PhillipsKPA

Department of Education, Science and Training

GIVING CREDIT WHERE CREDIT IS DUE

A National Study to Improve Outcomes in Credit Transfer and Articulation from Vocational and Technical Education to Higher Education

Final Report

June 2006

Contents

Acknowledgements

During this study, the project team received input and advice from many individuals and groups.

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We are particularly grateful to the institutions featured as case studies. Through the very generous contribution made by numerous people within these institutions, we were able to gain a unique insight into the practical implementation of credit transfer arrangements in a variety of settings.

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The submissions and comments received on the draft of the Final Report were another valuable source of input to the study and we thank those individuals and groups who took the time to provide feedback.

Although all of these contributions have assisted in the development of the project outcomes, the views expressed in the final report are those of the project team and PhillipsKPA.

Membership of the Working Party on Credit Transfer and Articulation established by the Joint Committee on Higher Education (JCHE) is as follows:

- Lois Sparkes (Chair) – DEST
- Paul White – DEST
- Jill Vardy – DEST
- Judy Forsyth - AQFAB
- Dr Terry Stokes – Victoria DET
- Chris Whitton – ACT DEYFS
- Laurence Money – WA DES
- Andrew Rolfe (replacing Lynda Boland) – NSW DET
- Susan Young – SA DFEEST
- Bruce McCallum (relacing Ray Morley) – QUT
- Dr Josie Misko – NCVER
- Judy Petch – VTE Group DEST
- Martha Kinsman – TAFE Directors Australia
- Professor Peter Booth – AVCC
- Jenny Hayes – ACPET.

Executive Summary

In November 2005, the Department of Education, Science and Training (DEST), acting on behalf of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), commissioned PhillipsKPA to undertake a national study to improve outcomes in credit transfer and articulation from vocational and technical education (VTE) to higher education (HE). That study was undertaken by a project team of:

- Dr Sue Johnston – PhillipsKPA

- David Phillips KPA – Director of PhillipsKPA

- Peter Noonan – Peter Noonan Consulting

- Jane Carnegie – Jane Carnegie Consulting

- Associate Professor Barry Golding – University of Ballarat.

The study comprised a number of stages and interim reports leading to this Final Report. Further details, background information, discussion of issues and case studies are contained in the Stage 1 and Stage 2 Reports which can be read as separate documents or in conjunction with this Final Report. For a full analysis of credit transfer from VTE to higher education, reference to all three reports is encouraged.

The Final Report draws together findings from the study and makes recommendations to improve credit transfer. It is based on a synthesis of all aspects of the study, including the literature review, case studies and overview of national and international developments, and also draws on the experience and prior research of the project team.

The focus of the study is the arrangements that allow and encourage the transfer of students from vocational and technical education (VTE) studies to higher education studies with credit granted for those prior VTE studies. Government and institutional interest in and support for credit transfer between VTE and higher education are currently on the increase, providing an important and dynamic context for this study.

It is also the case that this commitment is variable across and within states as well as across and within institutions.

The study demonstrates that, although there is recent evidence of increased efforts to maximise opportunities for credit transfer between VTE and higher education, there is still much more that could be done. The case studies particularly highlight that, even in those institutions both committed to and successful in creating pathways for students to move with credit from VTE to higher education, barriers continue to hamper efforts and these pathways do not always operate as smoothly, efficiently or effectively as they might.

Various analyses that have been undertaken, particularly within institutions, provide continuing support for the earlier conclusions that students who transfer to higher education programs with credit for their VTE studies perform as well as or better than other student cohorts. Importantly, retention rates among these students generally seem to be higher than for other student cohorts.

Credit transfer is a complex issue and there are no easy answers to how credit transfer outcomes might be improved. Significant efforts and resources are required. Importantly,

these efforts must involve cross-sectoral collaboration between institutions and between government agencies and departments. Attributing blame to any one sector or group for lower than desired levels of credit transfer will continue to hamper the co-operative, cross-sectoral strategies required.

Drivers

If efforts to improve outcomes in credit transfer are to succeed, it is important to understand the drivers that are contributing to the current interest in pathways for students to move between VTE and higher education. The Stage 1 Report includes a section that lists such drivers at the system level, for students, for higher education institutions and for VTE institutions. The case studies and the consultations associated with the study highlight the following drivers to be most influential.

- Government policy and directions – Seamless pathways between educational sectors have long been part of government policy. The Commonwealth Government has been a strong supporter of enhanced credit transfer arrangements through a variety of policy mechanisms. Some state/territory governments have played an important role in driving the development of cross-sectoral arrangements largely in response to recognition by those states/territories of the importance of pathways between VTE and higher education to meet the state/territory's skill needs especially at the para-professional level.

- Efficiency and cost savings – Behind much of the government support for enhanced cross-sectoral collaboration is an assumption that such collaboration can reduce duplication of effort and create efficiencies in the use of resources.

- Competition for students – One of the most powerful drivers impacting on institutions is the recent downturn in domestic student demand for higher education places. This has been particularly significant for regional universities and those in outer metropolitan areas, leading to a number of universities turning to alternative markets for student recruitment. In these cases, pathways that attract quality students with VTE backgrounds have become prominent in strategic planning and marketing. The need to diversify the intake of students into higher education will become more important with population ageing.

- Institutional mission – Different VTE and higher education institutions have different missions, different goals and different values. Not surprisingly, these differences lead to cross-sectoral collaboration being given a higher priority in some institutions than in others. Institutions with a strong commitment to credit transfer are likely to have missions that emphasise equity and access, student diversity, regional engagement and partnerships.

- Employer and student needs – Some of the impetus for enhancing credit transfer arrangements comes from concerns about skill shortages. Employers also highlight their need for workers to have a mix of skills that includes vocational and technical elements in addition to higher levels of critical thinking and theoretical understanding. Increasingly, career paths will require a mix of educational backgrounds and experience.

- Convergence of VTE and higher education – There is evidence of an increasing degree of convergence between the VTE and higher education sectors in terms of the courses they offer, the awards they confer, their links with employers and the

overall approach they take. This convergence provides potentially fertile ground for increased cross-sectoral collaboration and credit transfer arrangements.

Mixed messages

Some policy directions give mixed messages about credit transfer and can confuse the impact of other drivers. One area of potential confusion is the concurrent policy drive towards increased competition and increased collaboration. There is also the potential for policy inconsistencies in moves to create increased seamlessness between VTE and higher education on the one hand and moves to create two distinctive educational sectors on the other hand.

Yet another potential policy inconsistency lies in the expectation for all institutions to embrace credit transfer equally when there is also a growing expectation for institutional diversity. Although it is reasonable to expect all institutions to have in place basic arrangements for credit transfer, a conclusion drawn by this study is that one element of diversity among higher education and VTE institutions will increasingly lie in the degree to which some institutions embrace strategies for credit transfer, making these strategies an important platform for their branding and promotion.

Enablers of credit transfer

The study identifies a number of factors that support the effective implementation of credit transfer arrangements within institutions.

- Leadership – Credit transfer arrangements work best when they are central to institutional vision and where there is a senior person with designated responsibility for ensuring these arrangements are implemented. This senior person must be supported by key academic and administrative staff who work closely together to establish systems and processes at all levels of the institution.

- Systems – The case studies demonstrate that the most significant distinguishing feature of those institutions that have successfully embraced credit transfer arrangements lies in the systems and processes they have put in place to make credit transfer an integral part of admission and enrolment as well as other administrative processes.

- Mutual respect and commitment – A strong enabler in those institutions that embrace credit transfer arrangements is the strength of mutual respect and commitment shared by both VTE and higher education partners in the negotiation and development processes.

- Information provision – Websites play a key role in promotion and information provision to prospective students, and credit transfer arrangements need to be displayed prominently on the part of institutional websites directed towards prospective students. Web-based information about credit transfer arrangements must be supplemented by prominent and up-to-date information in all other forms of promotional material.

- Transition support – Institutions that have worked to implement effective credit transfer arrangements have accompanied these with specific strategies to ensure students are adequately supported during their transition from VTE to higher education studies.

Impediments to credit transfer arrangements

A number of studies, including this current one, have highlighted various factors that act as impediments to credit transfer arrangements. Although successful credit transfer arrangements overcome these problems, at least to a degree, the various impediments deter efforts to introduce credit transfer. Their resolution continues to divert significant resources, even from those initiatives that have been in place for some time.

- <u>Funding and accountability of the sectors</u> – Some of the greatest impediments to credit transfer arise from sectoral differences in funding and accountability.

- <u>Attitudes and culture</u> – Efforts to bridge the binary divide between the VTE and higher education sectors continue to be hampered by cultural differences and by attitudes held by staff in both sectors.

- <u>Administrative issues</u> – The case studies identify a host of administrative issues that impede efforts to develop and implement credit transfer arrangements, ranging from timetabling, reporting requirements, length and structures of study periods and study modules, course approval processes, student categories and methods of calculating student load, to the timing of assessment and reporting. These issues are particularly problematic in cases where integrated cross-sector awards are being developed and implemented. Administrative problems continue to place additional and unnecessary pressures on those developing and implementing credit transfer arrangements.

- <u>Curriculum and qualification design</u> – Associated with basic differences in purpose between the VTE and higher education sectors, there are also differences in the way in which qualifications are structured and described and in the approaches each sector takes to curriculum and assessment. Mapping of equivalence of student outcomes between the sectors becomes much more difficult when the way in which curriculum is designed, described and assessed in each sector is very different.

- <u>Assessment</u> – The use of non-graded assessment in the VTE sector is a significant barrier to admission of VTE students to higher education.

- <u>Lack of resources</u> – At the institutional level, credit transfer arrangements represent an impost on resources because of the need for a commitment of people, time and systems development. Effective development and sustainability of credit transfer arrangements require institutions to allocate significant funds specifically for this purpose.

What should we be aiming towards?

The findings from this study suggest the need for a more concerted effort in order to move to another level of outcomes in credit transfer from VTE to higher education. The study has highlighted numerous areas in which improvements could be made, including many specific practices and approaches at the institutional level, as well as strategies for governments and representative bodies.

Government and representative bodies such as MCEETYA, DEST, state/territory departments, the AVCC, AQFAB and the NQC have significant roles to play in influencing and supporting institutions to enhance outcomes in credit transfer from VTE to higher education. Particular strategies include:

- providing a supportive national and state/territory policy framework

- sending consistent policy messages from Commonwealth and state governments

- signalling credit transfer between VTE and higher education as a priority area

- modelling cross-sector collaboration within peak bodies and within government agencies and departments

- introducing funding regimes that provide incentives and support for institutional credit transfer developments

- working together to create a single set of national policies and guidelines on credit transfer, with a common and agreed language

- developing a common taxonomy for qualifications across the sectors

- improving data collection and analysis

- facilitating opportunities for institutions to share information and experiences.

All VTE and higher education institutions should be expected to adopt basic policies and practices to ensure effective arrangements for credit transfer are in place. The basic standard includes:

- an institutional credit transfer policy that is consistently applied across all parts of the institution

- a clear point of contact and source of information for students inquiring about and applying for credit transfer

- information for students that is easily accessible and prominent on the institution's website and in other material for prospective students

- transition support for students moving from VTE to higher education studies

- strategies to move away from individualised credit transfer arrangements towards maximising opportunities for structured credit transfer arrangements

- integrated cross-sector awards at least in niche areas

- information on student uptake of pathways, amounts of credit granted and student success

- a co-ordinated and consistent register of all credit transfer arrangements and credit precedents.

Institutions that make credit transfer arrangements a priority are distinguished by *additional* features that include:

- an institutional focus on pathways between VTE and higher education studies

- pathways between VTE and higher education studies as a key marketing strategy and message

- structures and systems to support the development and maintenance of partnerships

- institutional co-ordination of cross-sectoral initiatives

- support groups and/or committees that include representation from both sectors

- structured credit transfer arrangements across a majority of courses and integrated cross-sector awards in a number of areas

- formal cross-sector partnerships, including as part of educational precincts and through shared campuses, facilities and resources.

Recommendations

Although many ideas for improvement came to light during the study, the following recommendations focus on areas most likely to impact on outcomes.

