

# AQF Review Impact Assessment

## Report to the Department of Education and Training

AUGUST 2019

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dandolopartners

In partnership  
with

*ithaca group*  
**ITHACA GROUP**

# Introduction

dandolopartners and Ithaca Group were commissioned by the Secretariat to the AQF Review Panel to undertake an impact assessment of the Panel's draft recommendations

The Australian Qualifications Framework (AQF) defines the essential characteristics of the 14 qualification types issued across the senior secondary education, vocational education and training (VET) and higher education (HE) systems in Australia.

The AQF is currently under review, with the work focused on whether the AQF is 'fit for purpose' and if not, what reforms should be made.

The AQF Review Panel's proposed recommendations aim to ensure that the AQF can continue to underpin the design and delivery of high-quality education in Australia and to position Australian qualifications in the global education market. Specifically, the possible reforms to the AQF aim to ensure that:

- each qualification type is clearly defined and differentiated from other qualifications,
- learning outcomes reflect the current and emerging needs of the Australian workforce and community more generally,
- the AQF can be consistently referenced in provider standards and fairly, transparently and consistently applied by relevant quality assurance agencies, and
- the AQF is easy to use as a reference document for those involved in the development and redevelopment of qualifications.

In conducting an impact assessment of the Panel's proposed recommendations, we spoke to 29 stakeholders to understand the likely impacts of the recommendations for those stakeholders.

This report:

- Summarises the expected impacts of key recommendations, including what activities would be required to implement them, and potential mitigations to manage impacts.
- Provides an analysis of the likely regulatory and legislative implications of the recommendations.
- Proposes an indicative implementation roadmap.

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# Our approach

We spoke to a targeted list of stakeholders involved in the design, delivery and regulation of higher education and training, as well as other government stakeholders with an interest in the AQF.

We spoke to a range of stakeholders across the sector and government

- The stakeholders we interviewed included:
  - Higher education and VET regulators
  - Bodies that represent those involved in the delivery of education and training
  - Departments and agencies involved in the collection of data
  - Organisations involved in migration and visa policy
  - Organisations involved in industrial relations (IR) policy and oversight
  - Other government departments, including those with an interest in international education, student assistance payments, senior secondary school, the future of work and the ongoing administration of the AQF.
- Our conversations were focused on a subset of the draft recommendations of the AQF Review Panel, as at 19 July 2019. In agreement with the Secretariat, we focused on the recommendations most likely to have an impact on stakeholders.
- We also undertook a desktop review of legislative impact. We used initial work undertaken by Phillips KPA in 2018 as the starting point for this analysis.

**Caveat:** The impacts described in this report represent the views of the particular stakeholders we consulted, and as a result, this report does not necessarily provide a comprehensive picture. In particular, the approved list of consultees did not include those involved directly in the provision of education and training, who are likely to be significantly impacted. Refer to the Appendix A for a full list of those we consulted.

The purpose of our interviews was to understand impacts

The purpose of our interviews was to understand:

- What the direct and flow on impacts of the recommendations were likely to be:
  - Who would be impacted
  - What the impacts were likely to be, and how could they be managed
  - What the practical implications were likely to be if no change was made.
- What it would take to implement the proposed recommendations, including:
  - Major activities
  - Legislative, policy or practice changes
  - Timing, that is, how long it would take to undertake the changes that would be required as a result of the recommendations
  - Cost, including the expected costs associated with undertaking the changes required, such as new staffing resources, or the savings associated with any expected efficiencies.
- Although it will inform the Panel's final deliberations, the impact assessment is not designed to provide advice on the merits of recommendations themselves, only to describe the implications if the draft recommendations are implemented. The Panel's draft recommendations should not be considered to be the views of dandolo or Ithaca Group.

# Executive Summary

# Findings on a page

The AQF is embedded within policy and practice across government and the higher education and training sector. A strategic approach to communication and implementation will be essential to convince all stakeholders of the value of the changes.

## **The AQF is an important document, not only for the higher education and training sector, but for government and industry more generally**

- It is embedded throughout legislation, regulation, policy, processes and systems, and is used as a reference point for a range of purposes across government.
- As a result, any changes could have significant impacts across a broad range of stakeholders and sectors. These impacts will range from relatively minor administrative and terminology updates, through to more significant implications for course design and delivery.

## **Changing qualification types will have the most impact on stakeholders**






- Of the Panel's proposed recommendations, the most significant impacts are likely to result from any changes to qualification types, in particular, the creation, disestablishment or alteration of types. This is because qualification types, rather than AQF levels, tend to be used as the primary reference point for policies, processes, data collection and course design and accreditation.
- With some key exceptions, the creation of a learning outcomes matrix with a different number of bands or levels than the current structure will not cause significant impacts or implementation challenges, as long as qualification types can be easily and clearly mapped to a band.
- While the proposed change to volume of learning, from years to hours, will not necessarily cause large impacts or require significant implementation activities, there remains a high level of concern and uncertainty about what this change may mean for other, existing units of measurement for course duration and for the focus of regulation.

## **As a result, the implementation approach will be of critical importance**

- Although many government and Higher Education stakeholders are relatively relaxed about the likely implications, and can see the benefits, some stakeholders, particularly those in the VET sector, have questioned whether the potential benefits of the key changes outweigh the possible negative impacts.
- Several stakeholders have also expressed a high degree of concern about the difficulty of implementation, particularly around qualification types, and have queried whether the benefits justify the effort required to implement them.
- In some cases, stakeholders appear to have an inaccurate understanding of the recommendations. This is somewhat understandable, given the complexity of the changes and the uncertainties that remain regarding the detail of the changes, particularly in relation to qualification types.
- It also will not be possible to fully understand the implications until stakeholders, including providers, undertake comprehensive internal reviews to consider the breadth of the policies, processes, systems and regulations that may need to be updated in response to changes to the AQF.
- It is therefore important that the implementation approach:
  - Ensures that all those likely to be affected understand the rationale for the proposed changes and the likely benefits
  - Involves ongoing consultation with impacted parties in the development and the drafting of the revised AQF
  - Allows sufficient time for stakeholders to fully review and identify relevant implementation considerations
  - Ensures that given the effort involved, the maximum, as opposed to incremental, benefits are achieved from the recommendations.
- To achieve this, we have proposed an implementation roadmap.

# Overall impact assessment by stakeholder type

Changes to qualification types are likely to have the most significant impact on stakeholders. The stakeholders most impacted by the recommendations are those involved in the design and development of qualifications.

AQF Recommendations / Stakeholders	 Learning outcomes matrix	 Qualification types	 Volume of learning	 Guidance for AQF Pathways	 Policy and governance
VET Delivery	High impact	High impact	Moderate impact	Low impact	Low impact
VET Design	High impact	High impact	Moderate impact	Low impact	Low impact
VET Regulation	Moderate impact	Moderate impact	High impact	Low impact	Low impact
Higher education regulation and delivery	Moderate impact	High impact	Low impact	Low impact	Low impact
Data	Low impact	High impact	Moderate impact	Low impact	Low impact
Migration	Moderate impact	High impact	Low impact	Low impact	Low impact
Industrial relations	High impact	High impact	Low impact	Low impact	Low impact
International	High impact	High impact	High impact	Low impact	High impact
Other Government departments <sup>1</sup>	Moderate impact	High impact	Moderate impact	Low impact	High impact

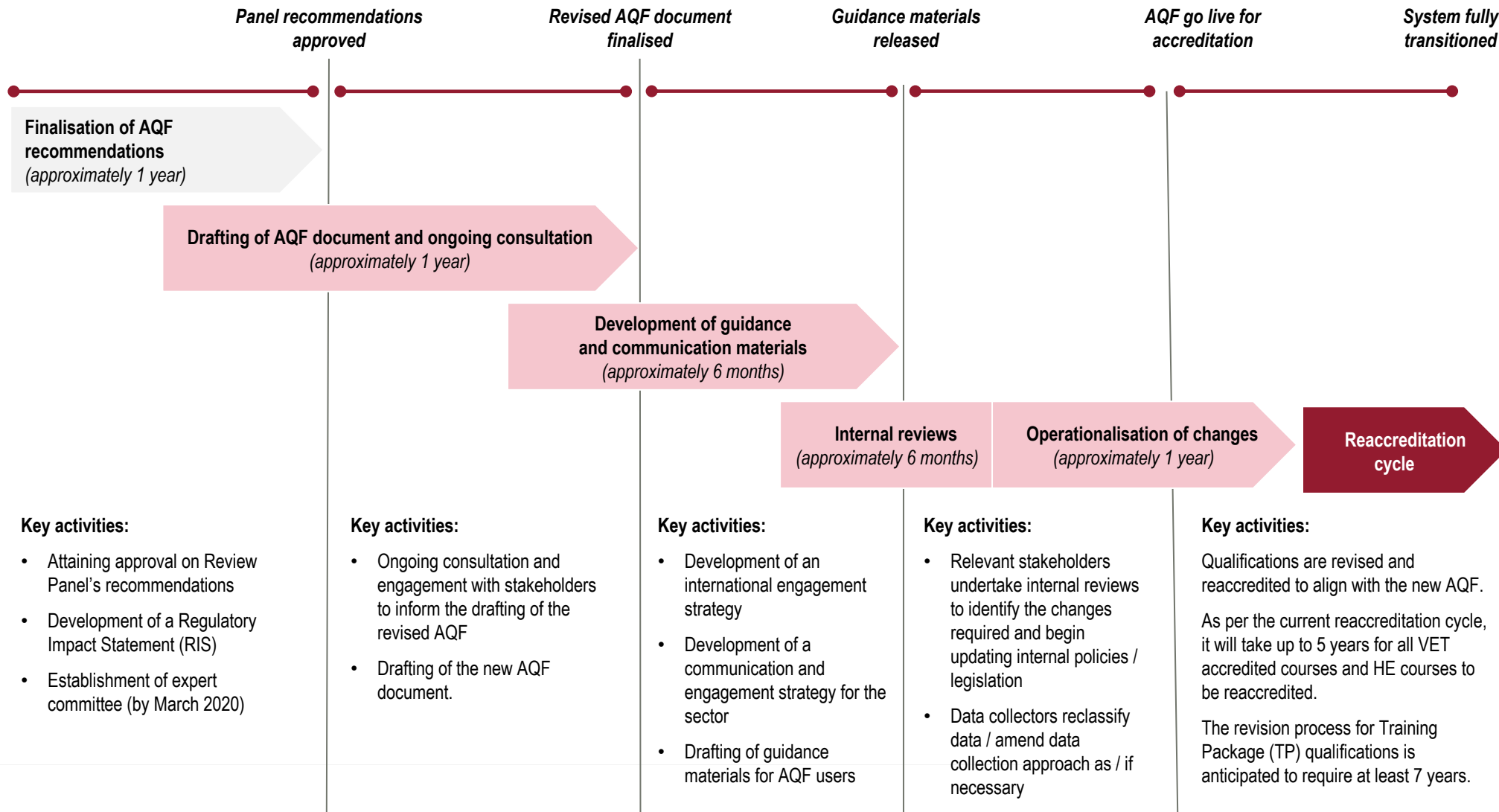
<b>Legend</b>	 Low impact	 Moderate impact	 High impact
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<sup>1</sup> Other Government departments include the Australian Department of Education (Secondary School and System Quality & Design), Department of Industry, Department of Social Services

