

**The quality and relevance  
of higher education will play  
a major role in determining  
Australia's economic success**

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# **LIFTING THE QUALITY OF TEACHING AND LEARNING IN HIGHER EDUCATION**

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**About this paper**

The Business Council of Australia (BCA) is an association of the CEOs of 100 of Australia’s leading corporations. It was established in 1983 as a forum for Australia’s business leaders to contribute to public policy debates to build Australia as the best place in the world in which to live, learn, work and do business.

This paper represents a number of the issues raised during discussions between leaders within higher education and business. The BCA’s Education, Skills and Innovation Task Force appreciates the ongoing, constructive engagement it is having with vice-chancellors and higher education leaders on how to deepen linkages between the sectors.

## EXECUTIVE SUMMARY

Higher education, as part of the overall education and training system, makes a vital contribution to building the capabilities that people require in their places of work and to participate fully in community life.

More specifically, our higher education system makes an important contribution to productivity. It does this through teaching, learning and research. The focus of this paper is on the teaching and learning aspects of higher education.

Through teaching and learning, institutions provide people with the knowledge, technical skills and generic skills that enable them to participate in the workforce, especially in professions and occupations where higher-level skills are required. A high-quality education enables people to perform effectively in the workplace by contributing to innovation and the generation of new or additional value within an organisation.

Australia's businesses depend on highly talented, motivated and capable people to contribute to innovation and to lift the productivity of our workplaces in an era of intense global competition and rapid technological change.

If the sector is to continue to meet the nation's requirements, it will be the quality of the outcomes from higher education that really count. But at a time when quality outcomes are so important, Australia's higher education sector is facing three significant challenges.

First, the implementation of fundamental aspects of the Bradley Review of Australian Higher Education will significantly lift participation in undergraduate courses by domestic students and involve the introduction of new regulatory arrangements.

Second, the higher education sector is attempting to turn around the sharp fall in international student numbers, which are very important to many institutions.

Third, the sector continues to face the challenge of ensuring that learning outcomes are relevant to the requirements of workplaces which are increasingly operating as part of global networks.

Business supports increasing participation levels in higher education in order to achieve our economic and social aspirations as a nation. At the same time, these challenges must be met in ways that do not have a negative impact on quality.

The federal government has clearly identified the importance of quality in higher education teaching and learning as one of its reform priorities. In order to ensure that this reform priority is supported, it will be important that further steps are taken by government, higher education, business and industry to improve the quality of higher education.

This means enabling the sector to innovate and diversify. Higher education institutions should have the ability to specialise, create centres of excellence and to connect or integrate specialist activities with external institutions or organisations, including international organisations.

Innovative approaches taken by higher education institutions to maintain and improve the quality of teaching and learning outcomes should be encouraged and rewarded.

When it comes to teaching and learning outcomes, Australia's higher education sector should contribute to the development of graduates who possess:

- a combination of in-depth knowledge and up-to-date technical skills in the discipline that they have studied
- international capabilities, based on the ability to adapt to working in an international environment with people from different cultures as part of multi-national and multi-disciplinary teams

- the ability to think independently, to critically analyse issues and problems, and to adapt thinking and analytical capabilities to different contexts and new problems
- generic skills, including teamwork, problem solving, communication, and the ability to utilise technology and to engage in self-directed learning.

The importance of quality outcomes brings into play other priorities identified by the Bradley review, including the need to:

- place greater emphasis on improving the teaching and learning performance of institutions
- build up accreditation and quality assurance arrangements in the system
- meet Australia's requirements for people with high-level knowledge, skills and understandings for both Australian and international labour markets
- recognise the importance of engaging in the global community, including through the exchange of knowledge and ideas
- build on the success of Australia's international education industry.

The BCA has identified four priorities to support teaching and learning. They are consistent with and extend priorities identified in the 2008 Bradley review. These are all areas where leadership from within the higher education sector has been essential for beneficial change, and where policy changes should enable the sector to continue to take the lead into the future.

The BCA's priorities for teaching and learning in higher education are to:

### **1. Reward effective teaching and learning outcomes through:**

- the further development of performance funding arrangements, with eligibility for funding contingent on institutions providing evidence of improving teaching performance taking into account their priorities and circumstances
- examining the feasibility of benchmarking the teaching and learning performance of higher education as the basis for the future recognition of effective teaching. This should include the completion of a cost–benefit analysis as a key component of the feasibility study
- encouraging institutions to better recognise and reward professional development undertaken by academic teachers, including the teaching of international capabilities and effective teaching practices for the education of students from disadvantaged backgrounds
- encouraging institutions to extend institutional arrangements for recognising and rewarding the teaching performance of academics.