Recommendation 1:

That DEST work with states/territories to provide funding incentives to higher education institutions to increase the numbers of VTE students granted credit. The full range of possible options should be considered in consultation with the higher education sector. The options to be considered should include, but not be limited to: building a financial incentive such as a loading or bonus into Commonwealth-supported higher education places that involve the equivalent of at least one year of credit for prior VTE studies; a performance-based funding scheme similar to that used for the funding of Aboriginal and Torres Strait Islander students; and/or joint Commonwealth and state funding for additional places earmarked for credit transfer to be made available to the higher education sector.

Recommendation 2:

That DEST, with contributions from states/territories, establish a funding scheme to be allocated on a competitive basis to assist VTE and higher education institutions develop the appropriate systems, policies, structures and processes to support effective credit transfer from VTE to higher education. Conditions for receiving funding would include meeting the minimum institutional requirements for credit transfer arrangements set out in this report. To ensure that funded initiatives are sustainable, funding would need to be available for at least three years.

Recommendation 3:

That MCEETYA work collaboratively with the VTE and higher education sectors to agree on common terms and definitions to be associated with credit transfer and articulation and then embed the use of these terms and definitions within core policies and documents, as well as within institutions. The typology and definitions developed in this study and in the AQF guidelines should be used as a starting point.

Recommendation 4:

That MCEETYA, in addition to its planned changes to system-level data collection, commission a study involving quantitative data collection and analysis to provide information about current levels and outcomes of credit transfer. This should involve determining, more accurately, current levels and trends of credit transfer including an analysis of factors impacting on the levels of credit transfer such as issues of student demand and unmet demand.

Recommendation 5:

That the AVCC and other relevant peak bodies, in collaboration with interested institutions, develop institutional approaches for monitoring trends in and evaluating credit transfer outcomes at the institutional level and support institutions to implement those approaches.

Recommendation 6:

That the Commonwealth and state/territory governments work together to address the funding and administrative barriers to credit transfer over which they have responsibility. This will need to involve collaboration between the higher education and VTE sections of these governments, as well as between the Commonwealth and state/territory governments.

Recommendation 7:

That MCEETYA undertake a revision of the Good Practice Principles to take into account the terminology and findings from this study and to enable input from the VTE and higher education sectors. The various national guidelines and principles should be brought together into a single set of documentation.

Recommendation 8:

That the AQF Advisory Board continue to explore ways in which the AQF can provide a stronger basis for credit transfer arrangements between VTE and higher education qualifications. This could possibly be done through a common framework underpinning a common taxonomy or language for descriptors of qualifications accredited in the VTE and higher education sectors, making the inter-relationships among the qualifications more explicit.

Recommendation 9:

That institutions use the Good Practice Guides within this report to review their own practice in credit transfer and to implement improvements. Evidence of such self-reviews and their outcomes should be a focus of quality assurance processes overseen by AUQA and the NQC.

Recommendation 10:

That institutions implement strategies to move towards more structured, rather than unstructured or individual, credit transfer arrangements.

Recommendation 11:

That institutions implement strategies to ensure appropriate leadership, co-ordination and systems are in place to support effective credit transfer arrangements.

Recommendation 12:

That DEST, the states/territories, the AVCC and other relevant peak bodies work together to assist institutions to disseminate information about systems that administer, record, promote and monitor credit transfer arrangements. This assistance should also extend to encouraging and supporting the collaborative development of new or improved systems where necessary. The AUQA Good Practice Database could be used to record good practice examples.

Recommendation 13:

That MCEETYA commission a study to examine ways in which VTE credentials are assessed within admissions processes across Australia and make recommendations to ensure consistency and equitable treatment both within State Admissions Centre processes and within institutions.

Recommendation 14:

That the VTE National Quality Council hasten efforts to develop and implement processes of graded reporting of assessment of student outcomes for VTE programs at least at the certificate IV and diploma levels.

Recommendation 15:

That the VTE sector explore ways of maximising opportunities for credit transfer within the development and dissemination of National Training Packages. Industry Skills Councils should strengthen input from the higher education sector to the development of National Training Packages. The National Quality Council should review the Training Package Development Handbook to ensure that competency standards and their packaging into AQF qualifications are defined in ways that maximise opportunities for developing credit transfer arrangements between VTE and higher education qualifications while also meeting industry needs. Strategies should be developed for conveying information to the higher education sector about changes to National Training Packages to facilitate credit transfer arrangements.

Recommendation 16:

That MCEETYA sponsor a regular national forum on credit transfer to share examples of good practice, analyse trends in levels of credit transfer and highlight issues that need to be addressed to enhance opportunities for credit transfer.

Recommendation 17:

That MCEETYA commission further work to investigate credit transfer arrangements, policies, practices and outcomes for students moving from higher education to VTE.

1   Background

In November 2005, the Department of Education, Science and Training (DEST), acting on behalf of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), commissioned PhillipsKPA to undertake a national study to improve outcomes in credit transfer and articulation from vocational and technical education (VTE) to higher education (HE). That study was undertaken by a project team comprising:

- Dr Sue Johnston – PhillipsKPA

- David Phillips KPA – Director of PhillipsKPA

- Peter Noonan – Peter Noonan Consulting

- Jane Carnegie – Jane Carnegie Consulting

- Associate Professor Barry Golding – University of Ballarat.

The aims of the study are to:

- describe current credit transfer and articulation practices from VTE to higher education and map the major existing approaches by which credit transfer and articulation occur

- evaluate the approaches to credit transfer and articulation against the *Good Practice Principles* adopted by MCEETYA in May 2005 and identify gaps and anomalies

- identify the current approaches which achieve the most appropriate outcomes in credit transfer and articulation for students and institutions as well as factors which contribute to an approach's success and the barriers to its wider adoption

- make recommendations for change by institutions, providers and governments on ways to improve credit transfer and articulation.[1]

The study was guided by the Working Party on Credit Transfer and Articulation established by the Joint Committee on Higher Education (JCHE).

The study comprised a number of stages and interim reports leading to this Final Report. Further details, background information, discussion of issues and case studies are contained in the Stage 1 and Stage 2 Reports which can be read as separate documents or in conjunction with this Final Report. We encourage reference to all three reports for a complete analysis of credit transfer from VTE to higher education and for a full discussion of the points made in this Final Report.

The **Stage 1 Report** provides useful background reading and an overview of the field. It includes:

- definitions

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[1] Although the terms of reference for the study use the term 'credit transfer and articulation', a suggestion made within this study is to adopt the term 'credit transfer' and not 'articulation'. A discussion of this suggestion is provided in Section 2.7.2, and the terms used in the study are defined in Appendix A. The remainder of this report will use the term 'credit transfer' rather than 'credit transfer and articulation'.

- a typology of credit transfer

- drivers for enhanced credit transfer

- an analysis of levels of credit transfer

- factors affecting credit transfer

- a literature review

- an overview of national and international developments.

An invitational workshop was held in February 2006 to provide input to the typology and to the analysis of issues as they were emerging for the first report.

The **Stage 2 Report** provides detailed insights into the practical implementation of credit transfer arrangements in a variety of settings. It contains seven major case studies and a series of shorter vignettes, together with an analysis of the key themes emerging from the case studies. The case studies were selected to illustrate a range of approaches to and contexts for credit transfer. The major case studies in the Stage 2 Report are:

- Southbank Institute of TAFE with Griffith University and the Queensland University of Technology

- Edith Cowan University

- South Australia TAFE and the three SA universities

- University of Newcastle

- Swinburne University of Technology

- Blue Mountains Hotel Management School

- Nursing pathways at the University of Wollongong, James Cook University and the University of Melbourne.

This **Final Report** draws together findings from the study and makes recommendations to improve credit transfer. It is based on a synthesis of all aspects of the study, including the literature review, case studies and the overview of national and international developments, and also draws on the experience and prior research of the project team.

A consultation draft of the Final Report provided an opportunity for key stakeholders to comment on the findings and recommendations before they were finalised. Submissions on the Draft Final Report were received from eight individuals and groups as well as from the JCHE Working Party on Credit Transfer and Articulation.

2 Key Findings of the Study

2.1 Introduction

The focus of this study is the arrangements which allow and encourage the transfer of students from vocational and technical education (VTE) studies to higher education studies with credit granted for those prior VTE studies.[2] Appendix A contains a discussion of the terms used within this report. While so-called 'reverse transfer', the movement of students from higher education studies to VTE studies, is not a focus of this study, there are some issues in common.

The priority given to enhancing credit transfer opportunities for students moving from the vocational and technical education (VTE) sector to the higher education sector has waxed and waned over the years. This cyclic process is a feature of many educational issues and arises because of changes in the various drivers that influence policy and practice. Government and institutional interest in and support for credit transfer between VTE and higher education are currently on the increase, providing an important and dynamic context for this study.

Evidence of this upward trend in support for credit transfer comes from the case studies undertaken as part of this project, the overview of national and international developments and the available data. Of all this evidence, the available data is the least useful in determining current levels of credit transfer, for reasons discussed fully in the Stage 1 Report. There is a significant gap in data on the levels of credit transfer within institutions as well as nationally, and there is limited understanding of the variables impacting on these levels. This gap in understanding also prevents comparisons between levels of credit transfer within Australia and those of other countries.

Various analyses that have been undertaken, particularly within institutions, provide continuing support for the conclusion that students who transfer to higher education programs with credit for their VTE studies perform as well as or better than other student cohorts. Importantly, retention rates among these students generally seem to be higher than for other student cohorts, including school leavers.

Although the various sources demonstrate an overall increase in the commitment by governments and by institutions to improve credit outcomes for students moving from VTE to higher education, it is also the case that this commitment is variable across and within states as well as across and within institutions. Even in those institutions with a long history of high levels of commitment to maximise credit transfer opportunities, there are still pockets of resistance or indifference. Even in those institutions with minimal overall commitment to credit transfer, there are pockets in which the commitment is high and practices are exemplary. In addition, some arrangements that have previously been in place have waned or ceased altogether.

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[2] During the study, the term 'vocational education and training' (VET) was formally replaced by 'vocational and technical education' (VTE) so there is a mixture of these two terms used within the documents on which the report draws.

The study clearly demonstrates that, although there is recent evidence of increased efforts to maximise opportunities for credit transfer between VTE and higher education, there is still much more that could be done. The case studies highlight that even in those institutions both committed to and successful in creating pathways for students to move with credit from VTE to higher education, barriers continue to hamper efforts, and these pathways do not always operate as smoothly, efficiently or effectively as they might. Too often, outcomes are achieved despite, rather than because of, broad policy, funding and accountability arrangements.

Credit transfer is a complex issue and there are no easy answers to how credit transfer outcomes might be improved. Significant efforts and resources are required. Importantly, these efforts must involve cross-sectoral collaboration between institutions and between government agencies and departments. Attributing blame to any one sector or group for lower than desired levels of credit transfer will continue to hamper the co-operative, cross-sectoral strategies required.

2.2 Drivers

If efforts to improve outcomes in credit transfer are to succeed, it is important to understand the drivers that are contributing to the current interest in pathways for students to move between VTE and higher education. The Stage 1 Report includes a section that lists such drivers at the system level, for students, for higher education institutions and for VTE institutions. The case studies and the consultations associated with the study highlight some of these drivers as more important than others. A discussion of these most influential drivers follows.

2.2.1 Government policy and directions

There is no doubt that government policy and directions are important in the current context. Seamless pathways between educational sectors have long been part of government policy and intention. Over recent years, DEST and the Commonwealth Ministers responsible for education and training have made strong signals to universities that credit transfer arrangements are important, to the extent that funding agreements now place certain conditions on universities to maintain credit transfer arrangements. MCEETYA's decision to make credit transfer arrangements one of its priorities may not be a strong driver on its own, but it has stimulated significant activity and commitment at the national level and within some states/territories. Discussion associated with the *Good Practice Principles* endorsed by MCEETYA in 2005 has raised awareness across the higher education sector at least. The *Good Practice Principles* have built on the Australian Vice-Chancellors' Committee (AVCC) and Australian Qualifications Framework (AQF) cross-sectoral guidelines that have influenced practice significantly for a period of time.