Note: Low impact: terminology and name changes, which can be changed within 2-3 months;  
 Moderate impact: review required but unlikely to incur significant costs and time (<6 months);  
 High impact: substantial review required, which entails significant costs and internal resources (up to 1 year)  
 Source: dandolo and Ithaca's stakeholder consultations

# Proposed implementation roadmap

We recommend staggering implementation of the revised AQF over several years.



Note that the arrows are not to relative scale

# Impact assessment



# AQF impact assessment framework

We spoke to stakeholders about five key areas of the proposed recommendations to answer three questions – what are the impacts, what activities would be required to implement the recommendations, and what mitigation strategies could be put in place to manage impacts and ease implementation?

## AQF Review Panel recommendations

1



Establish a new **learning outcomes matrix** to underpin qualification descriptions

2



Realign **qualification types** to the learning outcomes matrix

3



Express **volume of learning** in hours instead of years

4



Develop guidance in the **AQF Qualifications Pathway** for RPL / credit transfer / arrangements for shorter form credentials

5



### **Policy & governance:**

- Charge Dept. of Education with oversight of AQF alignment with international qualifications policy
- Establish expert committee to implement review recommendations

## Impact assessment:

### A. What are the impacts?

- Negative impacts
- Positive impacts

### B. What would it take to implement the recommendations?

- Major activities required
- Timing and cost of implementation

### C. What mitigating strategies could be undertaken to address implementation issues?

# Summary of impact assessment according to key recommendations

Substantive changes to qualification types would have the most significant impact on stakeholders. Most stakeholders highlighted the importance of developing a clear and transparent communication strategy.

## Recommendation

1



Establish a new **learning outcomes matrix** to underpin qualification descriptions.

- The learning outcomes matrix will comprise the following domains: knowledge, skills, application of knowledge and skills.
- The term bands may replace levels, and there may be a different number of bands for each domain.

2



Realignment of **qualification types**

- If the introduction of a learning outcomes matrix results in fewer bands than the current number of levels, it will require a new alignment for existing qualification types in a way that will enable the current characteristics of qualification types to be better differentiated.

3



Change in **expression of volume of learning**

- Express the volume of learning assigned to each qualification type in hours (instead of years) to cater for flexible academic calendars and the increasing prevalence of shorter form courses.

## Summary of Impacts

### Changes to the matrix should be clearly communicated to stakeholders

- The establishment of a learning outcomes matrix, should not, aside from any flow-on implications for qualification types, create significant disruption for most stakeholders, **as long as qualification types can be easily mapped from the old structure to the new.**
- The creation of a matrix **could create confusion and disruption in the international education market**, if the changes are not well explained. Changes to level are also likely to have implications for modern awards.
- Articulating a clear and compelling rationale for the changes, as part of an implementation communication strategy, will be an important mitigation.

### Substantial changes to qualification types would have a significant impact on most stakeholders

- Re-aligning qualification types to a new learning outcomes matrix may result in the creation, disestablishment or alteration of some qualification types. This will generate **significant work for qualification developers to update qualifications** in line with the new or re-aligned qualification types. Providers and others in the system will experience flow on impacts of delivering, administering and using the updated qualifications.
- Allowing sufficient lead time for implementation will be an important mitigation.

### Expressing volume of learning in hours (instead of years) should not require substantial changes to policy, practice, or regulation. However, this change needs to be well understood by stakeholders.

- This recommendation was not well understood by some stakeholders, and there is a high level of concern about the implications of the change for course design or funding arrangements. Some stakeholders, however, were very supportive of the change and the flexibility it will provide.
- It will therefore be important that the change is well explained, that the guidance about what is included in the volume of learning definition is clear, and that it is well communicated that the change will not have implications for delivery hours or funding arrangements.

# Summary of impact assessment according to key recommendations (contd.)

The proposed changes to the policies that sit within the AQF should have a limited impact on most stakeholders

## Recommendation

4



Develop guidance in **AQF Qualifications Pathway Policy** for recognition of prior learning (RPL) / credit transfer / arrangements for shorter form credentials.

- Develop guidance on the principles and procedures that should be observed to provide RPL, credit transfer or articulation arrangements for shorter form credentials
- Develop and test a prototype credit points system for inclusion in the AQF as a voluntary tool for providers, offering a nationally consistent currency for negotiating credit transfer.

5



AQF **policy and governance** changes:

- Remove the Principles and Processes for the Alignment of the AQF with International Qualifications Frameworks and charge the Commonwealth Department of Education with its ongoing oversight.
- Establish an expert committee with responsibility for implementing the AQF Review recommendations, supported by a secretariat in the Australian Government Department of Education.

## Summary of Impacts

**Since this guidance is voluntary, the creation of additional guidance on the recognition of prior learning, and the development of a credit point system, is unlikely to have a significant impact.**



- Some stakeholders commended the proposal, as it will provide a more standardised approach towards RPL and credit transfers.
- However, some stakeholders are concerned about confusion related to the status of shorter-form credentials if they continue to sit outside the framework.
- As the guidance is voluntary, it is unlikely to require significant implementation activities.

There is **very little concern about this recommendation**. However some stakeholders have noted the need to ensure that VET perspectives are reflected in the ongoing oversight of this policy, given that policy responsibility for VET no longer sits within the Department of Education.

**Stakeholders are generally supportive of this recommendation**, however many emphasised the need to ensure appropriately informed representation on the Committee, including members representing industries, employers and students.

# 1 Learning outcomes matrix – impact summary

The establishment of a learning outcomes matrix, should not, aside from any flow-on implications for qualification types, create significant disruption, as long as qualification types can be easily mapped from the old structure to the new.

 <p><b>Proposed Recommendation</b></p>	<ul style="list-style-type: none"> <li>Establish a new learning outcomes matrix that will underpin the description of qualification types.</li> <li>The learning outcomes matrix will comprise the following domains: knowledge, skills, application of knowledge and skills. The term bands may replace levels, and there may be a different number of bands for each domain.</li> </ul>	 <p><b>Most impacted stakeholders</b></p>	<ul style="list-style-type: none"> <li>VET Design / Delivery</li> <li>HE Regulator</li> <li>International</li> </ul>
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Impacts	Major Activities	Mitigation Strategies
<ul style="list-style-type: none"> <li>✓ Changes to the AQF have the potential to <b>trigger useful conversations about funding approaches</b> for skills progression.</li> <li>✓ There are benefits to <b>having more flexibility to assign outcome descriptions to qualification types</b> across levels.</li> <li>✓ As long as it is clear what AQF band a qualification type maps to, the creation of a learning outcomes matrix alone <b>will not have a significant impact on data collection</b>.</li> <li>✗ However, there is a risk that those who the system serves will not recognise the benefits as being worth the disruption.</li> <li>✗ Changes to the framework may cause confusion, <b>undermining international confidence in, and understanding of the AQF</b>.</li> <li>✗ A structure with fewer bands or levels may also have <b>implications for student visas</b> (e.g. a current requirement is that a student may not switch to a qualification at a lower level, which may become complicated if qualification types that were at different levels are now grouped).</li> <li>✗ The realignment of qualification types to levels could potentially trigger an industrial party (or the FWC) to bring an application to modify a modern award that uses this qualification type as a reference point or requirement, especially if it could be considered that the qualification type has 'diminished' in level.</li> </ul>	<ol style="list-style-type: none"> <li>1. Regulators will need to update their internal policies and practices and retrain auditors.</li> <li>2. DSS and DHS would need to undertake a comprehensive review of all other relevant social services regulation, policies and processes.</li> <li>3. State Training Authorities (STAs) may need to reconsider funding policies if the number of AQF levels are reduced.</li> <li>4. Equity programs may need to be restructured or eligibility redefined.</li> <li>5. Extensive communication and consultation to inform and educate Industry Reference Committees (IRCs), TP developers and industry stakeholders.</li> <li>6. The Department of Education will need to review and update the 127 Country Education Profiles that are used by various entities, including providers, to understand how overseas qualifications align with AQF qualifications.</li> <li>7. The training.gov.au system will need to be updated to reflect changes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop guidance and communication materials that:               <ul style="list-style-type: none"> <li>Explain the changes and how the new matrix works</li> <li>Articulate a clear and compelling case as to how the changes will benefit those who will bear much of the cost, including providers, students and employers.</li> </ul> </li> <li>2. The development and delivery of an international engagement strategy to explain the updated AQF and the matrix to international stakeholders, including bilateral partners, multilateral institutions, and international education agents.</li> <li>3. Provide sufficient implementation timeframes to enable DSS and DHS to identify and update all of the impacted policies and instruments.</li> <li>4. Allow a staged implementation process, whereby courses are reaccredited based on the usual cycle.</li> </ol>

## 2 Qualification types – impact summary

Changes to qualification types that go beyond naming convention changes would have a significant impact on most stakeholders



### Proposed Recommendation

If the introduction of a learning outcomes matrix results in fewer bands than the current number of levels, it will require a new alignment for existing qualification types in a way that will enable the current characteristics of qualification types to be better differentiated.