### **2. Further improve the value and the relevance of what is taught through:**

- increased engagement with business on curriculum, to ensure a shared understanding of the knowledge, technical skills and generic skills graduates will need to enable them to work in diverse and cross-disciplinary teams. This should involve:
  - supporting the work of the Business/Higher Education Roundtable, especially in identifying and promoting best practice examples of business–higher education engagement
  - continuing to utilise advisory committees and course review panels
- enabling institutions to specialise and to create national and international centres of excellence

- greater internationalisation of the curriculum, which includes building on the linkages with institutions in other countries, especially in Asia.
- 3. Develop a comprehensive strategy to enable Australia's international education industry to grow sustainably through:**
- student visa requirements and procedures that compare favourably with nations such as the United States, Canada and the United Kingdom
  - providing increased incentives for international students to learn and develop English language proficiency
  - arrangements to support greater interaction between Australian and international students.
- 4. Develop a demand-driven system that is responsive to the requirements of business and community stakeholders as well as students by:**
- supporting Skills Australia to lead annual consultations with industry, higher education and government regarding national higher education priorities
  - the timely provision of information about the employment outcomes of higher education graduates according to the qualifications completed.

In addition to these priorities, it will be important that the policy framework for higher education enables the entry of high-quality new providers, including private universities and other private providers, recognising that accreditation processes must be rigorous.

The BCA is calling for a major commitment to effectively implementing reforms that will continue to lift the quality of teaching and learning outcomes within the higher education sector. The government and its regulatory bodies have a key role to play. Importantly, while business and industry already make a significant contribution, it is important that this contribution continues to develop and to involve more business organisations.

We are grateful for the constructive engagement we have had with vice-chancellors and senior higher education leaders over recent months. There is much support from within higher education for continuing to build effective linkages with business.

In continuing to improve quality while extending participation, it will also be important that investment in the higher education system is maintained over the medium to long term.

The BCA recognises the importance of future financing arrangements and governance for the higher education sector. This paper does not directly address these issues. We will be undertaking further work on those matters.

While this paper addresses higher education teaching and learning, the BCA holds the view that both higher education and vocational education and training are equally essential and valuable pathways for Australian students and should be regarded as such by all stakeholders in education and training.

## THE CHALLENGE OF INCREASING PARTICIPATION AND IMPROVING PRODUCTIVITY

We currently face a situation where the nation's productivity is lagging and demand continues to grow for people with the capabilities associated with higher education qualifications. Australia needs a policy framework that will support higher education institutions contributing to both participation and productivity over the next decade and beyond.

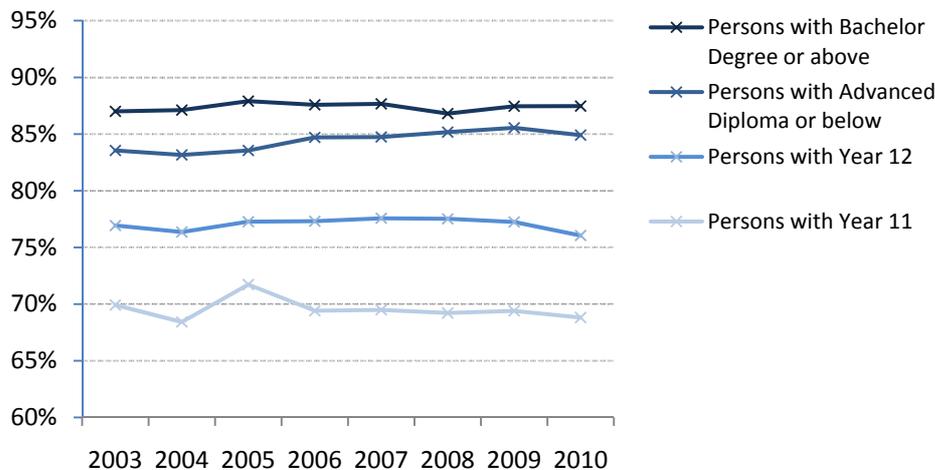
The nature of these separate – but equally important – contributions, and the importance of quality teaching and learning in supporting productivity, are considered below.