Some state/territory governments have played an important role in driving the development of cross-sectoral arrangements. Where this has occurred, it has largely been in response to recognition by those states/territories of the importance of pathways between VTE and higher education to meet the state's skill needs especially at the para-professional level. Some states/territories have played a powerful and effective role through making cross-sectoral pathways a priority and actively facilitating collaborative arrangements between TAFE institutes and universities. For smaller states/territories, this has taken place on a state-wide level, while in larger states it has been focused at a regional or institutional level.

2.2.2   *Efficiency and cost savings*

Behind much of the support for enhanced cross-sectoral collaboration is an assumption that such collaboration can reduce duplication of effort and create efficiencies in the use of resources. This is particularly the case for students and for parents who reap the benefits of credit transfer arrangements that allow students to complete their studies in a shorter time with less repetition of study effort and with less financial impost overall. Financial savings and improved efficiency act as strong drivers for governments where there is an appreciation of the benefits that such collaboration brings to communities as well as to budgets. In contrast, at the institutional level, cross-sectoral collaboration often does not lead to efficiency and cost-savings. In fact, the opposite is usually the case as there are significant costs in terms of the human effort and resources that must be invested by institutions to develop and maintain effective cross-sectoral collaboration. There are also institutional costs because of the different student load and cohort patterns that credit transfer arrangements bring to the student profile.

2.2.3   *Competition for students*

One of the most powerful drivers impacting on institutions is the recent downturn in domestic student demand for higher education places. This is particularly significant for regional universities and those in outer metropolitan areas and is more evident in some states than others. While there was substantial unmet demand by students for higher education places in 2003 and 2004, there has been a dramatic downturn in demand in some areas in 2005 and 2006. Some universities have experienced difficulties in filling their Commonwealth-supported places in 2006. This has led to a number of universities turning to alternative markets for student recruitment. In these cases, pathways that attract quality students with VTE backgrounds have become prominent in their strategic planning and marketing. For some higher education institutions, this is a relatively new development, while for others it builds on longstanding commitments to partnerships, student diversity and to supporting alternative entry pathways for students. This imperative will become increasingly important as the population ages and the profile of commencing higher education students moves further away from traditional school leavers towards entrants with diverse educational backgrounds and a desire for shorter, less expensive qualifications.

Trends in international student demand for Australian higher education places also act as a driver on institutional practice in credit transfer. Many international student enrolments in Australian universities arise from pathways and partnerships with international VTE providers. As Australian universities seek to maintain or increase their international student enrolments, they direct their efforts towards developing new partnerships and pathways with international VTE providers and maximising the credit they grant to students moving into their courses.

Given the potential of credit transfer arrangements for attracting new students and diversifying their student intake, most universities have been surprisingly slow in making these pathways a central part of their marketing message. Few universities market themselves prominently or exclusively as institutions that are responsive and open to VTE students in terms of credit transfer. This reluctance is due, in part, to uncertainty about the impact of such messages on perceptions of status and prestige, but it is probably also related to the lack of reliable information on student demand for credit transfer.

2.2.4 Institutional mission

The case studies and our analysis of the data on credit transfer strongly suggest that institutional mission is one of the important drivers of credit transfer arrangements. Different VTE and higher education institutions have different missions, different goals and different values. Not surprisingly, these differences lead to cross-sectoral collaboration being given a higher priority in some institutions than others. Some VTE institutions see pathways to and linkages with higher education providers, as well as moves into higher education provision on their own, as a significant part of their future direction. Similarly, universities that have a strong focus on diversifying their student intake, a focus on equity and access or a mission that links them closely with their region and its development are more likely to build credit transfer arrangements into this vision. For some higher education institutions, the drive for credit transfer arrangements comes from a mission that supports strong links with industries and professions where there is a clear need for these arrangements. For many private education providers, the impetus for credit transfer arrangements comes from a mission that supports pathways between VTE and higher education within the one institution as well as an opportunity to tailor integrated VTE and higher education courses to specific employment and professional needs. The concept of educational precincts with multiple providers has been an important influence in some cases and fits neatly with an institutional mission that emphasises partnerships and engagement.

2.2.5 Employer and student needs

Some of the impetus for enhancing credit transfer arrangements comes from skill shortages and employers highlighting their need for workers to have a mix of skills that includes vocational and technical elements in addition to higher levels of critical thinking and theoretical understanding. There are specific examples, such as within the IT industry and within some health-related areas, where workforce shortages and pressure from industry or the profession have played a role in the design of new pathways that lead to both VTE and higher education outcomes for graduates. Increasingly, work and career paths will require a mix of educational backgrounds and experience. There will also be greater demand for existing workers to up-skill quickly to meet new and emerging industry and professional needs, with credit transfer arrangements providing time- and cost-effective ways of meeting these demands.

For students, there is a growing recognition of the value of combining VTE and higher education studies to enhance employment opportunities, particularly in the current economic climate. With expanded credit transfer choices among universities and options for dual awards, students are becoming more aware of the value provided by such pathways from an educational, employment and financial perspective. With increased promotion of such options, especially in schools, student needs will become a more powerful driver.

2.2.6 Convergence of VTE and higher education

There is evidence of an increasing degree of convergence between the VTE and higher education sectors in terms of the courses they offer, the awards they confer, their links with employers and the overall approach they take to teaching. Although each sector continues with its own distinctive mission and purpose, there are many activities in both sectors which are barely distinguishable. While some stakeholders from each sector are not comfortable with this convergence and are concerned that each sector may risk losing its unique identity,

there is evidence that such convergence provides fertile ground for cross-sectoral collaboration and assists in developing credit transfer arrangements. For some VTE institutions, a strategic move towards offering higher education courses and focusing on the upper-level VTE awards fits neatly with initiatives that involve collaboration with higher education institutions to ensure a wide range of pathways to further study for their VTE students. For these VTE institutions, there is a greater chance of finding common ground with higher education partners and being able to negotiate credit transfer arrangements based on complementary goals and mutual respect.

2.3   Mixed messages

Although the above discussion infers that there are some significant drivers pushing institutions towards enhanced arrangements for credit transfer, there is also evidence within the current policy context of the emergence of mixed messages or conflicting policy directions that can confuse or diffuse the impact of other drivers.

One area of potential confusion is the concurrent drive towards increased competition and increased collaboration. At the same time as some VTE institutions are moving into offering higher education awards, there are also pressures for collaboration between the VTE and higher education sectors. While, as indicated above, this may help create common ground in negotiations that relate to credit transfer arrangements, it can also create tension if the two institutions expected to collaborate are competing for students in the same market place. There is competition for students even when the VTE providers are not offering higher education awards themselves. Although successful collaboration does take place when there is also an element of competition, this situation can bring some tensions and does require acknowledgement in any negotiations of credit transfer arrangements.

There is also the potential for policy inconsistencies in moves to create increased seamlessness between VTE and higher education on the one hand and moves to create two distinctive educational sectors on the other hand. It is here that views are most divergent and often argued from strongly-held positions. For some, the VTE and higher education sectors serve different purposes and have different missions, features that must be strongly defended, often by resisting any effort to encourage pathways between the sectors and bridge gaps between the two sectors. For others, the two sectors are seen as part of a continuum of education provision and share much common ground in which the sectors are able to work together in areas of significant common interest and overlap. The stance for different missions and purposes is supported in practical ways by the different funding and accountability context for each of the sectors. In turn, this leads to very different approaches to governance, administration, curriculum and assessment. There is also evidence of resistance within the VTE sector to policies that portray VTE qualifications as leading to higher education pathways. This resistance is based on concerns that such policies might compromise the industry focus of VTE qualifications or distort the VTE mission. Equally, there is resistance within the higher education sector to more alignment between VTE and higher education qualifications. The Australian Qualifications Framework, which provides descriptors of qualifications accredited in each sector, reflects these sectoral differences by using a different conceptual basis and taxonomy to underpin the qualification descriptors in both sectors.

Yet another potential policy inconsistency lies in expecting all institutions to embrace credit transfer equally. On the one hand, there is an expectation that all universities should be involved to the same extent in offering cross-sectoral pathways. On the other hand, there is growing pressure for increased institutional diversity. Recently the Minister for Education,

Science and Training argued for higher education institutions to 'play to their strengths' rather than seek to be 'all things to all people'.[3]   Although it is reasonable to expect all institutions to have in place basic arrangements for credit transfer, a conclusion drawn by this study is that one element of diversity among higher education and VTE institutions will increasingly lie in the degree to which some institutions embrace strategies for credit transfer, making these strategies a central platform for their branding and promotion. In our view, such variation should be seen as a strength of the system rather than a weakness. It is essential that any future policy environment supports the notion that credit transfer will feature more prominently in some institutions than others.   Clearly, a 'one size fits all' approach is not appropriate.

2.4   Enablers of credit transfer

The Stage 1 Report includes a detailed analysis of the various factors which impact on the effectiveness of credit transfer arrangements, either as enablers or impediments. In this section, we focus on the factors that have been identified during the study as the most significant enablers of credit transfer. These are the factors that operate at the institutional level to enhance the success of strategies for credit transfer. They provide important guidance for institutions seeking to enhance their credit transfer arrangements.

2.4.1   *Leadership*

There is no doubt that the implementation of effective arrangements for credit transfer requires institutional commitment. Credit transfer must be central to institutional vision and strategic priorities. It must have the full commitment of those within leadership roles from both the VTE and higher education partners in any arrangements. This should include a person at a senior management level in each institution with designated responsibility for achieving targets set in strategic plans, allocating resources and monitoring implementation and outcomes in credit transfer. There is a need for this senior person to act as a champion of the cause, to keep credit transfer high on the agenda among competing institutional priorities and to provide support for those working at the grassroots level. It is the responsibility of this person to ensure that credit transfer arrangements feature within the institution's strategic planning processes and documents to provide a strong signal of relative priority and to integrate these activities within the general resource allocation, planning and monitoring processes of the institution.

It is also the case that a single person in a senior leadership role cannot alone achieve effective credit transfer. There must be leaders and champions at various levels, including officers with allocated responsibility for ensuring that systems are developed and effective implementation occurs. Given that much of the success of credit transfer arrangements lies in decisions made within academic areas of higher education institutions, there is a need for this commitment and leadership to extend to key academic staff.

In summary, the case studies highlight that credit transfer arrangements work best when there is a senior person allocated responsibility for making this a strategic priority, and when this person is supported by key academic and administrative staff who work closely together to establish systems and processes at all levels of the institution.   There is also strong

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[3] Reported in *The Australian* Higher Education Supplement, 3rd May 2006.

evidence that credit transfer arrangements are most likely to be effective when supported by cross-sector committees with senior representation from both sectors.

2.4.2   Systems

The case studies demonstrate that the most significant distinguishing feature of those institutions that have successfully embraced credit transfer arrangements lies in the systems and processes they have put in place. For these institutions, credit transfer is not a marginal add-on to existing systems. Rather, systems have been developed around credit transfer to make it an integral part of admission and enrolment as well as other administrative processes. These systems move credit transfer arrangements away from a 'cottage industry' or peripheral approach taken in some institutions to a mainstream and core part of admission, enrolment and student support processes. Systems contributing to effective credit transfer arrangements include credit transfer policies and procedures, formal cross-institutional agreements, clear reporting lines, allocation of responsibilities and accountabilities, committee structures, student data collection, monitoring of student progress, administrative systems and information that leads to rapid and consistent decisions on applications for credit transfer as well as accurate and timely advice for students.

2.4.3   Mutual respect and commitment

A strong enabler in those institutions that embrace credit transfer arrangements is the strength of mutual respect and commitment shared by both VTE and higher education partners. Although not likely to be universal in any institution, mutual respect and commitment must be deliberately developed and nurtured among those most involved in the negotiation and implementation of credit transfer arrangements. Institutions with effective agreements in place acknowledge the importance of mutual respect and build in processes to strengthen relationships, especially during the early phases of development of partnership arrangements. Institutional culture and the attitude of leaders within the institution also play an important role.

