



30 May 2024

Director, Qualifications Frameworks and Policy
VET Qualifications & Tertiary Policy, Industry Engagement & Quality Division
Department of Employment and Workplace Relations

Via email:

Re: AQF LEVEL 7 PATHWAY FOR VET

Thank you for inviting Ai Group Centre for Education and Training to provide feedback about the proposed AQF Level 7 pathway for VET.

The Centre for Education and Training (CET) at Ai Group has over several years advocated for the development and implementation of higher level or degree apprenticeships. This has been in response to strong demand from industry – who are seeking higher skilled employees with both technical and knowledge-based skills, particularly in engineering. While valuing both trade and university qualifications, employers have long identified that university graduates with an understanding of/or background in trade skills make better engineers, because they have an appreciation not just of design needs but also of how those designs can be manufactured and serviced. Even for those university graduates with no need for trade skills, employers recognise the value of combining university studies with relevant work that provides an apprentice with immediate application to what they are learning.

CET is strongly supportive of AQF7 being delivered through vocational education and training (VET). In doing so it is important that there is a logic and coherence within the AQF, and that there is complementarity with broader reforms such as qualification reform.

Delivery of AQF 7 in VET

CET maintains that implementation of the Noonan Review recommendations is urgently required so that the AQF becomes more vocationally orientated. The Review proposed a comprehensive set of reforms and an implementation plan that would see a future AQF evolve to better perform its key functions, and to support and reflect ongoing change and innovation in qualification development and delivery. The Noonan Review recommended diplomas at three levels to capture the different purposes of each. This included establishing a *higher diploma* at AQF 7. Should Option 1 be implemented, this would be appropriate terminology.

Establishing degree or higher apprenticeships

Delivery of AQF 7 through VET is one potential approach to delivering higher level apprenticeships. It is, however, not the only possible approach. CET's experience in delivering degree apprenticeships has involved partnerships between TAFE or private providers and universities, dual sector universities as well as university-only models. One of the benefits of an approach that utilises the language of degrees is that parents, schools and employers understand what a degree is and what occupations a degree can lead to. The perceptions of parents and schools are a key factor in the career pathway decisions of young people. Similarly, employers know the language of degrees and know who they are employing when they advertise for a Bachelor qualification. Should Option 2 be implemented, this has the potential to use that community-wide understanding of the terminology and therefore not need to raise awareness of new pathways.

Ai Group's experience with degree apprenticeships to date has shown that there can be different reasons for adopting an apprenticeship model, and each reason may warrant its own treatment. One reason is to create a new pathway for people to commence a career as a professional. The software engineer model in South Australia is a good example of this. Employers want the same qualification that is already taught in university – a Bachelor of Software Engineering – but they want to employ these students from day one. The benefits to this are: early access to talent in a skills shortage area; the ability to provide a context to the learning experience which will be of benefit to the company; and the opportunity to open up the demographic of graduates to a broader group of people, many of whom may never have contemplated attending university as a full-time student. This can grow the number of people studying a particular degree. This reason for using the apprenticeship model suggests that the qualification should remain as a Bachelor degree.

The second reason for opting for the degree apprenticeship model is to combine university study and trade skills. The example here is the dual qualification in electrical engineering and an electrical apprenticeship. The value here for the employer, in addition to those mentioned above, is the end graduate will have an understanding of both the technical and theoretical aspects of the discipline and be able to work across all aspects. In cases like this, the VET AQF 7 may be suitable, although there will still be a need to raise awareness. A risk is the qualification is not valued to the same extent as a degree.

CET is supportive of mechanisms to formally embed degree or higher-level apprenticeships in the Australian system. There are various challenges. One is for state governments to ensure their legislation enables a higher education qualification to be declared as an apprenticeship. Currently, only South Australia, and possibly Queensland, has that ability. Such declarations allow for formal training contracts to be signed, for the state regulator to monitor, and for incentives to be paid. Another challenge is Award coverage and pay rates. Most industrial awards do not contemplate apprenticeships at AQF Level 7. Employers and apprentices need certainty about appropriate pay rates and employment conditions. Who pays for the training is another consideration. Awards generally require employers to cover the student fees for apprenticeship training, however at higher education, an employer contribution to student fees is subject to Fringe Benefits Tax. The funding differences between VET and higher education is an additional challenge, with higher education currently funded at much higher levels. These are all factors that need to be further considered by governments in establishing these important pathways.

Looking ahead - recommendations

1. CET supports an approach to implementing degree or higher apprenticeships that allows diversity of models that reflect industry and occupational needs. As such, we advise against narrowing of delivery options and provider/institution (eg higher diplomas could be delivered by a TAFE or university)
2. To facilitate new approaches that reflect industry demand for a blend of technical and knowledge-based skills, CET recommends urgent implementation of the Noonan Review, so that the AQF better embraces knowledge, skills and application. This would allow more qualification diversity and variation at AQF7, so both Options could be enabled.
 - If Noonan Review is not implemented in its entirety, CET recommends amendments to the AQF qualification descriptors to effect this change. This would be an important way to enable implementation of the Accord recommendations of a more integrated and cohesive tertiary education sector.
3. Regardless of the approach adopted, it is important that guard rails are in place so quality is ensured. This will require appropriate resourcing.
4. To effectively deliver degree apprenticeships, particularly in the early stages, there is an important role for industry leadership and facilitation. This is because employers are more likely to accept support and engage with organisations that understand their business and their industry. This should also be reflected in TAFE Centres of Excellence, perhaps through structured partnerships.



5. Should option 1 be implemented, we recommend using the term 'higher diploma' to be in line with the proposals of the Noonan review.
6. Should option 1 be implemented, consideration should be given to the use of knowledge, skills and applied learning rather than only competency based.
7. Should option 1 be implemented, consideration should be given to how demand will be created, given the qualification type will not have existing brand recognition.
8. CET recommends government work in partnership with industry to remove other barriers to the of degree or higher-level apprenticeships.

If you have any questions, I welcome further discussion on these issues and recommendations with myself and the CET team.

Yours sincerely,

A handwritten signature in blue ink that reads 'Megan Lilly'.

Megan Lilly
Executive Director