### ***The contribution of higher education to increased labour force participation***

There are significant differences in labour force participation outcomes for Australians who gain a higher education qualification compared to those who have no post-school qualification. A paper published in the Treasury *Economic Roundup* in 2009, titled 'Labour Force Participation and the Influence of Educational Attainment', showed that about 95 per cent of men aged between 25 and 54 who have at least a bachelor's degree participate in the paid labour force.<sup>1</sup> This compares to a participation rate of just under 85 per cent for men who have no post-school qualification.

The difference in the paid workforce participation rates is even wider for women who have a higher education degree. About 85 per cent of working age women who have at least a bachelor's degree are participating in the paid labour force. For women who do not have a post-school qualification the participation rate is less than 70 per cent.

**Figure 1: Labour force participation rates according to education and training attainment**



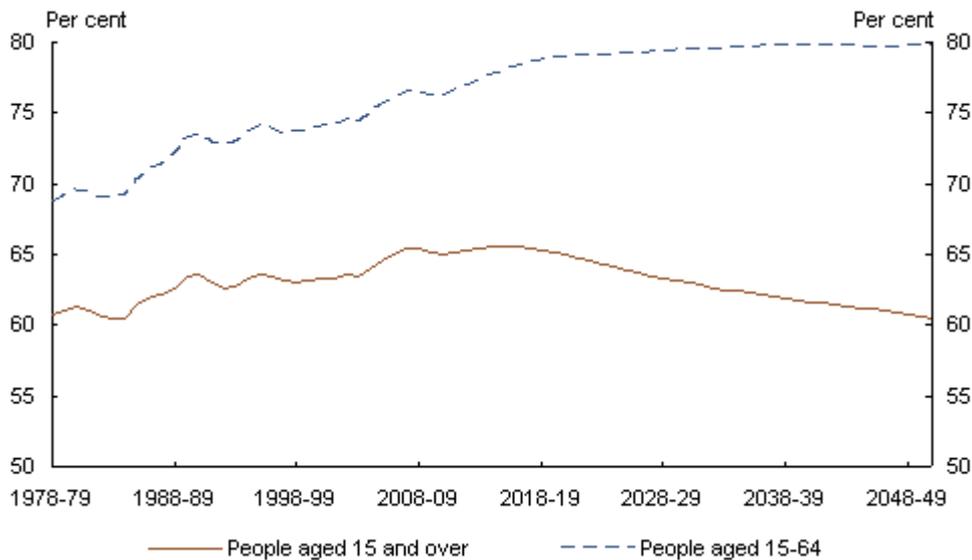
Source: ABS, *Education and Work, Australia*, May 2003–May 2010, Catalogue No. 6227.0, 2010.

The attainment of a vocational education and training qualification also contributes to higher labour force participation rates by both men and women, as does the completion of Year 12 when compared to Year 11 or non-completion of Year 11.

According to projections by the Treasury, the labour force participation rate for Australians of working age (15 to 64) is expected to continue to increase over the next decade. It is then forecast to remain at about 80 per cent of people of working age, with the labour force participation rate for the overall population due to fall as a consequence of an ageing population.

<sup>1</sup>S. Kennedy, N. Stoney and L. Vance, 'Labour Force Participation and the Influence of Educational Attainment', Commonwealth of Australia, Treasury *Economic Roundup*, Issue 3, 2009.

**Figure 2: Historical and projected participation rates**



Source: Intergenerational Report 2010.

The 2010 report by Skills Australia, *Australian Workforce Futures*, found that increased levels of participation in vocational education and training and higher education will be required to meet increasing demand by business and industry for skilled people.<sup>2</sup>

According to Skills Australia, the 'most notable' area of future demand for qualifications is at the diploma and degree levels, reflecting continued growth in demand for people with high-level skills to work as professionals and semi-professionals.

Modelling conducted for Skills Australia projected that, if Australia maintains policies consistent with continuing to encourage trade and investment as an open economy, there will be 9.3 million job openings in Australia over the next 15 years. The vast majority, about 5.2 million positions, will be for skilled people with tertiary education and training qualifications.