### Most impacted stakeholders

All stakeholders

Impacts	Major Activities	Mitigation Strategy
<ul style="list-style-type: none"> <li>✓ <b>Greater distinction between qualification types would help the FWC understand the appropriate wage levels for industries.</b> However, if a particular qualification changes in substance, this may trigger an industrial party (or the FWC) to bring an application to modify an award that uses this qualification type as a reference point / requirement.</li> <li>✗ Changes to qualification types, and in particular, the disestablishment of types, could risk <b>undermining confidence in the permanency and consistency of Australian qualifications in international markets.</b></li> <li>✗ Changes to qualification types (including the creation or disestablishment of types), or substantive changes to the learning outcomes associated with those types, could result in major implications for <b>IT and data collection systems and policy areas</b> (e.g. skilled migrant program and student payments policy).</li> <li>✗ There is a danger that some employers/industry stakeholders will <b>disengage from the VET system</b> through frustration with lengthy revision and consultation processes.</li> <li>✗ The discontinuation of qualifications <b>would affect current / previous students who took up the award.</b></li> <li>✗ Substantive changes to qualification types could impact existing mutual recognition agreements / <b>international accords</b> that some professions are a part of.</li> </ul>	<ol style="list-style-type: none"> <li>1. If there are substantive changes to qualification types, the following activities would be required in relation to data collection: <ul style="list-style-type: none"> <li>• The development of guidance documents to support changes in data collection requirements</li> <li>• Analysis to map historical data</li> <li>• Consideration of the required changes to the Unique Student Identifier (USI) transcript, System and IT updates to the National Training Register (training.gov.au).</li> </ul> </li> <li>2. If changes to qualification types go beyond naming conventions, then this will require providers to: <ul style="list-style-type: none"> <li>• Discontinue, redevelop or develop course offerings</li> <li>• Transition students to new qualifications</li> <li>• Update learning materials and teaching capabilities.</li> </ul> </li> <li>3. In one jurisdiction, the costs associated with transitioning enrolled students to new qualifications in one TP were estimated at \$2M.</li> <li>4. DOHA will need to review current policy and practice, particularly the point allocation system embedded within skilled migration policy.</li> <li>5. Professional associations would need to undertake a comprehensive review of existing international accords. The timing and cost depends on the extent of the changes and whether renegotiation is required.</li> </ol>	<ol style="list-style-type: none"> <li>1. As noted previously, the development and delivery of an international engagement strategy will be critical, and its importance will only increase if qualification types are materially changed.</li> <li>2. Ensuring that the implementation plan includes sufficient time for: <ul style="list-style-type: none"> <li>• NCVET / ABS to make data collection system updates.</li> <li>• DSS and DOHA to identify and make the required changes.</li> <li>• Providers to develop and reaccredit their courses, noting that non-self accrediting bodies may be placed at a competitive disadvantage if there are accreditation delays for new offerings.</li> </ul> </li> <li>3. Undertake a communications exercise with compelling arguments to show that change will be functional and efficient to overcome resistance due to change fatigue in the VET sector.</li> <li>4. Ensure that implementation planning is informed by an understanding of the particular challenges associated with senior secondary school as a context for VET delivery.</li> <li>5. The FWC's deliberations would be assisted by the provision of guidance that enables them to understand the implications of the changes.</li> </ol>

# Volume of learning – impact summary

If articulated well, the changes to Volume of Learning (VOL) are unlikely to have a major impact on stakeholders.



## Proposed Recommendation

Express the Volume of Learning (VOL) assigned to each qualification type in hours (instead of years) to cater for flexible academic calendars and the increasing prevalence of shorter form courses.



## Most impacted stakeholders

- VET Sector
- Data
- International

Impacts	Major Activities	Mitigation Strategy
<p>✓ <b>The increased granularity from the unit change would help regulators more accurately assess actual course load.</b></p> <p>✓ <b>The unit change to hours also supports the ongoing shift to more flexible learning modes.</b></p> <p>✗ <b>However, the VOL unit change may complicate international recognition and reporting arrangements</b>, especially if the intent of this policy change is not well understood.</p> <p>✗ <b>Stakeholders, especially in the VET sector, also highlighted the risk of the VOL policy becoming a hard rule rather than a benchmark</b> E.g. if regulators use general VOL conversions to assess course quality, this may go against the intended outcome of recognising greater flexibility in delivery approaches.</p>	<p><b>1. Develop clear guidance</b> The implications and purpose of the VOL unit change has to be well-articulated, including to emphasise that other parts of government policy – such as funding – would not be impacted.</p> <p><b>2. Engage international stakeholders</b> The international engagement strategy should inform international regulators and AQF users, such as prospective students, that there has been no material change in actual volume of learning.</p> <p><b>3. Engage experts to inform VOL conversion</b> The Panel / Secretariat could engage education pedagogy experts to inform policy decisions on prescribed teaching hours within different types of qualifications.</p>	<p>1. More detailed stakeholder consultations to confirm volume of learning conversions The current equivalence (e.g. 1,200 hours = 1 years) is not universally agreed, especially for less standard VET delivery environments.</p> <p>2. Reassert the principle that the volume of learning is a guide, rather than a hard rule.</p>

“The change would allow innovation in course delivery, as long as it’s reasonably flexible for providers.”

“If VOL is specified precisely, it may become a standard adhered by regulators and will not fully account for variations in delivery methods and learner needs.”

“The change to hours may invite international regulators to relook into recognition of Australian qualifications.”

“If VET in secondary schools does not meet the benchmark hours, it would affect industry perception of the quality of VET in secondary schools.”

# Pathways and credit transfer – impact summary

As the guidance and credit points system are voluntary, the proposed changes would not have a major impact on stakeholders.



## Proposed Recommendation

Develop guidance in the AQF Qualifications Pathways on the principles and procedures that should be observed to provide recognition of prior learning, credit transfer or articulation arrangements for shorter form credentials, including micro credentials, and components of the Senior Secondary Certificate of Education

Develop and test a prototype credit points system for inclusion in the AQF as a voluntary tool for providers, offering a nationally consistent currency for negotiating credit transfer.



## Most impacted stakeholders

- Providers

Impacts	Major Activities	Mitigation Strategy
<p>✓ The Qualifications Pathways Policy is currently not widely understood. If the proposed revisions enhance clarity on pathways from qualifications to industries, it would be very useful for AQF users.</p> <p>✓ The development of a prototype credit points system would be useful for students, as credit points allocation currently vary across different providers.</p> <p>✗ Stakeholders highlighted concerns that providing guidance for something which sits outside the legal framework would create confusion for AQF users.</p>	<p>1. As the use of the AQF Qualifications Pathways and credit point system are not mandatory, there are unlikely to be major activities required to implement these changes.</p>	<p>1. <b>Develop communication strategy on the standing of shorter form credentials</b> Clarify what it means for shorter form credentials to be included in AQF but remain outside the framework (e.g. the interplay between short form credentials and formal qualifications).</p> <p>2. <b>Test the credit point system with education providers</b> This will help recognise different pathways and links between qualifications.</p> <p>3. <b>Monitor the impact of credit guidance to inform possible future decisions on inclusion or recognition of micro credentials in the AQF.</b></p>

“The prototype credit points system is a positive for our members, as it encourages a more standardised approach, while still allowing providers to retain control.”

“There needs to be consideration of how to monitor / assess the Qualifications Pathway. This will help inform future decisions on inclusion / recognition of micro-credentials.”

## Policy and governance – impact summary

Policy and governance changes are unlikely to impact most stakeholders. However, some highlighted that the Expert Committee should be representative of Australia’s education system.



### Proposed Recommendation

Remove the Principles and Processes for the Alignment of the AQF with International Qualifications Frameworks and charge the Commonwealth Department of Education (DoE) with its ongoing oversight.

Establish an expert committee with responsibility for implementing the AQF Review recommendations, supported by a secretariat in the Commonwealth Department of Education.