2.4.4   Information provision

It is surprising that even those institutions with quite extensive credit transfer arrangements are not always effective at promoting those opportunities to prospective students and their parents. There is a range of practice in this regard and much to be learnt from the institutions doing it well. Websites play a key role in promotion and information provision to prospective students, and credit transfer arrangements need to be prominently displayed in the part of institutional websites that is targeted at prospective students. Information should include explanations of terms, contacts for further information, admission and enrolment information, application forms, policies, answers to frequently asked questions, information on avenues of appeal, and searchable databases showing credit for various pathways. Most importantly, all of this information must be current and accurate as well as readily accessible by those not familiar with institutional structures.

In terms of the provision of information to students, both VTE and higher education institutional partners have key roles to play. Information must extend beyond websites to personal contact with students both prior to and during their VTE studies. Given their

important role in the decision-making process, parents and career counsellors should also be included within strategies for information provision.

2.4.5 Transition support

Institutions that have worked to implement effective credit transfer arrangements have accompanied these with specific strategies to ensure students are adequately supported during their transition from VTE to higher education studies. Such transition arrangements acknowledge that additional support is essential for student success in adapting to a new environment with different teaching and learning approaches, different assessment approaches, different expectations and different policies and procedures. Students granted credit require specific transition arrangements because they are often not part of the 'normal' first year student cohort and so may not have access to support arrangements that are in place for first year students. Again, this is an area which is most effective when both VTE and higher education partners contribute to the transition process, which begins before students complete their VTE studies and finishes only when students have fully settled into their new higher education learning environment.

2.5 Potential enablers

The study highlights some factors with the potential to act as enablers, although the experience in most situations is that these factors have not yet been exploited to their full extent.

2.5.1 Support from employers, employer groups and professional associations

Although one of the drivers for credit transfer arrangements identified earlier was employer demands for new skill mixes, there is evidence that employers and employer groups have not yet played the strong facilitation or advocacy role one might expect. There is potential for a much stronger role for Industry Skills Councils, employer organisations, professional accreditation bodies and employers themselves to identify the skills they require of graduates and facilitate partnerships between VTE and higher education providers in order to produce graduates with the desired skill mix. Only a few industry groups have taken on this role (such as the IT industry) and this has generally had positive outcomes in creating new credit transfer arrangements. In contrast, there are some professional accreditation bodies that take a very conservative stance and actually place limitations on credit transfer arrangements when accrediting courses.

There is evidence from the case studies that credit transfer arrangements, particularly those involving integrated cross-sector awards, are easiest to develop when new courses are being designed and when credit is built into the course design. This suggests that Industry Skills Councils should ensure that National Training Packages are developed with relevant higher education input and possible credit pathways built into the initial design, reflecting occupational, professional and industry pathways, rather than attempting to introduce credit transfer arrangements when the structure and content of the Training Packages have already been determined. Although there is an argument from some in the VTE sector that this will compromise the fundamental purpose of Training Packages to meet specific occupational needs, the case studies highlight many examples in which this balance between meeting industry needs and facilitating higher education pathways has been attained. In many cases,

credit transfer arrangements that support qualification and occupational pathways directly respond to industry needs.

Similarly, higher education course development often includes input from employers and professional bodies, and should also include VTE input at the design phase to advise on potential linkages and credit opportunities.

2.5.2 *Proximity*

Although the case studies include examples of arrangements between VTE and higher education institutions that capitalise on proximity, there is evidence that this feature is not always exploited to its full potential. Shared facilities, educational precincts and dual sector institutions are all developed on the assumption that the proximity of the VTE and higher education institutions will lead to innovative pathways for students. However, such pathways do not always eventuate to the extent possible. This suggests that, even when the institutions are located together, specific strategies and structures are still needed to develop credit transfer arrangements. Proximity alone is not enough. Sometimes, the inertia in developing credit transfer arrangements in shared campuses or precincts arises because these structures may be relatively marginal to, or remote from, the mainstream institutional activities and the structures or people with responsibility for negotiating such arrangements.

2.5.3 *Student demand*

Given the significant benefit to students of credit transfer arrangements, it is surprising that this has not yet led to an obvious 'ground-swell' of student demand for these pathways and for the institutions that provide the most attractive credit transfer arrangements. Perhaps credit arrangements and their benefits are not sufficiently understood by prospective students and their parents to have such an impact on student demand at this stage. As previously discussed, it is also the case that few higher education institutions yet use their VTE/higher education pathways and credit arrangements as a central marketing and promotional message. Thus, there is a certain degree of uncertainty within the higher education sector as to what impact such a marketing message might have. In a sector which is differentiated on the basis of abstract and often outmoded notions of status, there is a yet unknown impact of marketing strongly around pathways and linkages with the VTE sector. The lack of information about student demand for credit transfer also detracts from institutional commitment to making these arrangements a central marketing message.

Given the resources boom and the current issue of skill shortages, governments at both state and Commonwealth levels could play a much stronger role in promulgating clear messages that draw the attention of students and their parents to the potential of post-school educational pathways that combine VTE and higher education studies.

2.6 Impediments to credit transfer arrangements

Throughout the project and particularly arising from the case studies, a number of issues were identified as impediments to attempts to implement credit transfer arrangements. In institutions where credit transfer arrangements are well-developed and widespread, some of the impediments have been overcome, but often through trial and error as well as through a great deal of commitment and perseverance from the 'champions' involved. In some cases, the impediments have resulted in revised strategies and approaches, even if these mean that compromises are made. Given that the case studies largely focus on institutions and people

most committed to credit transfer and that these sites are still being troubled by a number of impediments, it is likely that less committed institutions and people will be deterred by many of the impediments discussed below.

2.6.1   *Funding and accountability of the sectors*

One of the greatest impediments to credit transfer arises from sectoral differences in funding and accountability. These differences mean that the VTE and higher education sectors are governed by different policies and decision-making processes, have different imperatives, are subject to different drivers, pressures and directions, are seeking different outcomes and are accountable in different ways. Such differences are reflected at all levels of both sectors and their institutions. Even when there is a will to collaborate and negotiate cross-sector pathways, the fundamental differences between the sectors present practical as well as philosophical barriers to such pathways.

The most innovative pathways between VTE and higher education involve arrangements in which students undertake VTE and higher education studies concurrently, yet these arrangements bring an array of administrative problems, some of which are difficult or even impossible to solve. For example, key people in some of the case study sites argue that the Higher Education Funding Act specifically precludes some of these arrangements involving concurrent cross-sector enrolment. While this may be an unintended outcome of some requirements of the Act and perhaps may be addressed relatively easily, the example nevertheless illustrates only one of the many consequences of the different funding and accountability of the two sectors for those attempting to bridge the divide. The rhetoric of seamlessness between the sectors is a long way from reality at the level of funding and accountability. The case studies provide many examples of related issues and concerns raised by the institutions attempting to implement credit transfer arrangements. These include differences in funding regimes and rules, legal requirements, terminology, timelines and processes for reporting, methods for calculating student load, timetabling, staff workload allocations, and staff employment requirements and expectations.

2.6.2   *Attitudes and culture*

Efforts to bridge the binary divide between the VTE and higher education sectors continue to be hampered by cultural differences and by the attitudes held by personnel in both sectors within institutions as well as within government agencies. The case studies illustrate the importance of mutual respect between the parties negotiating and implementing cross-sector arrangements. Although such mutual respect cannot be mandated, the relationships on which mutual respect is based can be facilitated through specific strategies built into development processes. The institutional culture and the example provided by those in leadership positions are also very important in shaping attitudes of those within the institution. In addition, involvement in successful discussions relating to credit transfer will lead to more positive attitudes. It is, therefore, essential for early discussions and negotiations to be carefully facilitated to maximise chances for success. It is also the case that once key people or opinion-leaders within an institution engage positively with credit transfer, others will follow.

2.6.3 Administrative issues

The case studies identify a host of cross-sectoral administrative issues that impede efforts to develop and implement credit transfer arrangements, particularly those involving the development of integrated cross-sector awards. These range from sectoral differences in timetabling, reporting requirements, length and structures of study periods and study modules, course approval processes, student categories and methods of calculating student load to the timing of assessment and reporting. These administrative problems are most prominent in efforts to design and implement integrated arrangements, especially concurrent cross-sector awards. They are also evident in efforts to handle applications for admission and credit transfer in a timely way. While some of the administrative problems identified in the study can be attributed to the funding and accountability differences of each sector discussed above, others are institutional in their origin. Many of the institutionally-based administrative problems may be overcome through various work-around arrangements, but they still take time and effort to resolve, and dealing with them can be a drain on resources. Administrative problems continue to place additional and unnecessary pressures on those developing and implementing credit transfer arrangements.

2.6.4 Curriculum and qualification design

Associated with basic differences in purpose between the VTE and higher education sectors, there are significant cross-sectoral differences in approaches to course design, defining learning outcomes, delivery and assessment. While some of these differences lead to misunderstandings that can be overcome through more effective information provision, others present on-going barriers for those negotiating credit transfer arrangements.

At the heart of most credit transfer arrangements is the need to map equivalences in course content and student outcomes. This mapping becomes much more difficult when the way in which courses are designed, described and assessed in each sector is very different. It requires an understanding of the models used in both sectors. As the case studies demonstrate, developing this understanding is possible, but only when there is a commitment of time and resources and when there is willingness to recognise the value of each sector's approach.

The case studies identify other issues related to National Training Packages, including gaps in essential content, constant changes that bring the need for regular updates, confusion about the nature and multiplicity of VTE qualifications and the use of non-graded reporting on assessment. While these issues are relevant in all credit transfer arrangements, they become even more prominent in integrated cross-sector award arrangements, which require particular flexibility in curriculum design by both the VTE and higher education partners. In some of these situations, there are also reports of constraints imposed by industry and professional accreditation requirements which limit flexibility in curriculum design and the granting of credit.

A related consideration is the definitions and structure used to define qualifications in the Australian Qualifications Framework. While providing an overarching framework for all qualifications, the AQF recognises and accepts the differences in qualifications in each sector. However, this has also meant the descriptors for qualifications reinforce these differences by using a different taxonomy to define knowledge, skills, level of autonomy of learners and work-related outcomes for students. If the language for defining the descriptors of qualifications was based on a common conceptual model or taxonomy, this could facilitate

understanding of the relationships between qualifications and credit transfer pathways. Such a conceptual framework could be developed in a way that does not diminish the capacity for each sector to adopt its own educational approaches to meet the needs of its clients.

2.6.5 Assessment

The use of non-graded assessment in the VTE sector has been raised on many occasions as a barrier to credit transfer arrangements. Importantly, it is most likely to be a barrier to admission of VTE students to higher education. There is strong evidence that VTE students who complete courses without graded assessment are disadvantaged in rankings calculated for admission to higher education courses. A study on admission undertaken by the Victorian Qualifications Authority (VQA) noted that some higher education institutions specifically exclude consideration of students who do not have graded assessments.[4] Students who are not admitted cannot be granted credit for their VTE studies, so this practice directly impacts on levels of credit transfer. This issue has been under consideration in the VTE sector for some time, and should be addressed and resolved as a matter of urgency.

2.6.6 Lack of resources

An earlier section of this report noted that credit transfer arrangements provide increased efficiencies in educational provision through reducing overlap. However, the benefits of these cost-savings are at the system level. At the institutional level, credit transfer can represent a significant impost on resources. Resources are required in the form of people, time and systems development. The case studies illustrate the significant time and effort required by the people negotiating and developing credit transfer arrangements. In those institutions most effectively involved in credit transfer, resources have been committed to establish specific positions or units with responsibility for these activities – both to undertake administrative functions and to co-ordinate and drive initiatives once they are established. These positions or units provide the important, added advantage of giving prospective students a clear point of contact when applying for credit. Additional resources are also required to provide the transition support that has been identified as an important enabler for effective credit transfer. Costs are incurred by the cross-sectoral committee structures that are an important feature of those institutions with effective credit transfer arrangements. These structures and the transition support contribute to the sustainability of credit transfer arrangements within the organisations. Effective development and sustainability of credit transfer arrangements require institutions to allocate significant funds specifically for this purpose.