**From the Skills Australia *Australian Workforce Futures* report**

'Under the Open Doors scenario Australia will need an additional 2.4 million people in the workforce with qualifications at Certificate III and higher by 2015, increasing to 5.2 million by 2025, to meet projected industry demand. In the short term (to 2015) the projected supply of qualifications based on 2 per cent a year growth in enrolments was estimated to be well short of requirements.'

The modelling released by Skills Australia demonstrates that there is expected to be significant growth in people with higher education qualifications. However, it must be borne in mind that the demand by business for higher education graduates is inextricably linked to the quality and effectiveness of higher education. This is reinforced by the 2011 World Economic Forum report on global talent, which emphasises the requirement for 'well-educated professionals, technicians and managers'.<sup>3</sup> This report points to the fact that, in the view of global companies, professionals from some countries are considered less 'employable'

<sup>2</sup> Skills Australia, *Australian Workforce Futures: A National Workforce Development Strategy*, Commonwealth of Australia, 2010.

<sup>3</sup> World Economic Forum in collaboration with the Boston Consulting Group, *Global Talent Risk – Seven Responses*, World Economic Forum, 2011.

compared to professionals in other countries. The employability of Australian graduates and professionals is relatively high. But maintaining and improving this position depends on the quality of our education system and our continuing ability to develop the capabilities of our human capital.

### ***Quality counts: the potential for higher education to contribute to greater productivity***

At another level, the contribution of individual higher education graduates to productivity depends on the effectiveness of their workplace contribution. This requires relevant knowledge and skills and the ability to use these in ways that add value. It also requires individuals who have the knowledge, skills and motivation to continue to learn and to develop their capabilities. These capabilities are directly linked to the quality of the teaching and learning provided by higher education institutions, together with the wider education and training system.

Over the last decade the level of productivity growth in the Australian economy has fallen compared to the levels achieved during the 1990s. Lower levels of productivity growth are a national problem because productivity growth is the key to economic growth and to our aspirations for future prosperity.

A paper published in 2010 by the American economists Charles Jones and Paul Romer highlighted the importance of both the quality of human capital and ideas as sources of productivity and growth.<sup>4</sup> Human capital is the 'set of attributes that makes it possible for people to work and to contribute to economic production'.<sup>5</sup> Jones and Romer have concluded that there are substantial economic benefits which flow from increasing the stock of ideas and the quality of human capital in an economy.

Ideas are important in business, as they are in all organisations, because they form the basis of innovation. Innovation in the form of new products and services and new ways of working allows businesses to grow and increase productivity. Jones and Romer also found that new ideas are especially important for productivity and economic growth when they can be replicated and utilised on a large scale.

The experience of Australian business leaders is that organisations need to be aware of relevant ideas and knowledge wherever they emerge across the globe. Successful organisations must not only identify and have access to potentially useful ideas, they must also have the capacity to use the ideas in ways that create or deliver economic value for their customers.

People who are more productive in the workplace have the capabilities to contribute to innovation by:

- doing more with the same amount of effort and resources
- making changes that improve competitiveness
- contributing to new/improved products and services that add value.

These outcomes require people to possess broader capabilities that complement specific knowledge and technical skills.

The Productivity Commission has highlighted the key requirements for individuals to contribute to productivity within an organisation, which include:

- people who have the capabilities and the motivation to engage in continual learning

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<sup>4</sup> C.I. Jones and P. Romer, 'The New Kaldor Facts: Ideas, Institutions, Population and Human Capital', *American Economic Journal: Macroeconomics*, 2010.

<sup>5</sup> M. Forbes, A. Barker and S. Turner, *The Effects of Education and Health on Wages and Productivity*, Productivity Commission Staff Working Paper, Productivity Commission, March 2010.

- people who are willing to experiment within their organisation
- people who are willing to respond to customer demands.

Individuals should be taught to develop these capabilities as part of their education in order to contribute to innovation once they are in the workforce.

In addition, our future productivity performance will depend on:

- a high level of workforce mobility, recognising that this supports flexibility in responding to skills needs across the economy
- broadly meeting the skills profile required by our industries, including emerging industries.

A further issue for Australia is our current multi-speed economy where the resources and energy sector is growing strongly but many other sectors are not achieving significant growth. The potential for those sectors where growth has been uneven to achieve consistent levels of growth can be realised if they can create new value. This requires a focus on what is needed for innovation and improved productivity.