### Most impacted stakeholders

- VET Delivery
- Other Government departments
- International

Impacts	Major Activities	Mitigation Strategy
<p>✓ An expert committee would help provide <b>independent assessments</b> on the quality of qualifications and their alignment to the new AQF.</p> <p>✗ However, a few stakeholders highlighted the risk that the committee would principally consist of <b>experts who have limited understanding of the practical needs of industries / students</b>, leading to a greater focus on philosophical rather than practical considerations.</p> <p>✗ Some VET-related stakeholders also raised concerns that there might be disproportionate representation of <b>Higher Education experts</b> in the committee.</p>	<p>1. <b>Knowledge transfer and allocating more department resources to facilitate transfer of oversight.</b> The International area of DoE would likely be responsible for oversight of this policy. Additional department resources would be required for them to manage these new responsibilities.</p> <p>2. <b>Establishment of expert committee would require new governance arrangements and recruitment of 6-7 FTEs.</b></p>	<p>1. <b>Clear demarcation of the role and responsibilities of the expert committee</b> DoE noted that the expert committee should provide an oversight and advisory function. Implementation responsibility should remain with the Secretariat, which sits within DoE.</p> <p>2. <b>Ensure that VET perspectives are taken into account for both governance changes.</b> DoE can continuously engage with Department of Employment, Skills, Small and Family Business on VET-related policy.</p> <p>3. <b>Expert committee has to consist of representatives from different parts of the education system.</b> This includes appointing experts involved in VET course design / industry. Greater clarity is also needed on how the committee would engage with different state governments.</p>

“We need to clarify how the proposed committee would add value and not duplicate the responsibilities of government and regulators.”

“There needs to be more details on how the committee would function – is it independent of the Department like the COAG Education Council Secretariat?”

“Peak bodies and provider bodies should have a role in putting the committee together.”



## Legislative and regulatory impacts

# Legislative and regulation – key implications

The AQF is referenced in many regulatory and legislative instruments however, with some key exceptions, the necessary amendments should be relatively straight forward.

**The AQF is embedded within a broad range of regulatory and legislative instruments, in most cases for definitional purposes, or because specific AQF levels or qualification types are used as a benchmark or reference point.**

## A. Type of reference

Most instruments reference either:

- An AQF level (e.g. Level 5 or higher)
- A specific qualification type (e.g. Bachelor)
- Or in some instances both.

A few explicitly reference the 2013 version of the AQF.

In a few cases, legislative and regulatory instruments still refer to qualifications from the previous version of the AQF

## B. Type of instruments

- Most of the instruments that would need to be updated are regulations, rules, guides, or determinations, rather than Acts, and therefore would not require legislative amendment.
- The Federal Acts that may need to be amended include the:
  - Social Security Act 1991
  - Migration Act 1958
  - Higher Education Support Act 2003
  - Tertiary Education Quality and Standards Agency Act 2011
  - VET Student Loans Act 2016
- The implications for State and Territory legislation are likely to be minor.

**Legislative and regulatory updates would be required as a result of the creation of a learning outcomes matrix and changes to qualification types**



### Changes required due to the creation of a learning outcomes matrix

References to AQF levels in various instruments will need to be updated to refer to the appropriate band in the revised AQF matrix:

- In some cases, this should be a straight forward amendment – e.g. in situations where a level is mentioned in relation to a particular qualification type that can be easily mapped to a band in the revised AQF.
- In other cases, the relevant department may need to consider what band is the most appropriate reference point, and whether there are funding or policy implications associated with using a band that may include different qualification types than the previous level.



### Changes required as a result of changes to qualification types

Any references to specific qualification types will also need to be updated, if those qualifications types are renamed, altered or discontinued:

- If a qualification type is renamed, this will require straightforward amendments to any instruments that reference that type.
- If a qualification type is discontinued, or substantively altered in terms of its expected learning outcomes, then this may require the relevant Department to reconsider what qualification type is the appropriate benchmark or reference point.

# Examples of potential regulatory and legislative updates

Legislative changes would be required across both education and non-education related instruments. Some examples of these changes are outlined below.

## Legislation

Higher Education (Designated Courses of Study) Specification 2011

## Reference to AQF within legislation

- Under section 4, *advanced diploma*, *associate degree* and *diploma* have been defined as awards that are specified as higher education awards in the Australian Qualifications Framework with the AQF Qualifications of **Advanced Diploma**, **Associate Degree** and **Diploma** respectively.
- The references to Advanced Diploma / Associate Degree / Diploma would need to be updated, if these qualifications were altered or renamed.

Australian Research Council

- In various Australian Research Council funding rules, PhD is defined as a qualification that meets Level 10 criteria of the AQF.
- These references would need to be updated to refer to band 8, or whichever band the Doctorate Degree sits within under the revised framework.

Childcare Subsidy Minister's Rule 2017

- One of the study requirements for eligibility for child care subsidies is a course of study at AQF Level 2 through to Level 8.
- A decision will need to be made as to what range within the revised matrix would be appropriate, and if the change would have any implications for the size and nature of cohort that would be eligible for subsidies.

Civil Aviation Safety Regulations 1998

- Civil Aviation Safety Regulations specifically reference Certificate IV in Training and Assessment. AQF is also specifically mentioned as one of the standards related to air traffic services training.
- The reference to Certificate IV would need to be updated if this qualification type is renamed or altered and / or if any changes are made to the specific Certificate IV in Training and Assessment.

# Regulatory implications for particular sectors

The proposed changes to the AQF will have particular implications for policy and regulation in certain sectors and policy areas, including industrial relations (IR) and migration.



## **Migration and visa policy:**

*As AQF is used throughout migration regulatory instruments, the AQF changes could have significant legislative and regulatory implications*

- Some of the most significant regulatory and legislative implications are in the area of visa and migration policy. The AQF is used throughout migration regulatory instruments, including in the Migration Act 1958 and the Migration Regulations 1994.
- The AQF is particularly relevant for (i) Student visas – e.g. a condition of a student visa is that the student achieves a qualification from the AQF at the same or a higher level and (ii) Skilled visas – e.g. the regulations prescribe the application of skill migration points for particular visas with reference to AQF qualifications.
- A two year implementation period is likely to be sufficient to enable these changes to occur, noting that the work will have resource implications for the department that are hard to estimate at this stage.



## **Modern awards policy across several industries:**

*Qualification type or level changes are likely to require revisions to industrial awards*

- ~ 80 modern awards<sup>1</sup> specifically reference the AQF – either specific levels, qualification types or both. The FWC can make terminology amendments to modern awards, if they are non-substantive amendments, however consultation is still required.
- If a particular qualification type / level substantially changes, this may trigger an industrial party or the FWC to bring an application to modify an award. The cost and timeframes associated with these applications could be significant, but these actions could only occur following the implementation of a revised AQF.



## **Higher education and training sector:**

*While significant amendments to legislation is unlikely, a comprehensive legal review should be carried out*

- While a number of legislative and regulatory instruments in the higher education and training sector reference the AQF, substantial amendment to these instruments may not be required.
- However, given the use of the AQF as a common reference point throughout the sector, we would recommend that, as part of implementation, a substantive legal review is undertaken of key sector instruments to ensure that they do not rely on implicit assumptions embedded within the current AQF.

# Regulatory implications for particular sectors (contd.)

The proposed changes to the AQF will have particular implications for policy and regulation in certain sectors and policy areas, including student payments and ANZCO.



## Student payments policy

*The AQF is used as a benchmark for determining eligibility for student assistance payments*

- For example, the Social Security Act 1991 specifies conditions for eligibility for the training supplement, which include:
  - If the person has not completed the final year of secondary school ... and the course is .... accredited at **Certificate I, Certificate II, Certificate III or Certificate IV level, or**
  - If the person has been awarded a VET qualification accredited at **Certificate I, Certificate II, Certificate III or Certificate IV level** in the AQF; and is not studying for, and has not been awarded, a qualification accredited at **diploma level or higher** in the AQF, and the course leads to a qualification that, in the AQF, is directly related to, and **at a higher level than**, the person's VET qualification.
- Any changes to the AQF may have implications, not just for legislation, but for payments policies and practice. DSS will need to undertake a full policy and legislative review to identify the full suite of implications. Policy changes may also have operational impacts for DHS.



## Australia New Zealand Classification of Occupations (ANZCO)

*The ANZCO codes reference specific qualification types, and they are used for a variety of purposes*

The ABS is the co-custodian of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) along with Statistics New Zealand. The ANZSCO classifies occupations according to two criteria – skill level and skill specialisation. The skill level criterion is measured, in part, based on AQF qualifications.

The ANZCO codes are used for a variety of purposes, including for assistance payments and migration policy, and therefore any changes may have flow on implications.

The following qualification types are referenced in the ANZSCO skill levels:

SKILL LEVEL 1: Occupations at Skill Level 1 have a level of skill commensurate with a bachelor degree or higher qualification.

SKILL LEVEL 2: AQF Associate Degree, Advanced Diploma or Diploma.

SKILL LEVEL 3: AQF Certificate IV or AQF Certificate III including at least two years of on-the-job training.

SKILL LEVEL 4: AQF Certificate II or III.

SKILL LEVEL 5: AQF Certificate I or compulsory secondary education.