2.7 What should we be aiming towards?

In order to provide a framework for the recommendations that follow, this section outlines what we believe should be broad aims for credit transfer from VTE to higher education.

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[4] Victorian Qualifications Authority (VQA), 2005, *Current Policy and Practice in Higher Education Institutions on Assessment of VET Outcomes,* Assessment Research Centre, University of Melbourne.

2.7.1 Broader policy context

Although improvements in national outcomes for credit transfer between VTE and higher education will rely largely on institutional initiatives, this study has demonstrated that various factors within the broader national and state/territory policy context also have an important impact. Governments and representative bodies such as MCEETYA, DEST, state/territory departments, the AVCC, AQFAB and the NQC have significant roles to play in influencing and supporting institutions to enhance outcomes in credit transfer from VTE to higher education. Particular strategies include:

- providing a supportive national and state/territory policy framework

- sending consistent policy messages from Commonwealth and state governments

- signalling credit transfer between VTE and higher education as a priority area

- modelling cross-sector collaboration within peak bodies and within government agencies and departments

- introducing funding regimes that provide incentives and support for institutional credit transfer developments

- working together to create a single set of national policies and guidelines on credit transfer, with a common and agreed language

- developing a common taxonomy for qualifications across the sectors

- improving data collection and analysis

- facilitating opportunities for institutions to share information and experiences.

2.7.2 Terminology

The Stage 1 Report and the case studies have identified wide variations with, and confusion about, the terminology associated with credit transfer and articulation. Even attempts to define terms often have in-built anomalies and inconsistencies. Our response to these issues of terminology is to suggest a typology of credit transfer arrangements and a set of related definitions that are refinements of those in the Stage 1 Report.

Figure 2.1 summarises our recommended typology and shows relationships among the terms. It provides an overview of all pathways between VTE and higher education and suggests that those involving the granting of credit may be undertaken through the recognition of prior learning (RPL) or credit transfer arrangements. Credit transfer arrangements may comprise individual or unstructured credit transfer arrangements, structured credit transfer arrangements or integrated cross-sector awards. Further detailed discussion of the definitions of these terms and a summary of strengths and weaknesses of each arrangement are included in Appendix A.

It should be noted that this revised typology does not include the term 'articulation'. The study has highlighted wide variability in the use of this term and its associated meanings, leading to much confusion and inconsistency. For this reason, we have used the more specific term 'integrated cross-sector award arrangements' to denote the development of integrated qualification pathways into which credit is built. We argue that the processes and outcomes of this arrangement are sufficiently different from structured credit transfer to warrant a specific term. Although our Stage 1 Report suggested 'articulation arrangements' as the term for this process, feedback has indicated that articulation has so many other

meanings, both broad and narrow, that another more specific term is needed for this important process. Within this report, we use the term 'credit transfer arrangements' to include individual, structured and integrated cross-sector award arrangements involving the granting of credit.

Figure 2.1: Pathways from VTE to higher education

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                    │  Pathways from VTE to higher education   │
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                   ┌──────────────────┴────────────────────┐
        ┌────────────────────────┐            ┌────────────────────────┐
        │  Admission with credit │            │ Admission without credit│
        └────────────────────────┘            └────────────────────────┘
        ┌────────┴───────────────────┐
┌──────────────────────────┐  ┌────────────────────────────┐
│ Credit Transfer arrangements│  │ Recognition of Prior Learning│
└──────────────────────────┘  └────────────────────────────┘
        │
        │   ┌──────────────────────────────────────┐
        ├───│ Individual or unstructured credit transfer│
        │   │              arrangements             │
        │   └──────────────────────────────────────┘
        │   ┌──────────────────────────────────────┐
        ├───│  Structured credit transfer arrangements│
        │   └──────────────────────────────────────┘
        │   ┌──────────────────────────────────────┐
        └───│   Integrated cross-sector award       │
            │              arrangements             │
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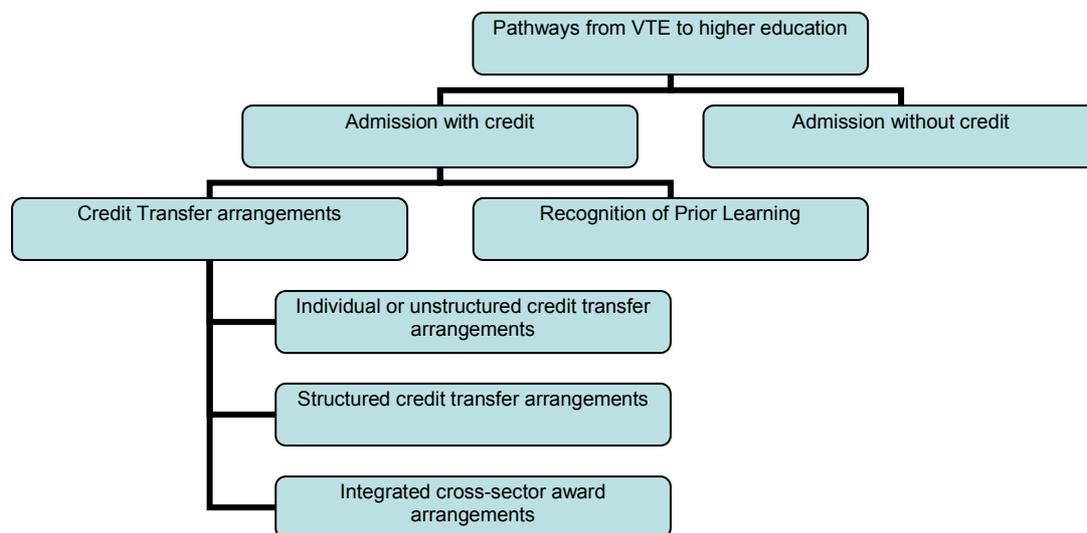
2.7.3   Opportunities for students

Given the significant benefits that credit transfer arrangements provide for students and institutions, it is important to establish what students should expect in terms of opportunities for credit transfer when moving from VTE to higher education studies. We argue that all students who undertake VTE studies at the diploma and advanced diploma levels and some certificate IV studies should have opportunities for credit towards their higher education studies, although it is likely that the amount of credit granted will vary according to the qualifications and units they have completed and the institution and the course to which they are seeking entry.

Although there should be efficient and effective processes for granting credit at all higher education institutions, our future scenario suggests students will find that opportunities will be much broader and more generous at some institutions than in others. In other words, there should be an expected level of basic policy and practice in credit transfer arrangements across the higher education sector. Over and above this basic standard, there will be a variety of opportunities in place in different institutions, ranging from those institutions specialising in pathways from VTE and making this a central part of their mission to others offering pathways above the basic standard only in a limited number of specialised, niche areas.

Our future scenario for basic provision of credit transfer places an emphasis on structured arrangements rather than unstructured or individual arrangements for credit transfer. There are two main reasons to support this argument. One is that structured arrangements provide more certainty and more consistency for students when they are applying for credit transfer because they can determine in advance the amount and nature of credit they will be granted. The second reason to move in this direction relates to sustainability for institutions.

Structured credit transfer arrangements are less resource-intensive and more systematic than unstructured or individual arrangements that typically require decisions to be considered on a case-by-case basis. Unstructured or individual arrangements should be available but used only for a minority of situations either in which no structured arrangements exist or in cases where course flexibility precludes structured arrangements. Further detail and an indication of what constitutes good practice in these different approaches follow.

2.7.4   *Institutional approaches – Guides for good practice*

As argued above, we suggest that all institutions both VTE and higher education should be expected to adopt basic policies and practices to ensure effective arrangements for credit transfer are in place. This basic standard should include:

- an institutional credit transfer policy that is consistently applied across all parts of the institution

- a clear point of contact and source of information for students inquiring about and applying for credit transfer

- information for students that is easily accessible and prominent on the institution's website and in other material for prospective students

- transition support for students moving from VTE to higher education studies

- strategies to move away from individualised credit transfer arrangements towards maximising opportunities for structured credit transfer arrangements

- integrated cross-sector awards at least in niche areas

- information on student uptake of pathways, amounts of credit granted and student success

- a co-ordinated and consistent register of all credit transfer arrangements and credit precedents.

Institutions that make credit transfer arrangements a priority are distinguished by *additional* features that include:

- an institutional focus on pathways between VTE and higher education studies

- pathways between VTE and higher education studies as a key marketing strategy and message

- structures and systems to support the development and maintenance of partnerships

- institutional co-ordination of cross-sectoral initiatives

- support groups and/or committees that include representation from both sectors

- structured credit transfer arrangements across a majority of courses and integrated cross-sector awards in a number of areas

- formal cross-sector partnerships, including as part of educational precincts and through shared campuses, facilities and resources.

While it is not possible to define exactly the nature of policies and practices to support credit transfer arrangements because of institutional diversity, we have attempted to provide guides for good practice to assist institutions to assess their own progress in this area. The

guides may also be useful adjuncts in both internal and external quality assurance and audit processes.

Guide for all higher education institutions

This guide is provided to indicate the basic standard of credit transfer arrangements that should be expected across all higher education institutions.

Policies and plans

- Is it clear who has overall responsibility at the institutional level for providing leadership in credit transfer arrangements?

- Are terms associated with credit transfer defined within the institution and used consistently?

- Is there a current institutional policy on credit transfer arrangements that indicates the circumstances under which credit will be granted, any requirements for maximum and/or minimum credit, delegations for making decisions, the processes for student appeals and the procedures for reporting/recording of credit?

- Are the provisions for credit transfer consistent with the MCEETYA *Good Practice Principles* and the AVCC/AQF guidelines?

- Are the provisions for granting credit equitable for various student groups such as fee-paying, domestic or international students?

- Are responsibilities for developing, co-ordinating and implementing credit transfer arrangements clear, and are they implemented consistently?

- Are strategies for developing credit transfer arrangements highlighted in relevant institutional plans?

- Have targets or expected outcomes been established? What are the processes for monitoring and reporting on those outcomes?

- What is the strategy for moving towards and supporting more structured rather than individual or unstructured credit transfer arrangements?

- What is the strategy for identifying suitable areas for structured credit transfer and integrated cross-sector award arrangements?

- What are the processes for developing partnerships and signing off agreements?

Promotion

- Does the institutional website for prospective students have an obvious link to information on credit transfer?

- Does the website on credit transfer arrangements include current information on definitions, policies, contact people, processes to be followed, application forms, details about how to appeal against decisions, and frequently asked questions?

- Is there a process to ensure information on credit transfer is kept up-to-date?

- Do all print materials for prospective students include information on credit transfer?

- Do student recruitment activities include information on credit transfer?

- Is there a single and up-to-date list of all structured credit transfer and integrated cross-sector award arrangements that is readily accessible to prospective students?

- Can students seeking information about credit transfer search databases that indicate the various options and pathways available in particular fields?

Practices

- Is there a clear point of contact for students seeking information on credit transfer or applying for credit?

- Is application for credit built into the admissions and enrolment processes?

- Are students informed about opportunities for credit, even if they do not apply for it?

- Do students receive accurate, consistent and timely responses to queries about credit?

- Do students receive accurate, consistent and accurate information on any credit they are to be granted?

- Are students who are granted credit provided with transition support, particularly if their credit means they are not part of the 'normal' first year cohort?

- Are there processes in place to monitor the success and satisfaction of students granted credit?

- How is support provided for areas or individuals within the institution developing structured credit and integrated cross-sector awards?

- Is there a register of all agreements with VTE partners and of all credit transfer arrangements? How is the register monitored and maintained?

- Are all credit precedents recorded on a register to streamline decision-making? How is the register updated and maintained?

Guide for all VTE institutions

This guide is provided to indicate the basic standard of credit transfer arrangements that should be expected across all VTE institutions.

Policies and plans

- Is it clear who has overall responsibility at the institutional level for providing leadership in credit transfer arrangements?

- Are terms associated with credit transfer defined within the institution and used consistently?

- Are responsibilities for developing, co-ordinating and implementing credit transfer arrangements clear and implemented consistently?

- Are there strategies for developing credit transfer arrangements in relevant institutional plans?

- Have targets or expected outcomes been established? What are the processes for monitoring and reporting on those outcomes?

