted on’ to qualifications, but it is unlikely to result in coherent and supported pathways developed holistically within complementary programmes that maximize credit and support student learning.

A loose framework that is owned and distributed through the sectors in which the purpose is to act as an enabling framework is more likely to achieve these outcomes than a strong, regulatory framework for pedagogic reasons and because such a framework cannot win the support that it needs from all sectors of education as has been demonstrated in New Zealand and South Africa (Tuck 2007; Young and Allais 2009). It could also provide the basis of moving towards a more consistent approach in the purpose and nature of qualifications across the sectors so that they are not so differentiated and thus overcome the tension between difference and similarity. In this way, it could provide the basis for a conversation about the way in which qualifications mediate access to the knowledge and skills needed for citizenship and participation in society more broadly, as well as for work.

Acknowledgement

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## Appendix: Key dates and events in Australia

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<th>Date</th>
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<tr>
<td>1965</td>
<td>Colleges of Advanced Education (CAEs) established as a separate higher education sector (Martin 1964). Sectoral funding and policies henceforth determined on the basis that the Commonwealth had responsibility for higher education (particularly funding), while the State Governments had responsibility for everything else. Sectoral policies designed to avoid ‘cost-shifting’ from one level of government to the other, thus entrenching sectoral differences.</td>
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<td>1974</td>
<td>Report of the ‘Kangan Committee’ led to the recognition of TAFE (Technical and Further Education) by the Commonwealth as a national tertiary education sector. Its funding and administration was still primarily a responsibility of State Governments, although Commonwealth funding for TAFE starts to increase. The Kangan Committee ‘provided the philosophical and policy basis for the development of a distinctive identity for the technical and further education system in Australia’ (Anderson 1998, p. 3). The Kangan Committee (1974, p. xxvi) defined TAFE broadly to include vocational preparation, and education that led to the development of the person ‘as a member of society, including the development of non vocational and social skills that affect personality’.</td>
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<td>1977</td>
<td>Commonwealth Tertiary Education Commission (CTEC) established which brought the Universities Council, the Advanced Education Council and the Technical and Further Education Council (TAPEC) together as sub-councils under the CTEC umbrella (Goozee 2001).</td>
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<td>1975-82</td>
<td>Period of growth for TAFE as Kangan Committee recommendations were implemented, along with greater investment in capital and recurrent funding. TAFE’s ‘golden age’ (idem, p. 38).</td>
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<td>Late 1970s &amp; early 1980s</td>
<td>Labour market programmes established which aimed to reduce the unemployment rate for 15-19 year olds (idem, p. 53).</td>
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<td>Mid-1980s</td>
<td>Departments of Prime Minister and Cabinet, Treasury, Finance, Industry Technology and Commerce, and Science start to take an interest in tertiary education and in aligning higher education and TAFE with the economy and employment outcomes.</td>
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<td>1987</td>
<td>Australia Reconstructed published. It was a joint publication of the Australian Council for Trade Unions (ACTU) and the Trade Development Council based on a joint mission they had undertaken to Western Europe. Its emphasis was on skills and the role of education in making Australia more productive and competitive internationally, and in aligning training reform with industry restructuring. It is a key touchstone for reforms that followed.</td>
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| 1988       | The ‘Dawkins’ reforms commence – John Dawkins was the Labor Minister for Employment, Education and Training. This included:  
  - creation of a unified university sector through merging universities and colleges of advanced education;  
  - TAFE strongly oriented to training for work and subordinated to the economy. Dawkins issues a paper that says that TAFE needs to move from a ‘time-served’ system to a competency-based system, and that it needs to focus more on industry-based formal training (idem, p. 67). |
<p>| 1988       | The Higher Education Contribution Scheme (HECS) was introduced in universities. It is an income-contingent loan for students to pay fees (which were regulated by government). The fees that students are required to pay are increased in ensuing... |</p>
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| years. | National Board for Employment, Education and Training (NBEET) established which included four councils:  
- The Schools Council;  
- The Higher Education Council;  
- The Employment and Skills Formation Council (ESFC);  
- The Australian Research Council.  