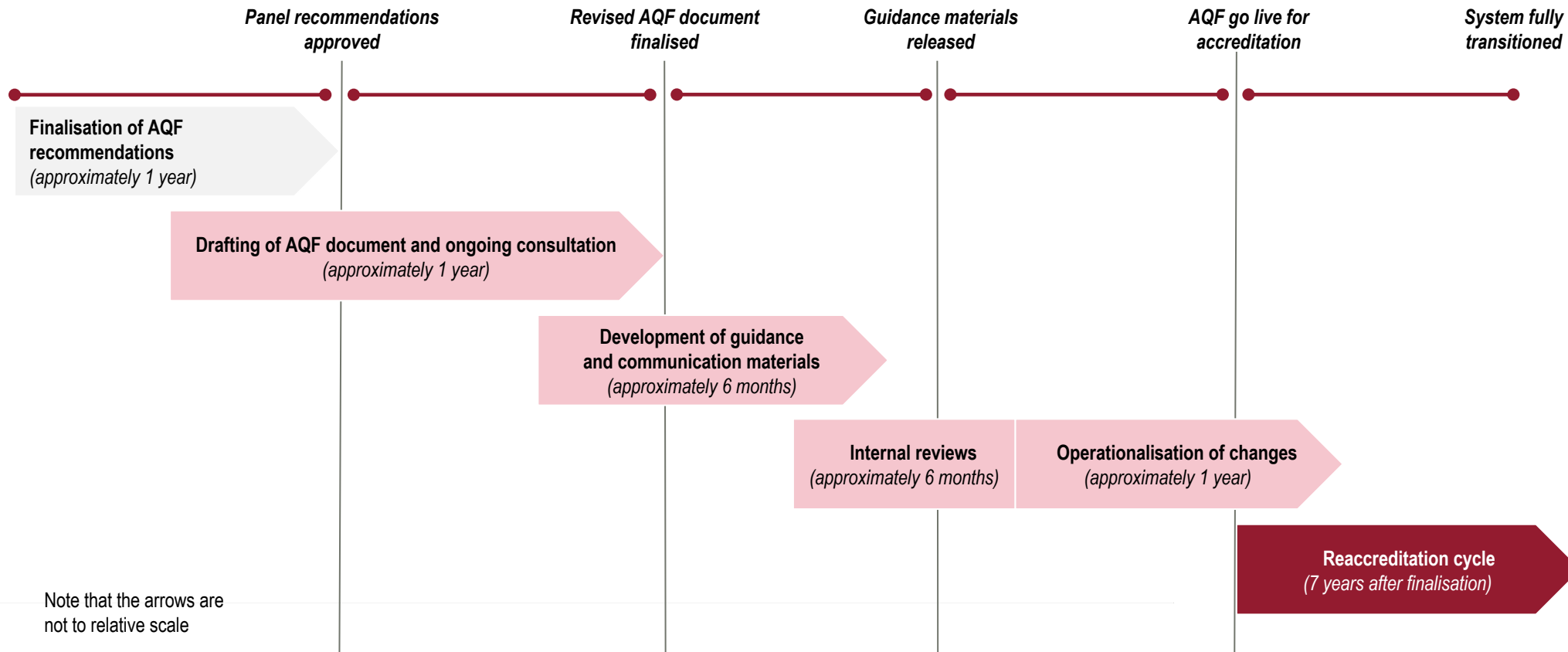
# Implementation roadmap

# Proposed implementation roadmap

We recommend staggering implementation of the revised AQF over several years.

Given the potentially wide-ranging implications of changes to the AQF, and the need for agencies to undertake further work to identify the full suite of implications for their policy areas following finalisation of a new AQF, it will be important that the implementation approach:

- Involves ongoing consultation with impacted parties in the development of the drafting of the revised AQF
- Allows sufficient time for stakeholders to fully review and identify relevant implementation considerations
- Communicates extensively and clearly, to correct misperceptions and ensure the rationale for the changes and the benefits are well understood.



# Proposed implementation roadmap

Following the finalisation of the AQF Review Panel recommendations, we recommend a three-part implementation approach: AQF drafting, communication / guidance development and policy operationalisation.

Pre-Review Panel finalisation

Post-Review Panel implementation activities



**Key activities:**

- Attaining approval on Review Panel’s recommendations
- Development of a Regulatory Impact Statement (RIS)
- Establishment of expert committee (by March 2020)

**Key activities:**

- Ongoing consultation and engagement with stakeholders to inform the drafting of the revised AQF
- Drafting of the new AQF document including:
  - ✓ Development of a prototype credit system
  - ✓ Development of guidelines for the AQF Qualifications Pathway Policy
  - ✓ Transition of the AQF Alignment with International Qualifications Frameworks policy to Commonwealth Department of Education

**Key activities:**

- Development of an international engagement strategy on the impact of AQF changes. Strategy could cover:
  - ✓ How former AQF levels map to the new AQF bands
  - ✓ The rationale of changing volume of learning measurement metric
  - ✓ Implications of discontinuing / renaming particular qualifications
- Development of a communication and engagement strategy for the sector
- Drafting of guidance materials for AQF users

**Key activities:**

- Relevant stakeholders undertake internal reviews to identify the changes required and begin updating internal policies / legislation
- Data collectors reclassify data / amend data collection approach as necessary

Qualifications are revised and reaccredited to align with the new AQF.

As per the current reaccreditation cycle, it will take up to 5 years for all VET accredited courses and HE courses to be reaccredited.

The revision process for TP qualifications is anticipated to require at least 7 years.

**WHO** AQF Secretariat and Review Panel

Expert Committee, supported by Secretariat

Expert Committee Secretariat, relevant Departments

Providers and relevant departments

Providers and accrediting bodies



# Appendix A: Detailed Impact Assessment



# Learning outcomes matrix

## Recommendation

Establish a new learning outcomes matrix that will underpin the description of qualification types. The learning outcomes matrix will comprise the following domains: knowledge, skills, application of knowledge and skills. The term bands may replace levels, and there may be a different number of bands for each domain.

## Summary

- The establishment of a learning outcomes matrix, should not, aside from any flow-on implications for qualification types, create significant disruption, as long as qualification types can be easily mapped from the old structure to the new.
- The creation of a matrix could create confusion and disruption in the international education market, if the changes are not well explained.
- Articulating a clear and compelling rationale for the changes, as part of an implementation communication strategy, will be an important mitigation.

Who	Impacts		Implementation	
	Negative	Positive	Major activities	Mitigations
VET delivery	There is a risk that those who the system serves will not recognise the benefits as being worth the significant disruption.	Changes to the AQF have the potential to trigger useful conversations about funding approaches for skills progression and to more clearly define and value skills and the application of skills and knowledge in VET products.	<p>State Training Authorities (STAs) will need to reconsider funding policies if the number of AQF levels are reduced.</p> <p>Equity programs may need to be restructured or eligibility redefined.</p> <p>Costs will be incurred by:</p> <ul style="list-style-type: none"> <li>• providers – reviewing/revising learning materials, administrative systems, trainer/assessor currency and compliance requirements</li> <li>• students – access/eligibility for upskilling, interpreting/assessing equivalence of previous qualifications</li> <li>• employers – understanding/recognising equivalence between qualifications under the old and new system.</li> </ul>	A clear and compelling case will need to be publicly made as to how these changes will benefit those who will bear much of the cost.



# Learning outcomes matrix

	Impacts		Implementation	
Who	Negative	Positive	Major activities	Mitigations
<b>VET design</b>	The significant implementation costs to develop and implement revised products represent an opportunity cost whereby the funding and effort could be directed elsewhere in the system to issues that stakeholders consider to be more important.		<p>Extensive communication and consultation to inform and educate Industry Reference Committees (IRCs), TP developers and industry stakeholders.</p> <p>Updating internal documents, and the practices and skills of developers (TP and accredited courses).</p>	<p>Compelling reasons for change will need to be articulated to justify the significant workload required to implement the change, e.g. through RIS process.</p> <p>Linking the changes to other VET system reforms would make them more logical and achievable.</p>
<b>VET regulation</b>		Separately describing knowledge, skills and the application of knowledge and skills should enable clearer distinctions between qualification types. Fewer levels may eliminate duplication and provide more granularity between levels.	Regulators will need to update their internal policies and practices and train auditors in line with the AQF changes.	
<b>Higher education delivery</b>			The creation of a learning outcomes matrix alone should not require providers to undertake significant implementation activities, as long as it is clear how the old system maps to the new system.	Clear communications explaining the changes and how the new matrix works.



# Learning outcomes matrix

	Impacts		Implementation		
Who	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Higher education regulation</b>	Need to ensure that providers do not become inadvertently caught up in the administrative costs of conforming to a new structure if the qualification types themselves aren't changing.	There are benefits to having more flexibility to assign outcome descriptions to qualification types across levels.	<p>Additional compliance assessments may be needed to ensure HE providers have a clear strategy in place to implement changes.</p> <p>The regulator would need to review internal policies and procedures that reference the AQF.</p> <p>The establishment of a new framework would not necessarily change regulatory processes but may change the questions asked and the information sought from providers.</p>	<p>Providers would need at least 18 months lead time if changes to course design were required.</p> <p>The regulator notes it will take several weeks to review and update all internal policies and procedures.</p>	A staged implementation, whereby courses are reaccredited based on the usual cycle.
<b>International</b>	<p>The AQF is internationally renowned and provides an effective platform for international engagement.</p> <p>Changes to the framework may cause confusion, undermining international confidence in, and understanding of, the AQF. Changes may also impact on the way some overseas jurisdictions recognise Australian qualifications or perpetuate existing recognition issues for certain Australian qualifications (e.g. Bachelor Honors degrees).</p>	<p>Reducing the number of levels provides an opportunity to better differentiate and more clearly describe qualification types.</p> <p>The international education market may react positively as it has high regard for Australia's regulatory frameworks.</p> <p>Demonstrates Australia's commitment to continuous improvement of its education framework.</p>	<p>The Department of Education (the Department) will need to review and update the 127 Country Education Profiles (CEPs) that are used by various entities, including providers. The CEPs are used to understand how overseas qualifications align with AQF qualifications and to make decisions about recognition.</p> <p>Users of the CEPs may also require training, and will need to make updates to various IT systems pre-loaded with AQF qualifications.</p>	<p>The Department considers that reviewing and updating the CEPs would take approximately six months.</p> <p>Additional resources would be required to update the CEPs, and to develop and deliver an international engagement and communications strategy (see mitigations).</p>	<p>The development and delivery of an international engagement and communications strategy will be critical to explain the updated AQF and the matrix to international stakeholders (including overseas government agencies, multilateral institutions, professional bodies, Australian regulatory and statutory bodies, and international education agents).</p> <p>Consider developing a strategy driven by the Department's Communications team who have expertise in the area.</p>