- What is the strategy for moving towards and supporting more structured, rather than individual or unstructured, credit transfer arrangements?

- What is the strategy for identifying suitable areas for structured credit transfer and integrated cross-sector award arrangements?

- What are the processes for developing partnerships and signing off partnership agreements?

Promotion

- Does the institutional website for students have an obvious link to information on credit transfer and pathways to higher education?

- Does the website on credit transfer arrangements include current information on definitions, policies, contact people, processes to be followed, application forms, appeals processes and frequently asked questions?

- Is there a process to ensure information on credit transfer is kept up-to-date?

- Do all print materials for students include information on credit transfer?

- Do student recruitment activities include information on credit transfer and pathways to higher education?

- Is there an up-to-date list of all structured credit transfer and integrated cross-sector award arrangements linked to relevant VTE qualifications?

- Can students seeking information about credit transfer search databases that indicate the various options and pathways available in particular fields?

Practices

- Is there a clear point of contact for students seeking information on credit transfer?

- How is support provided for areas or individuals within the institution developing structured credit and integrated cross-sector awards?

- Is there a process for informing relevant higher education institutional partners about course changes or new course developments?

- Is there a register of all agreements with higher education partners and of all credit transfer arrangements? How is the register monitored and maintained?

Additional Guide for institutions that wish to make credit transfer arrangements a high priority

This guide is provided to indicate the *additional* arrangements that should be in place for those VTE and higher education institutions making credit transfer a priority.

Policies and plans

- Are the drivers and rationale for supporting credit transfer arrangements clearly understood within the institution?

- Is credit transfer identified as a priority within relevant institutional plans?

- Are the overall objectives and planned outcomes clearly understood and regularly reported upon?

- Is there an identified leadership position responsible for developing credit transfer arrangements as a priority?

- Is there visible support from the leadership team for credit transfer arrangements?

- Is there a strategy for identifying and developing partners?

- Who is responsible for maintaining good relationships with partners?

Promotion

- Does institutional branding highlight pathways between VTE and higher education as a central marketing strategy and message?

- Are pathway opportunities clearly featured within all promotional material?

- Are there good links between websites of partners?

- Do partners convey consistent messages about the partnership and related opportunities for students?

Practices

- Are resources provided to develop, co-ordinate and administer credit transfer arrangements?

- Is there a designated person/s or unit/s with responsibility for developing, co-ordinating and administering credit transfer arrangements?

- How are relationships between partners developed and maintained?

- What joint committee structure ensures on-going development and monitoring of credit transfer arrangements?

- How is appropriate VTE and higher education input ensured in all course planning and development?

- Are there resources allocated to develop systems for administering and reporting on credit transfer arrangements?

- What are the processes for reporting on and celebrating achievements?

Guide for effective VTE/HE partnerships

This guide is provided to indicate the arrangements that should be in place for all effective VTE/higher education partnerships.

- Are there shared goals and objectives for developments associated with the partnership?

- Is there mutual respect reflected at all levels of both partners?

- Is the partnership formalised through agreements?

- Are specific strategies used to develop and maintain the relationship?

- Are definitions of key terms agreed and used consistently?

- Are administrative processes, including the availability of student results and admission/enrolment procedures, integrated and co-ordinated as far as possible?

- Are outcomes jointly monitored and reported?

- Do both parties commit resources to the partnership?

- Do all working groups and projects include appropriate representation from both parties?

- Do both parties promote the partnership publicly?

- Are achievements jointly acknowledged and celebrated?

2.8 Evaluation against the MCEETYA Good Practice Principles

One of the terms of reference for this study is to evaluate practice against the MCEETYA *Good Practice Principles for Credit Transfer and Articulation from VET[5] to Higher Education*. Various aspects of this task have been presented in both the Stage 1 and Stage 2 Reports. The overall conclusion is that the practice investigated within the case studies generally complies with the *Good Practice Principles* largely because the Principles are written at such a high level and are very broad. The only gap identified during the study is evaluation. Institutions are at very early stages of evaluating the effectiveness of credit transfer arrangements. This gap is exacerbated by the absence of system-level data on credit transfer or agreed measures for evaluating the effectiveness of credit transfer. Institutions that are gathering and analysing data on credit transfer are hampered by the variable evaluation approaches used in different institutions and the lack of data for benchmarking.

During the study, the project team worked with the *Good Practice Principles* in a variety of ways and in a variety of contexts. In addition, the institutions that were featured in the case studies provided comments on the *Good Practice Principles* and in many cases also provided the project team with copies of their responses to the AVCC request for comments on the Principles after they had been adopted by MCEETYA. It became clear to the project team that the *Good Practice Principles* do not necessarily provide the guidance on good practice as intended because their language and, in some cases, their meaning do not fit neatly with good institutional practice. In other words, they do not seem to be written using the language of practitioners. There are some misgivings about the *Good Practice Principles* and disappointment that there was not broader consultation during their development to ensure that they are meaningful to those involved in the practical implementation of credit transfer arrangements.

In addition, the *Good Practice Principles* are mainly addressed to higher education rather than to both the higher education and the VTE sectors. The VTE sector seems largely unaware of the existence of the *Good Practice Principles*. A conclusion reached by this study is that both sectors must take joint responsibility for developing and implementing effective credit transfer arrangements. Thus, it is important that efforts to develop guidelines for good practice are directed towards, and draw upon, the experience of both sectors.

There is also an issue about duplication and confusion among the various documents and guidelines that relate to credit transfer. The AVCC and AQF guidelines are used within both sectors although there is little understanding that these two sets of guidelines are essentially the same. The new MCEETYA *Principles for Good Practice Information Provision* provide some useful indicators of good practice and have benefited from the consultation process used in their development. However, they will add another set of national guidelines and are already being confused with the MCEETYA *Good Practice Principles*. The Good Practice Guides developed from this study will potentially lead to further confusion. There is scope for re-visiting these various sets of guidelines and principles and providing a single set of

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[5] The MCEETYA *Good Practice Principles* were developed before adoption of the VTE acronym. See Appendix B for a copy of *the Good Practice Principles.*

documentation that coherently and consistently addresses a range of issues and levels of practice related to credit transfer. Given its cross-sectoral focus, the AQF and its guidelines should be the main source of such a co-ordinated set of documentation.

3 Recommendations

We believe that post-compulsory education in Australia is at a watershed with respect to credit transfer arrangements from VTE to higher education. Maintaining the current approach will result at best in incremental increases in the levels of credit transfer, periods of activity interspersed with inactivity and wide variability in basic opportunities for students across the system. The findings from this study suggest the need for more concerted effort in order to move to another level of outcomes in pathways between VTE and higher education. Although the study has highlighted numerous areas in which improvements could be made, including many specific practices and approaches at the institutional level, the recommendations that follow have been framed to focus on a minimum number of strategies that are likely to have maximum impact. The recommendations are directed at various groups, highlighting the finding of this study that no single strategy on its own is likely to make a significant difference and that no single group or sector on its own can be held responsible for the improvement of pathways between VTE and higher education.

3.1 Funding

There is strong evidence that those institutions committed to developing and maintaining strong pathways from VTE to higher education are investing significant resources to support this commitment. Not only are these additional resources required to establish new systems and structures, but they are also required in an on-going way to cover the costs of specific positions or units to co-ordinate credit transfer arrangements, support students in their transition and maintain the extensive communication channels needed to cope with curriculum changes and administrative issues. A significant cost is also incurred by the extensive cross-sector committee structures identified in the case studies as an important feature of those institutions with effective credit transfer arrangements. Although the case studies highlight the nature and extent of the additional costs incurred in implementing and maintaining effective credit transfer arrangements, a detailed analysis to quantify these costs is beyond the scope of this study.

We argue that credit transfer from VTE to higher education will not be enhanced significantly unless specific funding is allocated to institutions to provide an incentive both to commit to these initiatives and to support the additional effort required. Additional funding would provide an important signal to the higher education sector of the importance of credit transfer and would act as an incentive for action. Thus, we make two recommendations related to funding and suggest that DEST and state/territory governments work together on these recommendations as part of their joint responsibilities for enhancing pathways between VTE and higher education. The first recommendation suggests considering a range of options for additional funding to act as an incentive for higher education institutions to take on additional VTE students under credit transfer arrangements. The exact mechanism for this incentive funding is left open for further consultation. A number of suggestions have been made and it may be the case that different incentive mechanisms will be appropriate to different institutions. The second recommendation is for a more targeted scheme to assist in the start-up development of systems and structures in both VTE and higher education institutions to support the implementation of credit transfer arrangements.

Recommendation 1:

That DEST work with states/territories to provide funding incentives to higher education institutions to increase the numbers of VTE students granted credit. The full range of possible options should be considered in consultation with the higher education sector. The options to be considered should include, but not be limited to: building a financial incentive such as a loading or bonus into Commonwealth-supported higher education places that involve the equivalent of at least one year of credit for prior VTE studies; a performance-based funding scheme similar to that used for the funding of Aboriginal and Torres Strait Islander students; and/or joint Commonwealth and state funding for additional places earmarked for credit transfer to be made available to the higher education sector.

Recommendation 2:

That DEST, with contributions from states/territories, establish a funding scheme to be allocated on a competitive basis to assist VTE and higher education institutions develop the appropriate systems, policies, structures and processes to support effective credit transfer from VTE to higher education. Conditions for receiving funding would include meeting the minimum institutional requirements for credit transfer arrangements set out in this report. To ensure that funded initiatives are sustainable, funding would need to be available for at least three years.

One means of implementing recommendation 2 could be to make this outcome a higher and more explicit priority in the Collaboration and Structural Reform Fund and to open up this funding to VTE as well as higher education institutions. The recently published guidelines for this funding scheme, while not precluding collaborative VTE/HE projects, identify collaboration between higher education institutions as the main priority for funding.

3.2 Terminology

Throughout this study we have argued that confused and inconsistent terminology associated with credit transfer is hampering practical efforts to enhance opportunities for students. The entire field is characterised by loose definitions, different terminology used in different institutions and in different sectors, people talking at cross-purposes because they use different terms and the community lacking in awareness of the potential of credit transfer because there are no agreed ways of referring to it. Even though there are already published, national guidelines that provide at least some of these definitions, such as the AQF *National Principles and Operational Guidelines for Recognition of Prior Learning (RPL)*, it is also true that the VTE and higher education sectors have different definitions for basic terms and that core policies and documents do not use the terms accurately or consistently. It is our contention that there would be significant benefits in undertaking further work to agree on basic terms and their definitions and then, more importantly, to embed the use of those terms and definitions within core documents and policies, as well as within institutions. To provide maximum benefit, such work will need to extend to consistent terminology across both the VTE and higher education sectors and will need to involve consultations with both sectors.

Recommendation 3:

That MCEETYA work collaboratively with the VTE and higher education sectors to agree on common terms and definitions to be associated with credit transfer and articulation and then embed the use of these terms and definitions within core policies and documents, as well as within institutions. The typology and definitions developed in this study and in the AQF guidelines should be used as a starting point.

3.3 Data collection and analysis

There has already been an acknowledgement by MCEETYA of the inadequacy of current data related to credit transfer from VTE to higher education and there is now an agreement by universities about the broad method to be used to remedy this situation, at least in part. However, while this new information collection will provide some valuable data about the levels and nature of credit transfer, it is limited by the need to fit as much as possible within standard statistics collections and the need to require minimal system changes within universities. The planned changes will provide some new information, but not all of the information that is urgently required to map the field and draw conclusions about the level of credit transfer and the factors that impact on these levels. The requirements for additional data collection are discussed fully in the Stage 1 Report, but include information about student demand, appropriateness of credit granted and outcomes in addition to the standard progress and retention indicators currently used. There is also a need to gather information on the experience of students applying for and gaining credit.

There has been a legitimate request from universities not to implement the changes until 2007 for the 2008 commencing student cohort because of existing heavy commitments in implementing changes associated with other DEST requirements. This will delay availability of data until late 2008 and into 2009. Trend data will not be available until the next decade. It is questionable whether we can wait this long before understanding more about the trends in and factors impacting on credit transfer.

