

## Response to the Business Council of Australia's *Future-Proof: Protecting Australians Through Education and Skills*

I applaud the Business Council of Australia's initiative to consider how to 'future proof' Australia through education and skills. Before responding to some of the consultation questions, I will make some general observations.

It was heartening to see an historical chapter included in the discussion paper. I would urge greater consideration of previous experience in attempting to create a seamless tertiary education sector in Australia. My examination of the *Martin Report on the Future of Tertiary Education in Australia* (1964–65) and ensuing binary policy of higher (sic) education, which saw the introduction of the colleges of advanced education, identified several enduring problems – beyond the central matter of funding – that remain pertinent to education policy:

- insufficient diversity in the system
- obstacles to seamless pathways within the system
- competition for research dollars
- overly complex governance. (See Beddie, F, 2014, *A differentiated model for tertiary education: past ideas, contemporary policy and future possibilities*, National Vocational Education and Training Research Program research report, NCVET, Adelaide, <https://www.ncver.edu.au/publications/publications/all-publications/a-differentiated-model-for-tertiary-education-past-ideas,-contemporary-policy-and-future-possibilities>)

While some of these wicked problems are touched on in the discussion paper, more attention needs to be paid in the BCA's proposed model to transfer arrangements and to research funding. But even before that, it would be prudent to step back and ask if the current institutions in the system are best suited to meeting the goals of equipping Australia with lifelong learners, skilled workers and innovative enterprises.

When I asked senior figures in the education sector to brainstorm the wicked problems identified in my historical analysis, it was striking how strong the consensus was on the need for new structures and pathways. The roundtable participants suggested that, for most students, the first tier of post-school education should prepare them for higher education and/or work. Some would then enter the labour market with para-professional qualifications; others would go on to complete their professional education or move into a research-intensive university. These pathways call for further effort to address the cultural as well as institutional barriers that stymie the implementation of credit transfer and articulation policies. (See Beddie, F, 2014, *What next for tertiary education?: some preliminary sketches*, NCVET, Adelaide, <http://www.ncver.edu.au/publications/2749.html>)

As the BCA discussion paper points out, it is essential that all those entering tertiary education have a solid foundation in literacy, numeracy, technology and the humanities. A question not raised (though perhaps mooted in citing the German experience in vocational streaming) is whether the current model of secondary schooling aimed at Year 12 attainment is the best way to prepare all students for further learning and to tackle the perennial problem of the poor status of vocational education and training (VET). One challenge for the system is the perverse effect of government policies that encourage high achievers to choose university over apprenticeships. Another is how best to harness the power of technology to individualise learning and thus to cater to different learner types and paces. Of course, this is a challenge not confined to school education: it opens possibilities for different approaches to basic education and skills development throughout life.

I agree that we need a discussion about the purpose of education. This must overcome the coyness about fostering an educational and research elite, while also acknowledging the long tradition in Australia of a primarily vocational mission for most tertiary education. Could this be achieved by creating new institutions that vertically integrate broad occupational training in a certain field, for example, health, teaching or engineering? Such schools might offer qualifications ranging from the certificate to the doctorate. Their focus would be on teaching and research relevant to their industries. Doctors, nurses and pharmacists, for instance, would learn together. They would have strong links to the professions; their research would be cutting edge. Students could move in and out of the workforce and higher learning. This may sound utopian but such approaches are already being tested in various ways: the professional doctorate, 'industrial' PhDs, where students work on their research projects while operating at the premises of the funding company, and in the concept of higher apprenticeships.

### **Overall tertiary system**

*What is your view on the proposal to move to a tertiary model and why?*

Yes, we need an integrated tertiary education model. What needs more attention in the proposal is the pathways between the two parts of the sector. Without these, the idea of a culture of lifelong learning and parity of esteem between university and VET qualifications will remain elusive.

*If Australia were to adopt a tertiary model, do you think the proposed five elements of the tertiary system (structure, funding, information, governance and lifelong learning) are appropriate, and why?*

These are important elements. As mentioned above, I am not sure that we have the right set of institutions to deliver the goals.

### **Component one: structure**

*Do you agree it is important that the two sectors (VET and HE) maintain a unique identity?*

I would like to see greater debate about this. My concern is that a narrow concept of competency in the vocational sector will not equip VET students for the future workplace or draw out their potential to be innovators. I have explored these questions in a recent research project. For a summary see: Beddie, F, Simon, L 2017, *Developing VET applied research: steps towards enhancing VET's role in the innovation system*, NCVER, Adelaide, <https://www.ncver.edu.au/publications/publications/all-publications/developing-vet-applied-research-steps-towards-enhancing-vets-role-in-the-innovation-system>.

The discussion paper does not address the thorny question of research funding. The proposal that teaching and research should be decoupled is not the solution. In a knowledge economy, a culture of inquiry and scholarship is essential. We should be encouraging practical wisdom and creative thinking, as well as pure and applied research. While perhaps beyond the scope of this discussion, I think we need to take a hard look at how the state channels its research dollars.