# Learning outcomes matrix

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Data</b>	As long as it is clear what AQF band a qualification type maps to, the creation of a learning outcomes matrix alone will not necessarily have a significant impact on data collection and analysis, as data is generally collected by qualification type and then mapped to AQF level or band.		While the creation of a new level structure may require some updates to systems, these changes are unlikely to be particularly resource intensive. Changes to qualification types will create much more significant impacts (refer to qualification types table for more information).	Minor changes would take a few months and not incur significant costs (assuming significant changes are not required to training.gov.au).	The development of guidance, if necessary, on how qualification types map from the previous structure to the new one.  It will also be useful for the ABS to understand how the new AQF aligns with the New Zealand qualification framework (currently under review), given that, for example, ANZCO codes are used across both jurisdictions.
<b>Migration</b>	Realignment of the AQF may disrupt skills assessment processes if ANZSCO codes are not updated accordingly.  A structure with fewer bands or levels may also have implications for student visas (e.g. a current requirement is that a student may not switch to a qualification at a lower level, which may become complicated if qualification types that were at different levels are now grouped).	Clearer distinction of qualifications would assist visa assessors in terms of communication to prospective skilled migrants and mapping foreign qualifications to the AQF.	Changing the name and number of levels would require both legislative and policy amendments, such as to the <i>Migration Regulations 1994</i> .	Policy and IT system changes could take up to two years to fully implement.	The development of guidance materials for skills assessors, who are active users of AQF.
<b>Student payments</b>	Although eligibility for student assistance payments is not particularly dependent on the AQF, the AQF is referenced in the <i>Social Security Act 1991</i> .		Legislative updates would be required to the <i>Social Security Act 1991</i> .  DSS and DHS would need to undertake a comprehensive review of all other relevant social services regulation, policies and processes.	The timing and cost implications will depend on what changes are proposed, and the outcomes of the internal review that DSS will need to undertake.  Legislative changes could take 12 months, although the timeframes are uncertain.	Implementation timeframes will need to be sufficient to enable DSS and DHS to identify and update all of the impacted policies and instruments.



# Learning outcomes matrix

1

Learning outcomes matrix

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Industrial relations</b>	<p>The realignment of qualification types to levels could potentially trigger an industrial party (or the FWC) to bring an application to modify an award that uses this qualification type as a reference point or requirement, especially if it could be considered that the qualification type has 'diminished' in level.</p> <p>The FWC has mechanisms to make clarifications and terminology updates to modern awards, however these changes still require consultation.</p> <p>There are also impacts of having two qualifications systems in the workforce for an extended period. There is potential for unequal treatment or discrimination of workers based on which type of qualification is held (pre or post the revised AQF).</p>	<p>Greater distinction between qualification types would help the FWC to understand the complexity of different qualifications and subsequently the appropriate wage levels for industries.</p> <p>Better articulation of skills would also assist industrial parties to more accurately assess work value.</p>	<p>The realignment of qualification types to levels may require administrative updates to modern awards, but would not require significant implementation activities, unless the changes could be interpreted as having a material impact on the modern award (refer to qualification type table for more information).</p>	<p>The timing and cost implications of band realignment are highly uncertain, without more detail on the specific changes proposed and the implications for particular awards.</p>	<p>Where required, guidance material that maps previous levels and qualification types to the new bands would assist terminology updates to be made to modern awards.</p> <p>Allowing sufficient time for the FWC to prepare for potential applications (noting that action cannot occur).</p>

<sup>1</sup> The Melbourne Declaration on Education Goals for Young Australia sets out the agreed national purposes and role of schooling in order to deliver high-quality education. A review of the Declaration is underway, and recommended updates to the Declaration are expected to be presented to the Education Council in December 2019.



# Learning outcomes matrix

	Impacts		Implementation		
Who	Negative	Positive	Major activities	Timing and cost	Mitigations
Secondary school	<p>The proposed revision of the Senior Secondary Certificate of Education (SSCE) descriptor could have implications for SSCE and its intended outcomes, particularly if the descriptor is narrowed to SSCEs role as a pathway into tertiary education, given its important role in supporting people into work and to effectively participate in civic life.</p> <p>The changes could also have implications for the delivery of VET in schools.</p>		<p>If the description of SSCE was materially changed, this could have implications for the structure of SSCE in States and Territories, and would require updates to policies and guidance.</p> <p>However, the DoE consider that the currently proposed amendments would not have a material impact, as they recognise the SSCE's role in relation to employment and participation in civic life.</p>	<p>It will be important that the implementation timeframes allow alignment with other work underway that is considering the role of senior secondary school, including the review of senior secondary pathways into work, further education and training, and the refresh of the Melbourne declaration.</p>	



# Qualification types

### Recommendation

If the introduction of a learning outcomes matrix results in fewer bands than the current number of levels, it will require a new alignment for existing qualification types in a way that will enable the current characteristics of qualification types to be better differentiated.

### Summary

- Substantial changes to qualification types would have a significant impact on most stakeholders.
- Re-aligning qualification types to a new learning outcomes matrix may result in the creation, disestablishment or alteration of some qualification types. This will generate significant work for qualification developers to update their qualifications in line with the new or re-aligned qualification types. Providers and others in the system will experience flow on impacts of delivering, administering and using the updated qualifications.
- Allowing sufficient lead time for implementation will be an important mitigation.

	Impacts	Implementation		
Who	Negative	Major activities	Timing and cost	Mitigations
<b>International</b>	Changes to qualification types, and in particular, the disestablishment of types, may undermine confidence in the permanency, consistency, and understanding, of the AQF in international markets <sup>1</sup> .	As noted previously, the Department of Education will need to update its Country Education Profiles.  The creation of any new qualification types (or significant modifications to existing types) would have a major impact on this work, as the assessment methodology and guidelines would need to be updated.	As noted previously, the Department considers that reviewing and updating the Country Education Profiles would take approximately six months.	As noted previously, the development and delivery of an international engagement strategy will be critical, and its importance will only increase if qualification types are materially changed.
<b>Migration</b>	Substantive changes to qualification types may impact the current skilled migration program.  DOHA would need to revisit the current points allocation system that is used to assess prospective migrants.	To implement the proposed changes, DOHA will need to: <ul style="list-style-type: none"> <li>• Review current policy and practice, particularly the point allocation system embedded within skilled migration policy.</li> <li>• Engage with stakeholders (e.g. DOE, peak bodies) on how DOHA would respond to AQF changes.</li> <li>• Retrain visa processing officers.</li> <li>• Update IT systems.</li> </ul>	It may take several years to develop guidance material, consult stakeholders and implement the changes.  Department resources may be required to develop guidance on changes to different parts of the migration system (e.g. agents, skills assessors).  The scale of the changes required will depend on how significant the proposed changes are to qualification types.	It will be important to ensure DOHA has sufficient time to develop and undertake the required changes to their regulations and processes.  It will also be important to prioritise the development of guidance for policies that are extensively used by different parts of the government (e.g. ANZSCO codes).

1. The designation of qualification types on AQF levels is a key issue in the international recognition of Australian qualifications (for example, placement of the Bachelor Honours degree at the same level as the Bachelor degree can diminish its status and result in it being recognised at the same level as the Bachelor degree).





# Qualification types

	Impacts		Implementation		
Who	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>VET delivery</b>	<p>Having two frameworks in operation during the transition phase will create considerable confusion in the market as well as administrative challenges.</p>	<p>Greater clarification of qualification types may better distinguish VET and HE qualifications.</p>	<p>STAs would need to review purchasing guides for revised/new qualifications.</p> <p>STAs and RTOs would need to transition enrolled students to new qualifications.</p> <p>RTOs would need to change their training and assessment strategies for each qualification/program, update learning materials, reconfirm trainer capability and currency, update practices for changing compliance requirements, and update scope of registration.</p>	<p>In one jurisdiction the costs of transitioning enrolled students to new qualifications in one TP were estimated at \$2m (does not include cost to RTOs of new/revised learning materials or costs to students in additional course fees).</p> <p>Cost to (ASQA regulated) RTOs to change their scope of registration: \$500 per application, \$2000-\$10000 if an audit is required. Because qualifications changes won't all occur at the same time, RTOs will have multiple changes of scope over the implementation period. There are approximately 4000 RTOs with scope to deliver AQF qualifications.</p>	<p>Convincing arguments to show that change will be functional and efficient will be needed to overcome resistance due to change fatigue in the VET sector.</p> <p>Significant professional development (PD) roll out targeting RTOs and accredited course owners will be needed, including the availability of advice and guidance to clarify user issues.</p>
<b>VET design</b>	<p>There are complications with changing qualification types if they affect industrial awards.</p> <p>Flexibility of the current system may be lost if the qualification types are too prescriptive.</p> <p>Changes to qualification type may be minimised to reach consensus and as a result fail to deliver the intended benefits of change.</p> <p>Danger that some employers/industry stakeholders will disengage from the VET system through frustration with lengthy revision and consultation processes.</p>	<p>There is potential to better recognise trade qualifications in new qualification types.</p>	<p>All TP qualifications and accredited courses would need to be reviewed and revised to comply with new AQF requirements.</p>	<p>5 year cycle for course accreditation, plus lead in time to advise developers of new requirements.</p> <p>Cost to accredited course developers to amend course documentation is \$2300. There are 693 accredited courses (450 ASQA regulated).</p> <p>TPs are revised when a need is identified by industry, transition of all qualifications could take 10 years.</p> <p>Commonwealth pays a current rate of \$6,800 per unit for changes to TPs. Total for 17,000 units is \$1.15m. Units associated with industrial awards will be significantly more complex and may require a higher rate.</p>	<p>National IR agreements will need to be in place before attempting to make changes to affected qualifications otherwise the revisions will be permanently bogged down in industry consultation.</p> <p>Clear advice and guidance to explain the changes is needed to support PD for qual developers.</p> <p>Change to the training products cannot be expected to happen quickly because developers and industry stakeholders need to understand what they are doing and why.</p>