While the focus of this work is on collecting system-level data through standard collections of student enrolment statistics, the institutions most involved in credit transfer have developed their own approaches to monitoring trends and evaluating their outcomes. Although these often provide valuable information at the institutional level, they adopt different approaches and so cannot be used for cross-institutional comparisons and benchmarking or to draw more general conclusions. There is a need to assist these institutions to develop frameworks and approaches to data collection, analysis and evaluation that can be adopted more broadly.

We argue that the field will continue to suffer from inadequate quantitative analysis unless urgent action is taken. We suggest two strategies for providing some earlier data analysis than will be possible through the currently proposed longer-term changes in system-level data collection. Both strategies are designed to precede and eventually sit alongside the system-level data collection already planned by the MCEETYA Working Party.

Recommendation 4:

That MCEETYA, in addition to its planned changes to system-level data collection, commission a study involving quantitative data collection and analysis to provide information about current levels and outcomes of credit transfer. This should involve determining, more accurately, current levels and trends of credit transfer including an analysis of factors impacting on the levels of credit transfer such as issues of student demand and unmet demand.

Recommendation 5:

That the AVCC and other relevant peak bodies, in collaboration with interested institutions, develop institutional approaches for monitoring trends in and evaluating credit transfer outcomes at the institutional level and support institutions to implement those approaches.

3.4   Overcoming funding and administrative barriers

The case studies and other work associated with this project provide examples of a number of administrative barriers to credit transfer arrangements. Many of these barriers result from Commonwealth and state/territory government funding, policies, legislation or reporting and accountability requirements. Of significant concern is that these barriers become most obstructive when institutions attempt to develop the more innovative pathways between VTE and higher education, such as those involving the sharing of staff and facilities and the joint enrolment of students. They arise because of the different funding sources and governance arrangements for each of the sectors. If the Commonwealth and state/territory governments are serious about supporting credit transfer between VTE and higher education, they must be willing to work together to overcome the administrative barriers for which they are responsible. These include issues such as different funding regimes, different reporting requirements and timing, different arrangements for student support, and different methods of calculating student and staff loads.

Recommendation 6:

That the Commonwealth and state/territory governments work together to address the funding and administrative barriers to credit transfer over which they have responsibility. This will need to involve collaboration between the higher education and VTE sections of these governments, as well as between the Commonwealth and state/territory governments.

3.5   The MCEETYA Good Practice Principles

In Section 2 we discussed the MCEETYA *Good Practice Principles* and highlighted some shortcomings in their language and focus. We also indicated that there is potential for confusion among the various sets of national guidelines and principles. As a result of our experience in working with the *Good Practice Principles*, we are recommending that consideration is given to revising them to encompass some of the findings of this study and to allow an opportunity for input from both sectors. The process should also explore ways of drawing together the various different national guidelines and principles into a single, coherent set of documentation.

Recommendation 7:

That MCEETYA undertake a revision of the Good Practice Principles to take into account the terminology and findings from this study and to enable input from the VTE and higher education sectors. The various national guidelines and principles should be brought together into a single set of documentation.

3.6   The role of the Australian Qualifications Framework

The Australian Qualifications Framework (AQF) has achieved a great deal in providing a systematic national approach to post-compulsory education and training qualification outcomes and award titles. However, we argue that it is timely to consider how the AQF might further facilitate credit transfer between sectors. We acknowledge that the AQF Advisory Board has this issue under consideration and our recommendation in this area is for the AQF Advisory Board to continue its efforts to strengthen the role of the AQF in

demonstrating inter-relationships among qualifications. The work of the VQA Credit Matrix as it relates to the development of integrated taxonomies could provide a basis for these considerations.[6] However, we are not advocating the use of a system-wide credit point model which is part of the credit matrix in the VQA model. We consider that much could be gained by using a common taxonomy within the AQF qualification descriptors and flagging more explicitly the pathways and inter-relationships among qualifications.

Recommendation 8:

That the AQF Advisory Board continue to explore ways in which the AQF can provide a stronger basis for credit transfer arrangements between VTE and higher education qualifications. This could possibly be done through a common framework underpinning a common taxonomy or language for descriptors of qualifications accredited in the VTE and higher education sectors, making the inter-relationships among the qualifications more explicit.

3.7 Good practice at the institutional level

The study has highlighted many examples of good practice among both the VTE and higher education institutions featured within the case studies. These have been summarised in the form of Good Practice Guides provided in Section 2 of this report. The intention is that institutions may use these guides to evaluate their own practice and implement improvements based on that self-review. There is also scope for the Australian Universities Quality Agency (AUQA) and the National Quality Council (NQC) to use these guides when developing their own audit or quality assurance approaches and guidelines.

Recommendation 9:

That institutions use the Good Practice Guides within this report to review their own practice in credit transfer and to implement improvements. Evidence of such self-reviews and their outcomes should be a focus of quality assurance processes overseen by AUQA and the NQC.

Recommendation 10:

That institutions implement strategies to move towards more structured, rather than unstructured or individual, credit transfer arrangements.

Recommendation 11:

That institutions implement strategies to ensure appropriate leadership, co-ordination and systems are in place to support effective credit transfer arrangements.

3.8 Development of systems

The case studies highlight several institutions that have been developing very effective systems and databases for handling credit transfer applications, recording credit precedents and partnerships, as well as capturing student data related to credit transfer and its

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[6] See: http://www.edfac.unimelb.edu.au/arc/teaching/creditmatrix.html

outcomes. Some institutions have developed sophisticated databases that allow staff and students to search for relevant information about credit transfer arrangements and opportunities. Unfortunately, much of this work has occurred within individual institutions resulting in significant duplication of effort. Given the need to mainstream and systematise credit transfer arrangements to improve efficiency and transparency and to ensure its sustainability, there is a strong argument for supporting such institutional effort and working towards broader uptake of successful developments. New players in credit transfer are more likely to make it a priority if they can purchase systems and build on the experience of others, rather than 're-invent the wheel'.

Recommendation 12:

That DEST, the states/territories, the AVCC and other relevant peak bodies work together to assist institutions to disseminate information about systems that administer, record, promote and monitor credit transfer arrangements. This assistance should also extend to encouraging and supporting the collaborative development of new or improved systems where necessary. The AUQA Good Practice Database could be used to record good practice examples.

3.9 Admissions

Although the process of admitting students to higher education is separate from credit transfer and therefore not directly within the scope of this study, it is also the case that students cannot be granted credit unless they are admitted into higher education courses in the first place. There is evidence that VTE students are not treated consistently across institutions or across states in terms of how their VTE credentials are assessed within the admissions process. There is a need for further investigation of this issue to work towards more equitable treatment of VTE students within the admissions process. The study undertaken by the Victorian Qualifications Authority should provide a good starting point for further work.

Recommendation 13:

That MCEETYA commission a study to examine ways in which VTE credentials are assessed within admissions processes across Australia and make recommendations to ensure consistency and equitable treatment both within State Admissions Centre processes and within institutions.

3.10 Graded assessment within VTE

It is evident from this study that there is divided opinion on the issue of how assessment in VTE programs should be graded and reported. Of most importance to the outcomes of this study is the conclusion that students are being disadvantaged in some situations by the fact that their learning outcomes are not being reported using grades to demonstrate varying levels of achievement. This practice impacts on credit transfer in two ways. Firstly, it disadvantages students with non-graded VTE credentials when they apply for entry to higher education courses. Some institutions will not even consider applications from students who do not have graded assessments, while those Tertiary Admissions Centres that rank students on their VTE outcomes give lower rankings for qualifications that do not include graded assessments. Secondly, once they are admitted and applying for credit, students without graded assessments are sometimes disadvantaged if the process involves evaluating the student's overall academic history and performance on a case-by-case basis. We are aware of discussions on this issue within the National Quality Council and support the directions being taken.

Recommendation 14:

That the VTE National Quality Council hasten efforts to develop and implement processes of graded reporting of assessment of student outcomes for VTE programs at least at the certificate IV and diploma levels.

3.11 Training Packages

The introduction of National Training Packages brought claims from the higher education sector that they detracted from credit transfer opportunities because they made the assessment of equivalence of learning outcomes between VTE and higher education more difficult. Subsequent work, including the case studies conducted as part of this project, has demonstrated mixed responses to Training Packages. While some institutions have managed to work very effectively within the Training Package approach, others have found that it brings constraints and limitations. We have concluded that Training Packages themselves are not necessarily the problem, but that some improvements could be made to enhance opportunities for credit transfer. These are issues associated more with conveying information about the Training Packages and with building maximum opportunities for credit transfer into their development than issues associated with the fundamental approach of Training Packages. We are aware of arguments that the industry focus of Training Packages will be compromised by building in a focus on higher education pathways. However, the case studies illustrate many examples where a balance between these different outcomes can be achieved very successfully. Furthermore, the case studies also provide examples where a strong industry focus can only be achieved through an integrated VTE and higher education pathway.

Recommendation 15:

That the VTE sector explore ways of maximising opportunities for credit transfer within the development and dissemination of National Training Packages. Industry Skills Councils should strengthen input from the higher education sector to the development of National Training Packages. The National Quality Council should review the Training Package Development Handbook to ensure that competency standards and their packaging into AQF qualifications are defined in ways that maximise opportunities for developing credit transfer arrangements between VTE and higher education qualifications while also meeting industry needs. Strategies should be developed for conveying information to the higher education sector about changes to National Training Packages to facilitate credit transfer arrangements.

3.12 Sharing good practice

The case studies reported as part of this project provide numerous examples of good practice across a range of institutions. Furthermore, the case studies provide only a limited insight into the wide range of innovative practices across both the VTE and higher education sectors. Unfortunately, much of this good practice is unknown beyond the individual institutions and is sometimes not even widely appreciated in all parts of the institution in which it takes place. Much of this good practice has been developed using a trial and error approach in which problems are overcome as they arise. Institutions new to credit transfer or those wanting to enhance their credit transfer arrangements generally do not have access to the solutions and practices developed in other institutions. This is a waste of resources. There is an urgent need to implement strategies for sharing good practice and collaboratively developing solutions to new issues as they arise.

Recommendation 16:

That MCEETYA sponsor a regular national forum on credit transfer to share examples of good practice, analyse trends in levels of credit transfer and highlight issues that need to be addressed to enhance opportunities for credit transfer.

3.13 Further work on credit transfer

While the focus of this study has been credit transfer arrangements from VTE to higher education, such a focus represents only part of the field of credit transfer. The complementary issue of credit transfer from higher education to VTE has some features and factors in common with credit transfer from VTE to higher education. There are also features and factors that are specific to each pathway. To provide a more holistic approach to credit transfer, there is a need to conduct further work on the issue of credit transfer from higher education to VTE. Such work could be undertaken by using this study as the basis for identifying common issues and approaches and then undertaking further work to examine differences and build a complete picture of credit transfer in both directions.

Recommendation 17:

That MCEETYA commission further work to investigate credit transfer arrangements, policies, practices and outcomes for students moving from higher education to VTE.

Appendix A – Definitions of Key Terms

Credit involves granting students some level of exemption, status or advanced standing (these three terms are used interchangeably) in the course they are entering in recognition of relevant prior studies and/or work experience and/or life experience. When granted credit, a student is not required to study the unit or units for which exemption, status or advanced standing is granted. Sometimes students may be granted exemption from a component of a unit but this does not meet the normal definition of credit as the student is still required to enrol in that unit and pay the required fees. Similarly, situations in which other units are substituted instead of those for which credit is granted do not meet the normal definition of credit.

Credit may be in the form of:

- block credit for a component or stage of the course (such as granting credit for first year so the student enters second year)

- specified credit for nominated units of study

- unspecified credit for a certain number of credit points that may be applied to different units for different students.

Institutions may grant credit through credit transfer arrangements or the Recognition of Prior Learning. These terms are defined below.

Credit transfer arrangements are the processes used by institutions or faculties/schools/departments to determine the type and amount of credit to be granted to a student on the basis of relevant prior or concurrent formal studies. Credit transfer from VTE to higher education involves establishing and recognising an equivalence of learning outcomes between parts of the VTE qualification and parts of the higher education qualification, and granting credit to the student in the higher education qualification on the basis of satisfactory completion of the relevant VTE studies.