*The continuation of sector specific standards and regulators are designed to support each sector maintaining their unique identity. Do you think any other mechanisms are needed to ensure each sector maintains their own identity?*

What about re-categorising VET offerings? Would it be better to divide oversight of providers into those offering education (universities and RTOs) and those offering workplace training, top-up skills etc.? It seems to me that's where the real differences reside.

*Do you think the proposed new institution (the body that will contract manage funding the LSAs and the market information platform) needs to differentiate between the two sectors?*

No.

### **Component two: funding**

*What is your view on the proposal to create a Lifelong Skills Account, and why?*

Implementation will be crucial. Such accounts are not a new idea. In the UK the Individual Learning Accounts (ILA) scheme was introduced in 1999 to widen participation in learning and help to overcome financial barriers faced by learners, particularly among those who lack skills and qualifications. It closed just a couple of years later because of fraud. An audit found that the scheme, which subsidised the costs of appropriate courses, was implemented too quickly and was inadequately planned. The Department for Education and Skills had no detailed business model or quality assurance for courses and there were weaknesses in security arrangements. The Department also failed to monitor closely enough the escalating demand for accounts. These are familiar pitfalls in policy implementation and one would hope that after the VET Fee Help debacle can be avoided.

*Do you support the principle that the contribution by learners should be based on the cost of the learning and the ratio of public and private benefit, and why?*

Yes, for the reasons outlined in the discussion paper.

*Do you support the establishment of a separate fund that businesses can access to develop their workforce, and why?*

We need a system that better quantifies the actual contribution of businesses to training and demonstrates the returns on an investment in training and lifelong learning. I say this because attempts to get business, especially but not exclusively small and medium enterprises, to seriously embrace lifelong learning rather than just-in-time training (mainly for compliance) has a long way to go. Even successful schemes like WELL haven't achieved a fundamental embrace of learning.

### **Component three: single platform for market information**

Information, advice and guidance is, as the paper stresses, a critical component in the system. Creating effective platforms has, however, proved very difficult. I suspect too much emphasis has been placed on information and data portals and not enough on advice and guidance. Report after report points to the inadequacy of career counsellors at schools, especially their lack of understanding about VET's potential.

There is evidence that independent career advice and guidance is useful, not only for school students but also existing workers. Such 'learning brokers' can help people with a general lack of knowledge about the organisation and structure of education and training providers and admission to courses, who may be diffident about using websites or approaching institutions for information. They can also guide people through the unfamiliar practicalities of applications and enrolment.

In one scheme that used learning brokers, the Employee Development and Assistance Programme (run and financed by Ford in the UK), an evaluation found that 'EDAP minimised the situational, institutional and dispositional barriers and disincentives to adult participation in education and training provision'. (See West, A, Sparkes, J, Balabanov, T & Elson-Rogers, S 2000, *Demand-side financing - a focus on vouchers in post-compulsory education and training: discussion paper and case studies*, Cedefop dossier series, CEDEFOP, Thessaloniki, [http://www.cedefop.europa.eu/EN/Files/6003\\_en.pdf](http://www.cedefop.europa.eu/EN/Files/6003_en.pdf))

This more recent briefing paper may also be of interest: Long, R, Hubble, S 2017, *Careers guidance in schools, colleges and universities*, House of Commons Library briefing paper no. 07236, 24 February 2017, House of Commons Library, London, <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7236>

### **Component four: agree a shared governance model**

I agree that in Australia's federation, there must be a shared governance model and that given the need for well-informed decisions about priorities around the nation, it is probably a good idea to have two levels of government funding. The problem for providers delivering qualifications across the framework could be duplicated accountability mechanisms.

*Do you support the new institution being a not-for-profit company?*

Yes, with a remit that outlives the current political cycle.

*Who should the Board be chaired by – industry or government, and why?*

I think the Australian National Training Authority (ANTA) model is worth re-visiting to see what lessons it may offer about cross-sectoral governance. It is important not to forget the educationalists in this institution.

*Other responsibilities*

Further to my point about independent careers advice, this body might take on the role of a learning broker for students and businesses, one step removed from the providers.

### **Component five: create a culture of lifelong learning**

Qualifications are important; so are skill sets. I think there is merit in looking at how self-constructed qualifications might encourage upskilling. I worry about credentialism and narrow occupational standards. These are two areas upon which business and unions should focus. Overskilling is costly to the state and the individual. Restricting training to specific task-based competencies and to pay levels does not equip workers to be mobile and flexible.

*What role do you think business should play in creating a culture of lifelong learning?*

See above the points on making explicit the returns on supporting workers to overcome barriers to continuous learning (not just skilling).

The current education debate pays lip service to lifelong learning but concentrates on initial and entry-level education and training. Business could help refocus the education effort on proactive reskilling, professional development and advanced learning not only for high flyers but other employees. This would involve investment in, for example, careers advice and guidance, and in scholarships as well as interventions into the policy debate.



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