# Qualification types

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>VET regulation</b>			<p>Update internal policies and practices for the regulator.</p> <p>Respond to volume of RTO requests for changes to scope as a result of revised training products.</p>	<p>Audit processes will respond to new qualifications as they enter the system.</p>	<p>More detail is required to identify how qualifications type changes will impact on regulators.</p>
<b>Secondary School</b>	<p>If changes are made to qualification types at the lower end of the current structure – levels 1 and 2, this could have implications for the delivery of VET in schools, as the highest proportion of students undertake a Cert II.</p>		<p>If substantive changes are made to Cert. I and II, the required implementation activities may include:</p> <ul style="list-style-type: none"> <li>• A state-level review of learning structure, curriculum content and teaching capability.</li> <li>• Potential retraining of teachers.</li> </ul> <p>The implementation of changes in secondary schools will require agreement from Ministers in each jurisdiction.</p>		<p>It will be important that implementation planning is informed by an understanding of the particular challenges associated with senior secondary school as a context for VET delivery.</p>
<b>Industrial relations / industry</b>	<p>If changes to qualification types were naming convention changes only, this would have a limited impact.</p> <p>If, however, a particular qualification type changes in substance, then this may trigger an industrial party (or the FWC) to bring an application to modify an award that uses this qualification type as a reference point or requirement.</p> <p>Similarly, descriptor changes or the discontinuation of qualifications could require the renegotiation of international accords that some professional associations are a part of.</p>	<p>As noted earlier, greater distinction between qualification types would help the FWC understand the complexity of different qualifications and subsequently the appropriate wage levels for industries.</p> <p>Better articulation of skills would also assist industrial parties to more accurately assess work value.</p>	<p>Approximately 80 modern awards specifically reference the AQF – either specific levels, qualification types or both.</p> <p>Changes to terminology within awards would be largely administrative and easily implemented.</p> <p>If changes to qualifications types have an impact on their appropriateness or relevance within the context of a particular modern award, this could lead to the FWC initiating, or industrial parties applying to the FWC, to vary that award.</p> <p>A comprehensive review of all existing international accords for professional bodies would be needed.</p>	<p>The process to vary awards and agreements is lengthy and involves submissions from interested parties.</p> <p>The cost and timing associated with international accord reviews would depend on the eventual recommendations. If a renegotiation is required, this could be a lengthy and complicated process, potentially taking up to 5-10 years.</p>	<p>The FWC's deliberations would be assisted by the provision of guidance that enables them to understand the implications of the changes. Receiving this information from a central source, rather than from the parties directly impacted by the award, would assist the FWC to reach an informed decision.</p>



# Qualification types

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Higher Education Regulation</b>	The discontinuation of qualifications would affect current / previous students who took up the award and potentially undermine confidence in the permanence of the system.	If the new AQF provides greater clarity between qualifications, this would support greater consistency in the HE market.	<p>HE regulators and providers who self-accredit would have to review course accreditation processes to mitigate the risks of any new qualifications being mis-specified or the sector choosing instead to offer more non-AQF qualifications.</p> <p>There is likely to be a workload impact on the regulator as a result of providers seeking accreditation for new or changed course offerings.</p>	<p>The introduction of new qualification types would have a significant impact in terms of costs to providers and the regulator.</p> <p>HE providers would need at least 18 months to redesign courses and align them to new AQF bands. They would also incur cost from revision of promotional materials.</p>	The implementation plan should include the development of guidance documents that set out the benefits and relevance of new qualifications to support HE regulator and providers.
<b>Data</b>	<p>Changes to qualification types (including the creation, disestablishment, or renaming of types), or substantive changes to the learning outcomes associated with those types, could require major changes to IT and data collection systems.</p> <p>If new qualification types are given the same name as a qualification type that has existed previously, this will create significant coding problems for ABS. It will be important that any renamed or new qualification types are easily distinguishable from existing and previous qualifications.</p>		<p>If substantive changes are made to qualification types, the following activities would be required:</p> <ul style="list-style-type: none"> <li>• A review to identify what changes need to be made to data collection systems.</li> <li>• The development of guidance documents for higher education providers to support changes in data collection requirements.</li> <li>• Analysis to map historical data to the new AQF framework to enable time series analysis (noting that, depending on the changes, this may not be possible).</li> <li>• Consideration of the required changes to the Unique Student Identifier (USI) transcript, which records programs and AQF levels for VET students.</li> <li>• System and IT updates to the National Training Register (training.gov.au).</li> <li>• Updates to ABS datasets.</li> </ul>	<p>System and data survey changes could cost between \$200,000 to \$1,000,000, depending on how substantive changes are. These changes could take approximately 1.5 – 2 years.</p> <p>Education providers would require 12-18 months to update systems with the new reporting requirements. This cost may be passed on to students.</p> <p>It is difficult for the ABS to assess the timing and cost implications of any changes without further detail on the specific changes, and without first undertaking a review of the implications for its data collection.</p>	<p>Ensure that the implementation plan includes sufficient time to allow data collection systems to be updated.</p> <p>It is also important to note that changes are already underway to reporting and data collection requirements, which are due to be implemented mid 2020.</p> <p>The next census will be released in 2021. It will be important, to avoid confusion that could undermine census data collection, that any proposed changes are implemented after the 2021 census.</p>



# Qualification types

	Impacts	Implementation		
Who	Negative	Major activities	Timing and cost	Mitigations
<b>Student payments</b>	<p>If the proposed changes are naming convention changes only, then the required amendments should be relatively straight forward, noting that legislative amendment would still be required.</p> <p>If the changes involve the discontinuation, creation or alteration of specific qualification types, then this may have more significant policy implications for student payments, particularly in regards to considering whether a qualification that a student has undertaken previously could be considered equivalent to a course of study they are intending to seek assistance to undertake.</p>	<p>As mentioned earlier, legislative updates would be required to the <i>Social Security Act 1991</i>.</p> <p>DSS and DHS would need to undertake a comprehensive review of all other relevant social services regulation, policies and processes.</p> <p>There will be operational impacts for DHS as a result of any policy change.</p>	<p>The timing and cost implications will depend on what changes are proposed, and the outcomes of the internal review that DSS will need to undertake.</p> <p>Legislative changes could take 12 months, although the timeframes are highly uncertain.</p>	
<b>Higher education delivery</b>	<p>There could be negative reputational impacts for students and providers if qualification types are discontinued or substantially altered.</p>	<p>If changes to qualification types go beyond naming conventions, then they may require providers to:</p> <ul style="list-style-type: none"> <li>• Discontinue, redevelop or develop course offerings</li> <li>• Transition students to new qualifications</li> <li>• Update learning materials and teaching capabilities.</li> </ul>		<p>It is important that the implementation approach provides sufficient time for providers to develop and reaccredit their courses, noting that non-self accrediting bodies may be placed at a competitive disadvantage if there are accreditation delays for new offerings.</p>



**Recommendation**

Express the volume of learning assigned to each qualification type in hours (instead of years) to cater for flexible academic calendars and the increasing prevalence of shorter form courses.

**Summary**

- This recommendation was not well understood by some stakeholders, and there is a high level of concern about the implications of the change for course design or funding arrangements.
- Other stakeholders, however, were very supportive of the change and the flexibility it will provide.
- It will therefore be important that the change is well explained, that the guidance about what volume of learning includes is unambiguous, and that it is well communicated that the change will not have implications for delivery hours or funding arrangements.

Who	Impacts		Implementation	
	Negative	Positive	Major activities	Mitigations
<b>International</b>	This change may impact how Australian qualifications are assessed in future and invite regulators to relook at existing arrangements. This may lead to reduced international recognition of Australian qualifications. Changing the volume of learning to hours only could change the way that some countries assess and recognise Australian qualifications. The usage of years currently provides an indicator of learning that is sufficiently flexible and granular in the assessment of foreign qualifications.			An international engagement strategy will be critical to inform international regulators that there has been no material change in the actual volume of learning.
<b>Data</b>	This change could create challenges for international reporting requirements. E.g. the International Classification of Education (used by OECD) denotes bachelor degrees in years.	Students are demanding more detailed course information (e.g. number of hours for face to face lessons). Assigning learning in more granular terms such as hours increases clarity and takes into account more diverse training delivery modes.	There may be a need to engage international bodies to clarify how the new AQF framework aligns with international data standards.  If the volume of learning change were to have flow-on implications for funding arrangements or data collection, then the impact could be significant.	It will be important that the implications for the volume of learning change are well articulated, and that consideration is given as to whether the units used for data collection for purposes other than accreditation – such as funding – will not be impacted or need to change in any way.



# Volume of learning

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Higher education regulation</b>		Measuring volume of learning in hours is helpful for regulators who accredit courses.	The volume of learning change is minor from the perspective of HE regulators and providers.  Most HE providers adopt a credit points system, so the change from years to hours would not be problematic.	Minimal costs for higher education.	
<b>Secondary schools</b>	As secondary school has a standard period of two years, the volume of learning change to hours may create some challenges.		The impact of the change in volume of learning is not yet clear, but there may be implications for specific VET courses provided in secondary schools.		Ongoing consultation with the senior secondary school sector will be important to inform implementation.
<b>Higher education delivery</b>					It is important that the volume of learning measure remains a guide rather than a rigid rule.  Providers could be given flexibility, particularly during transition, to reflect volume of learning in either hours or years.