Goozee (idem, p. 65) says ‘Although NBEET and its councils seemed to have adequate representation from the higher education and schools sector, representation from the TAFE sector was noticeably lacking.’  
Unlike CTEC, which had statutory powers, NBEET’s role was purely advisory, which was ‘clearly an assertion of ministerial power’ (idem, p. 69).  
NBEET survives until the end of 1998 when it was dismantled by the Conservative Australian Government (NBEET was established by a Labor Government). Apart from the AQF (which was established in 1995) there is now no body with responsibility for advising government on cross-sectoral issues. NBEET had produced a number of research reports on the desirability of student articulation and credit-transfer. |
<p>| 1988 | |<br />
| 1990 | The National Training Board (NTB) is established with responsibility for developing and endorsing national competency standards. At this stage, competency-based training (CBT) is linked to industry classifications in occupations and industry awards and industrial agreements (idem, p. 68). This link between CBT and industrial awards and agreements was severed when the Conservative Commonwealth Government came to power in 1996 so that it could not be used as a bargaining chip in industrial award negotiations, although the link between occupations and CBT was maintained. |
| 1990-92 | Commonwealth and State Governments agree to establish the <strong>National Framework for the Recognition of Training</strong> (NFROT). Its purpose was to provide a national framework to accredit VET courses, determine credit-transfer between them, and for RPL and assessment of competencies (idem, p. 81). This laid the basis for the national recognition of VET qualifications and for CBT as the basis of VET qualifications. |
| 1991 | The Finn report calls for higher levels of school retention, greater alignment between education and work and key competencies (idem, p. 81). |
| 1992 | The Mayer Committee report defines ‘key competencies’ as necessary for work, but also ‘for effective participation in further education and adult life more generally’ (cited in Goozee 2001, p. 82). These are revised in the mid-2000s in VET as ‘employability skills’ and are more tightly tied to enterprises and the workplace. |
| 1992–94 | Labor Prime Minister, Paul Keating, threatens to set up his own national VET system in parallel to the States’ VET systems if the states do not agree to a Commonwealth takeover of funding and control of TAFE (idem, p. 84). This stance was softened, and as a compromise, the <strong>Australian National Training Authority (ANTA)</strong> was established in 1994. ANTA was a partnership between the Commonwealth Government and the State and Territory Governments, and it had its own ministerial council. It was based on the principle of ‘co-operative federalism’, which means that all levels of government putatively co-operated with each other in setting policy for VET. ANTA takes over responsibility for funding national <strong>Industry Training Advisory Bodies (ITABS)</strong>. |</p>
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<td>1993</td>
<td>The National Competition Policy Report (the Hilmer Report) is published, which recommends policies to create markets in all areas of public provision. Goozee (2001, p. 91) explains: ‘Although legal advice from Commonwealth and State Attorney-generals concluded that VET did not come within the scope of national competition policy, it did have an impact on national and State VET policies, particularly the putting of public funds out to tender.’ Policies that establish VET as a market are further developed in the years that follow.</td>
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<td>1993-95</td>
<td>Australian and State Government Education Ministers agree to the establishment of the <strong>Australian Qualifications Framework (AQF)</strong>, which was established in 1995. The AQF lists all qualifications that are accredited in the senior schools, VET and higher education sectors respectively. The AQF replaced the ‘Major National Tertiary Course Award levels established by the Register of Australian Tertiary Education’ (idem, p. 88). When the AQF was established, there were 12 qualifications but there are now 15 with the addition of associate degrees as higher education qualifications in 2004 and VET graduate diplomas and certificates in 2005 (AQFAB 2007).</td>
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<td>1996</td>
<td>Australian and State Education Ministers agree to establish the <strong>National Training System</strong> which replaces NFROT. It had two main components: <strong>Training Packages</strong>, which consisted of qualifications based on units of competency, and the <strong>Australian Recognition Framework</strong>, which guaranteed national recognition of all competency outcomes in training packages at all VET institutions by all other VET institutions throughout the country, and specified the criteria VET providers were required to meet in delivering and assessing VET qualifications. TAFE more clearly starts to become one ‘provider’ in a broader, marketized VET system that includes private providers.</td>