In individual or unstructured credit transfer arrangements, individual students are required to negotiate credit on a case-by-case basis, either through central admission or credit offices of institutions or often within schools/departments or faculties and sometimes even with individual academics. This arrangement is usually initiated by the student. Decisions are based either on credit precedents (a formal or informal register of previous credit decisions) or on an exercise of mapping the outcomes of VTE studies the student has undertaken against the higher education course to which the student is applying to determine what has already been covered in that prior study.

Structured credit transfer arrangements involve participating institutions determining agreed amounts of credit from a VTE qualification to a higher education qualification in advance, with universal application to all students who have undertaken the VTE qualification. In this case, decisions are either based on curriculum or content mapping to determine equivalences of learning outcomes between the VTE qualification and the higher education qualification or on general institutional policies that specify amounts of credit for particular levels of VTE award. For example, some higher education institutions have policies that specify all advanced diploma courses will lead to credit of at least one year into a bachelor degree.

Structured credit transfer, because the arrangements are advertised in some way, usually in enrolment guides or on institutional websites, is typically a public process. It could therefore be considered a more accountable process than individual or unstructured credit transfer which is negotiated individually or could be said to take place 'behind closed doors'. Sometimes, but not always, individual or unstructured arrangements involve scrutiny or oversight by committees.

Credit transfer decisions are often delegated to administrative staff who apply credit precedents. If there are no precedents, academic input may be sought such as from a head of school/department or a course co-ordinator.

Credit transfer decisions may or may not be guided by institutional or faculty/department policies or guidelines on maximum or minimum levels of credit granted under certain circumstances. For example, some institutions have a policy that specifies a minimum amount of credit that will be granted for a particular level of VTE award or a policy that credit may not be granted for final year units. Others specify the maximum proportion of a course for which credit may be granted. The reason given for this latter type of policy is protection of the integrity of the institution's awards.

<u>Integrated cross-sector award arrangements</u> can be seen as a continuum of structured credit transfer arrangements but are differentiated by both process and outcome. These arrangements involve designing new or modifying existing qualifications to create an integrated or defined qualification pathway in which one qualification builds on or is linked directly to the other and in which credit is built into the related awards. Integrated award arrangements involve a collaborative curriculum development process between both the VTE and higher education partners in the arrangement. By contrast, structured credit transfer arrangements focus on determining credit between existing awards developed in each sector.

Integrated cross-sector award arrangements may lead to:

- a dual award in which the students complete both a VTE and higher education award. A dual award may be designed to be studied through:
  - o sequential movement from VTE to higher education in which the student completes the VTE component of the course and then moves to the higher education component
  - o concurrent studies of VTE and higher education components in which the student completes both VTE and higher education components concurrently either in equal proportions or through a graded continuum in which the early stages of the course comprise mainly or all VTE studies and the later stages of the course comprise mainly or all higher education studies
- a single higher education award into which standard components of VTE studies are designed and credit is then granted for these studies within the higher education award
- nested awards in which a sequence of awards is designed so that students can enter and exit at different points. This is an extension of the concept of sequential dual awards into multiple awards. Students gain different qualifications depending on their exit point and may enter at different points depending on their prior studies and experience. For example, after completing one year, the student may be granted a diploma, after two years an advanced diploma and after three or four years a bachelor degree. A student who already has a diploma would enter the

second year of the three or four year sequence, in effect obtaining one year block credit for the first award while a student with an advanced diploma would enter the third year of the bachelor award, obtaining two years block credit.

While individualised and structured credit transfer arrangements are largely an administrative process, albeit one based on academic judgement, integrated cross-sector awards involve a collaborative curriculum design process of designing new courses or modifying existing ones.

Although integrated cross-sector award arrangements provide a less complex and more standardised pathway for students in terms of admission and gaining credit, it is clear that there is much more work required in terms of the design and negotiation of new curriculum and the administrative and academic processes of course approval in both institutions prior to implementation of these pathways.

What is RPL?

While credit transfer arrangements, in the context of this study, involve granting of credit for formal award studies, Recognition of Prior Learning (RPL) is an assessment process which focuses on judging evidence provided by a student of less formal learning to determine admission or to grant credit for a component of the course. The evidence supplied may relate to a combination of life experience, work experience and various courses of study which demonstrate that the student has already achieved the learning outcomes required. The nature of RPL means that it is generally assessed on an individual or case-by-case basis.

Table 2.1: Institutional Arrangements for Credit Transfer from VTE to Higher Education[7]

Credit transfer arrangements from VTE to HE may take place when students move:

- from TAFE or other training providers to universities or other higher education providers
- within providers that offer both VTE and higher education awards

	Credit Transfer Arrangements		
	Individualised or unstructured arrangements	Structured arrangements	Integrated cross-sector award arrangements
Approaches	Negotiated on a case-by-case basis	Standard credit pathway that can apply to all students who have completed a particular course	Standard pathways with credit built into the course design, often with a variety of entry and/or exit points
Types	• Block – credit for a course component/stage • Specified – credit for specified units • Unspecified – credit for unspecified units	• Block – credit for a course component/stage • Specified – credit for specified units • Unspecified – credit for unspecified units	• Sequential dual award • Concurrent dual award • Nested awards • Single HE award with VTE components given credit as part of standard course design
Processes	• Individual student negotiates with central office of institution • Individual student negotiates with faculty/school office • Individual student negotiates with individual academic	• Students apply to central office • Students apply to faculty/school office • Some institutions may make this automatic for students	• Students apply through normal admission process, sometimes with guaranteed places available
Basis of decision	• Precedents of previous decisions • Mapping of course content/outcomes	• Mapping of course content/outcomes • General policy on credit granted for levels of award • May involve collaboration in curriculum design	• Mapping of existing curriculum • Collaborative design of new curriculum
Approval processes	• Case-by-case and usually delegated to central office, head of school or course co-ordinator	• Usually at level of head of school or equivalent	• Usually requires formal approval through institutional course approval processes
Initiated by	• Individual student • Students may be encouraged to apply	• Individual academic • Group of academics • Faculty/school/department • Institution (VTE and/or HE) • Regional consortium • Professional or industry body • State	• Individual academic • Group of academics • Faculty/school/department • Institution (VTE and/or HE) • Regional consortium • Professional or industry body • State
Impact	• Limited to individual student although may create precedent for other students and may lead to more structured arrangements in future	• Applies to all students who follow same pathway	• Applies to all students who follow pathway

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[7] To be read in conjunction with the definitions and discussion above.

	Individualised or unstructured arrangements	Structured arrangements	Integrated cross-sector award arrangements
Advantages	• Potential to cater for all course combinations and individual student differences • Does not require cross-sectoral collaboration or co-operation • Does not require commitment or support across the whole institution • Tailored to each student and therefore credit granted may be more appropriate	• Students know about credit in advance of applying • More consistency in decisions and outcomes across time • Can be integrated into standard admissions processes • Students do not have to negotiate their own level of credit • Less resource intensive than other approaches • A public process with more accountability • Institutional planning made easier because student load variations from credit are known in advance	• Students know in advance of credit and advantages of pathway • Length of course and outcomes clear in advance of enrolment • Students have multiple exit and entry points • Bridging programs can be built into course design • Students experience a more gradual transition from VTE to HE learning environment • Often involves guaranteed entry into higher education component from VTE component • No separate process required for students to apply for credit • Can be tailored to meet industry, profession or workforce needs in terms of graduate outcomes • Can be extended across institutions to achieve broad impact • Additional benefits for staff from cross-institutional collaboration
Disadvantages	• Can be daunting and confusing for students • Can lead to inconsistent decisions and outcomes within and across institutions • Students do not know about credit in advance of applying • Sometimes associated with conditions which students must meet before progressing • Precedents registers difficult to maintain • Can involve only pockets of an institution • Credit and admissions processes often separate and sometimes credit not granted until after admission • Resource intensive and not sustainable if there is growth in numbers of students seeking credit transfer • Can be a private process with less accountability	• Caters for more limited course combinations • Sometimes associated with conditions which students must meet before progressing • Levels of credit granted may be low because of the need to provide general guidelines • Admission criteria must be separately met	• Extensive cross-sectoral collaboration and negotiation required • Time-consuming in terms of curriculum design and approval processes • Requires flexibility in curriculum design and requirements from both sectors • Students and staff must cope with two sets of administrative processes often concurrently

Appendix B – The Good Practice Principles

Good Practice Principles for Credit Transfer and Articulation from VET to Higher Education

(adopted by MCEETYA on 13 May 2005)

Preamble

Credit transfer and articulation arrangements increase opportunities for students with prior VET sector experience and qualifications to access higher education by facilitating student mobility between institutions and sectors.

Ministers recognise that the following good practice principles should not impinge upon or replace the academic integrity of courses and programs and the autonomy of individual institutions and providers in taking decisions on admission, prerequisites for ongoing study, and the levels and amounts of credit or articulation conferred in their courses and programs of study.

However, Ministers are agreed that students and intending students need reasonable assurance that they will be able to take education pathways which recognise previous work and study outcomes and give appropriate credit where these relate to further studies. Effective credit transfer and articulation is a key component in making lifelong learning a reality. It can also mean efficiencies in both time and money for students, institutions, and governments.

The principles set out below will apply nationally to all credit transfer and articulation arrangements by both recognised VET and Higher Education Providers. They set some broad goals to encourage measurable improvement over time and provide a benchmark against which progress can be assessed and reported.

Principles

1. The focus of credit transfer and articulation arrangements from VET to Higher Education is to establish the equivalence of learning outcomes, and to assist these equivalence decisions to be reached, regardless of the similarity or differences of the education processes involved (including processes of delivery, teaching methodology and assessment); whether the provider is a Registered Training Organisation or an accredited Higher Education provider; or of entry levels to previous qualifications (for example, eg Diploma from year 12 entry versus Diploma from Cert IV).

2. All individual institutions and providers should include formal vertical and lateral pathways for credit and articulation, both in the design of new courses and programs of study and when upgrading existing courses and programs of study, and that these pathways should be widely publicised to existing students and potential applicants.

3. Decisions to grant applications of credit or articulation between the VET and the higher education sector should have general applicability for all eligible students, but may not guarantee automatic admission to specific courses or programs of study where demand exceeds the numbers of student places available.

4. Rules, Regulations and any Register of Precedents which inform, influence or govern decisions taken in respect to the granting of credit or advanced standing should be transparent and publicly available to intending students prior to submissions of enrolment and include applications for credit in an easily accessed format. This should include transparent information related to fees where they are charged.

5. Arrangements for articulation and credit transfer, when applied, should not unfairly advantage or disadvantage either the students entering courses and programs of study with credit transfer or articulation or those students who enter directly.

6. Arrangements for credit transfer and articulation should take account of existing and continuing arrangements and procedures which support improved credit and articulation agreements from VET to Higher Education at industry-wide, State-wide, regional or institutional levels.

7. Institutions should employ agreed measures to evaluate the effectiveness of their credit transfer and articulation arrangements in improving over time the mobility of students from VET to Higher Education.

8. Individual institutions and providers are expected to demonstrate through their regular internal and external quality audits that their policies and practices for all types of credit transfer and articulation support these agreed principles.

Appendix C – List of Acronyms

ACPET	Australian Council for Private Education and Training
ACT	Australian Capital Territory
AQF	Australian Qualifications Framework
AQFAB	Australian Qualifications Framework Advisory Board
AUQA	Australian Universities Quality Agency
AVCC	Australian Vice-Chancellors' Committee
DES	Department of Education Services
DEST	Department of Education, Science and Training
DET	Department of Education and Training
DEYFS	Department of Education, Youth and Family Services
DFEEST	Department of Further Education, Employment, Science and Technology
HE	Higher Education
JCHE	Joint Committee on Higher Education
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
NCVER	National Centre for Vocational Education Research
NQC	National Quality Council
NSW	New South Wales
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
SA	South Australia
TAFE	Technical and Further Education
VET	Vocational Education and Training
VTE	Vocational and Technical Education (formerly VET)
VQA	Victorian Qualifications Authority
WA	Western Australia