# Volume of learning

3

Volume of learning

	Impacts	Implementation		
Who	Negative	Major activities	Timing and cost	Mitigations
VET delivery	<p>Specification in terms of hours of total learning is seen by some stakeholders as counter to the principle of competency-based training and an indicator of failure in the regulation of the VET sector.</p> <p>While VOL is already in the AQF, changing the measure from hours to years is seen by stakeholders as making it more readily applied in VET and therefore exacerbates existing concerns that VOL does not reflect or acknowledge the variety that currently exists within qualification types.</p> <p>Once a benchmark is in place it becomes the norm and regulators will rely on it even more heavily.</p> <p>Specifying VOL in hours could work against flexibility in delivery approaches.</p> <p>Some stakeholders are concerned that specifying VOL in hours will put pressure on the calculation of nominal hours for funding.</p>	<p>Providers will need to understand the new VOL definitions and adjust practices to comply with regulatory approaches.</p>		<p>There needs to be an opportunity to consider and confirm whether one year = 1200 hours because the equivalence is not universally agreed by stakeholders.</p> <p>Mechanisms are needed to acknowledge the diversity of volume within qualification types, e.g. BSB diploma with 8 units and Nursing diploma with 25 units.</p> <p>If the definitions are not clear enough RTOs will continue to look for and find loopholes that enable unduly short duration training.</p> <p>Need to make clear that VOL doesn't reflect funding (delivery hours) and that it includes self-directed time, and should not be used in the calculation of efficient prices for training delivery.</p>



# Volume of learning

3

Volume of learning

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>VET design</b>	<p>Some stakeholders believe that regulators will regulate using whatever is easiest to measure. Because VOL in hours is easier to measure (than in years) and other qualification type descriptors are difficult to measure, there is a risk that VOL will now become the main quality assurance criterion used by regulators.</p> <p>Expressing VOL in years is more accommodating of flexibility in delivery arrangements. The specificity of hours will provide less flexibility for program design.</p>	<p>Clearer VOL requirements would enable regulation of providers offering unrealistically short duration training.</p>	<p>Developers will need stronger pedagogical expertise to inform advice/prescriptions of hours that may be included in TPs as a result of VOL changes. Piloting of products will be required to understand the time needed in different delivery environments.</p>	<p>TP development time will be extended due to additional consultation/trialing requirements.</p>	<p>Education/information process for all users to understand the change and clarify that qualification type VOL should only serve as a benchmark.</p> <p>Clarity re definition of 'new' learners may be used to distinguish the wide VOL range for Cert IV qualifications were there is an assumption in some qualifications that a Cert III has been completed.</p>
<b>VET regulation</b>	<p>In the view of some regulators, there is a risk that users will be confused about the purpose of the AQF if an input measure is maintained and strengthened in an outcomes framework. AQF should provide guidance on products, not implementation.</p> <p>Risk that VOL specified precisely will become a standard adhered to by regulators and will not take full account of variations in delivery methods, learner needs, size of group, etc.</p>	<p>Helpful if a clear benchmark for delivery expectations can be established between the AQF and Standards for RTOs.</p>	<p>PD for auditors in relation to revised VOL definition.</p>		<p>Need to clearly define what is meant by a new learner, e.g. threshold for industry experience.</p>





# Volume of learning

3

Volume of learning

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Migration</b>	Volume of learning changes would not necessarily directly impact student visa arrangements. However, the Department would need to assess how to map international qualifications, which are often expressed in years.		Communication exercise to explain the conversion of foreign qualifications that are denoted in years to hours.		



# Pathways and credit transfer

## Recommendations

Develop guidance in the AQF Qualifications Pathways on the principles and procedures that should be observed to provide recognition of prior learning, credit transfer or articulation arrangements for shorter form credentials, including micro credentials, and components of the Senior Secondary Certificate of Education

Develop and test a prototype credit points system for inclusion in the AQF as a voluntary tool for providers, offering a nationally consistent currency for negotiating credit transfer.

## Summary

- Since it is voluntary, the creation of additional guidance on the recognition of prior learning, and the development of a credit point system, is unlikely to have significant impacts, and is broadly considered to be a positive change.
- However, some stakeholders are concerned about confusion related to the status of shorter-form credentials if they continue to sit outside the framework.

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
Data	<p>Providing guidance for something which sits outside the legal framework (shorter form credentials) may create confusion for AQF users.</p> <p>However, as long as shorter form credentials are not formally recognised in AQF, data authorities would not be impacted (as they would not be required to report shorter form credential data).</p>	<p>Creating a universal credit points system would be useful for students, as the way credit points are allocated currently vary across different education providers.</p>			<p>Clarify, as part of an implementation communication strategy, what it means for shorter form credentials to be included in AQF but remain outside the framework.</p>
VET regulation		<p>Clear guidance on RPL would be useful in the AQF but the regulation of that belongs in the provider and regulator standards.</p>			



Who	Impacts		Implementation	
	Negative	Positive	Major activities	Mitigations
VET delivery	<p>There is potential for inconsistency if the guidance is not mandatory.</p> <p>The market for micro credentials is difficult for students to navigate and the proposed change won't necessarily improve that.</p> <p>The pathways policy does not apply equally to HE and VET because they operate differently in relation to credit.</p> <p>In the view of some stakeholders, a credit point system is just another way of talking about VOL and will not simplify anything because it cannot take account of variations between disciplines.</p>	<p>Potential to have greater clarity about the differences between the sectors in relation to how credit is treated.</p> <p>Greater clarity on conducting RPL and credit transfer would be beneficial.</p> <p>Acknowledgement of micro credentials in AQF may make these products more legitimate and saleable.</p> <p>Testing a credit point system could be an opportunity to think more about pathways and articulation between the sectors.</p>	<p>Major activities are unlikely as a result of guidance that is not mandated.</p> <p>Clarify the interplay between micro credentials and full qualifications.</p>	<p>Consideration should be given to how the impacts of the guidance (pathways) will be monitored and assessed to inform future decisions about inclusion or recognition of micro credentials.</p> <p>Need clarity on what 'components of the SSCE' means in relation to the pathways policy.</p>

Other considerations raised by stakeholders:

- The Qualifications Pathways Policy is currently not widely understood. The proposed revisions could enhance clarity on the pathways from qualifications to industries.



## Recommendations

Remove the Principles and Processes for the Alignment of the AQF with International Qualifications Frameworks and charge the Commonwealth Department of Education with its ongoing oversight.

## Summary

There is very little concern about this recommendation, however some stakeholders have noted the need to ensure that VET perspectives are reflected in the ongoing oversight of this policy, given that policy responsibility for VET no longer sits within the Department of Education.

- This recommendation is unlikely to have an impact on most stakeholders.
- Under the new AQF, the International area of DoE is likely to be responsible for the oversight of the policy. Additional departmental resources would be required to manage these new oversight responsibilities.
- As policy responsibility for VET now sits outside DoE, some stakeholders queried whether DoE was the appropriate lead body, or if responsibility should be shared between the Department of Education and the Department of Employment, Skills, Small and Family Business. Regardless, it will be important to ensure that VET perspectives are reflected in the ongoing oversight of the policy.



# Policies and governance: Expert committee

## Recommendations

Establish an expert committee with responsibility for implementing the AQF Review recommendations, supported by a secretariat in the Australian Government Department of Education.

## Summary

Stakeholders are generally supportive of this recommendation, however many emphasised the need to ensure appropriately informed representation on the Committee, including members representing industries, employers and students.

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
<b>Department of Education</b> <i>(System Quality and Design)</i>			Establishing and implementing the proposed committee will require new governance arrangements, and the potential recruitment of FTE.  DoE notes that, in a practical sense, the expert committee would provide an oversight and advisory function and that implementation responsibility would sit with the Secretariat.	DoE estimates approximately 6 -7 FTEs will be required to draft the revised AQF and the accompanying policies.	
<b>VET design</b>	There is potential for an expert committee to continue to make changes to the AQF that have ongoing implications for stakeholders.	An expert committee could provide an independent QA process to check that Training Package qualifications are aligned to the AQF. This is not a role that should be provided by the regulator.		The cost of establishing an expert committee could be gauged by looking at the costs associated with having the AQFC in the past.	



# Policies and governance: Expert committee

Who	Impacts		Implementation		
	Negative	Positive	Major activities	Timing and cost	Mitigations
VET regulation		There are advantages to having a proper governance structure that is independent of government.	No impact of the proposed committee unless changes continue to be made to the AQF as a result.		Clarify how the proposed committee would add value and not duplicate the responsibilities of government and regulators.
VET delivery	<p>Concern that the committee will end up not being comprised of 'experts' and will lack an understanding of the needs of industries, employers and students.</p> <p>Concern that committee would be HE heavy and will focus too much on philosophical issues rather than practical ones.</p>		<p>States will need to have some ownership or participation in the expert committee.</p> <p>There would need to be clear demarcation of responsibilities between the Committee and the Departments of Education and Employment</p>	Establishing an oversight body will slow down the implementation process – which could be good for ensuring that it is done well with longer periods for communication and consultation.	<p>Expert committee must be representative of people involved in TP design and industry. Peak industry, union and provider bodies should have a role in putting the committee together.</p> <p>There needs to be emphasis on the expertise of the committee members, not just the organisation they are representing.</p> <p>More details are needed on:</p> <ul style="list-style-type: none"> <li>• How the committee would function (secretariat role should be independent of the Dept, e.g. COAG Education Council) to emphasise that VET policy requires a cooperative approach between the nine governments</li> <li>• Whether it will provide an advisory role for RTOs and other users.</li> </ul>