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<td>1997</td>
<td>The first <strong>Training Packages</strong> are introduced and become the mandated model of VET qualifications in Australia.</td>
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| 2000     | The Ministerial Council for Education, Employment Training and Youth Affairs (MCEETYA), which includes all relevant ministers from the Australian and State and Territory Governments, endorses the MCEETYA **National Protocols for Higher Education Approval Processes**. These are updated in 2006. They include principles, criteria and processes for:  
- registering non-university higher-education providers and accrediting their courses;  
- awarding self-accrediting authority to non-university higher-education providers;  
- establishing new universities; and,  
- approving overseas higher-education institutions seeking to operate in Australia. |
<p>| 2000     | The Australian Universities Quality Agency (AUQA) is established. Its purpose is to: ‘promote, audit, and report on quality assurance in Australian higher education’.                                                                                                                                                                           |
| 2001     | The Australian Recognition Framework (ARF) in VET is replaced by the <strong>Australian Quality Training Framework (AQTF)</strong>, which is revised in 2005, and again in 2007. It was introduced in part in response to concerns about quality in the apprenticeship and traineeship systems in the States. It contained standards that VET institutions were required to meet to become ‘Registered Training Organisations’ (RTOs), and standards that the State Training and Accreditation Authorities were required to meet in registering training organizations (Smith and Keating 2003, p. 48). |
| 2003     | ITABS are replaced by <strong>Industry Skills Councils</strong> (ISCs), which have responsibility for developing training packages.                                                                                                                                                                                                                   |
| 2005     | ANTA is dismantled by the Conservative Australian Government based on principles of uncooperative federalism, and responsibilities of ANTA are administered through the (then) Commonwealth Department of Education, Science and Training (DEST). A new ministerial council is established to oversee national coordination of VET – the |</p>
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<td>Ministerial Council for Vocational and Technical Education (MCVTE). The conservative government implements the <strong>National Skills Framework</strong>, which replaces the National Training Framework, with the key elements (training packages and the AQTF) still in place, and the national governance and administrative arrangements are strengthened in favour of the Commonwealth and marketization principles in VET are further developed.</td>
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<td>2007</td>
<td>The conservative government is defeated in national elections after 11 years of conservative rule and replaced by a Labor Government.</td>
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<td>The Australian Government undertakes the Review of Australian Higher Education (the Bradley Review). Many of the recommendations are adopted, and they have far reaching consequences for VET. They include the creation of a new ministerial council called the Ministerial Council for Tertiary Education and Employment (MCTEE). MCTEE replaces MCVTE. It has responsibility for all tertiary education which includes VET, higher education, adult and community education, international education and the AQF. The Government will establish a new Tertiary Education Standards and Quality Authority which will first have responsibility for higher education (by 2010) and then for VET (by 2013). The <strong>AQF Council</strong> is established in 2008 and a review is undertaken to develop a more ‘robust’ AQF. The Council of Australian Governments (COAG), which consists of the Prime Minister and all the Premiers, who are the elected leaders of the States and Territories, develop ‘human capital’ reforms, and in many ways supplant MCTEE as the decision-making body for VET. The Australian Government decides to implement a student voucher for higher education by 2012, and is, together with the States through COAG, trying to put ‘fully contestable market’ arrangements in place for VET. The Victorian State Government introduces a student voucher for its higher-level VET programmes which students can redeem at public or private VET institutions, and it plans to extend these to lower-level VET qualifications. It is likely that most States will follow similar arrangements over time.</td>
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