What these issues reinforce is that we need to consider more than just the level of participation of individuals in tertiary education. A critical aspect of the contribution of higher education to productivity is the quality of teaching and learning. A quality education provides students with the knowledge and skills that enable them not only to participate in the workforce, but to use their capabilities and to make an effective and productive contribution in their future places of work.

Lifting productivity in our workplaces would contribute to increased economic growth and, in turn, increased demand for participation by highly skilled people. A focus on productivity in higher education is important for supporting future workforce participation. The objectives of education and training policies should be to achieve the greatest possible level of workforce and community participation based on improved productivity that sustains economic growth.

The effectiveness and relevance of higher education and training more broadly is becoming more important as workplaces adapt and change as a result of globalisation.

## **THE CHANGING WORKPLACE AND THE CONTRIBUTION OF HIGHER EDUCATION**

Globalisation is continuing to drive greater internationalisation, mobility and collaboration in the modern workplace. In order to compete in international markets, Australian businesses are seeking talented, motivated and well-educated professionals, technicians and skilled tradespeople who can adapt to new challenges, work effectively in teams and contribute to innovation.

Many professionals and technical experts now work on specific projects with people located in other countries, using technology to interact and collaborate. Often people will be involved in more than one project at a time and will quickly move from one project to the next. Business requires people with international capabilities (or who have the ability to develop international capabilities), which allows them to work as part of an international team collaborating with people from different backgrounds and cultures.

The challenges involved in adapting to new and changing workplaces also require effective generic skills. Generic skills including communication, teamwork, problem solving, critical thinking, technology and organisational skills have become increasingly important in all workplaces, including those that are not directly engaged in international commercial activity. These are the skills that enable individuals to build effective working relationships and undertake collaborative tasks and projects. These skills equip individuals to fully utilise their discipline-specific knowledge and technical capabilities in the most effective way.

The importance of employability was reinforced in the *Global Talent Risk – Seven Responses* report.<sup>6</sup> This report also highlighted the increasing mobility of talented professionals.

If businesses are going to be in a position to innovate and generate additional value, then one of the requirements is highly skilled and capable people. There is a particularly important role for higher education in contributing to the development of a future workforce, with up-to-date and relevant knowledge and technical skills combined with broader capabilities as a foundation for an improved productivity performance.

This is a task which the business community recognises it must continue to work on with the higher education sector, in order to contribute to improving Australia's productivity performance.

## **THE BRADLEY REVIEW AND THE RESPONSE BY THE FEDERAL GOVERNMENT**

The importance of a vibrant and outward-looking higher education system was emphasised by the committee chaired by Professor Denise Bradley, which conducted a review in 2008 and released a detailed report titled *Review of Australian Higher Education*.

In May 2009, the federal government released *Transforming Australia's Higher Education System*, in which it responded to the recommendations of the Bradley review. The major recommendations relating to increased participation were accepted, with an adjustment to the timeframe for implementation. The government agreed to set a target under which, by the year 2025, 40 per cent of Australians aged between 25 and 34 will have completed at least a bachelor's degree. In addition, 20 per cent of future undergraduate enrolments must be students from lower socio-economic backgrounds. The BCA strongly supports these policy measures.

The government's decision to introduce arrangements that link funding for higher education places to student demand was one of the most significant reforms recommended by the Bradley review. It provides a mechanism for encouraging greater competition between higher education providers. The new mechanism is preferable to the previous arrangements in which the federal government played a significant role in determining the number of publicly funded places to be provided by each institution.

Nevertheless, there is the potential for the new demand-driven model to be one that, by default, places too much emphasis on student demand rather than allowing for arrangements that adequately balance student demand with demand from industry, business and other community stakeholders.

While the new arrangements have been described as a student demand-driven approach, higher education institutions will continue to have a vital role in determining the entry criteria and the number of places they will provide. These new arrangements have the potential to enable institutions to specialise in areas where they have particular strengths, and to determine priorities that reflect the requirements of students and industry.

Maintaining course entry requirements that are consistent with a quality higher education system will be an important component of the new arrangements when they are fully implemented from 2012 onwards.

The shift to a demand-driven model should enable a system that is responsive to demand by industry and business with respect to the decisions made by institutions and students. In addition, it will be important that the new arrangements support a system that is responsive to demand from industry and business, as well as responsive to the demands of students.

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<sup>6</sup> World Economic Forum (2011), op. cit.

The BCA supports greater participation by the wider Australian community in higher education. But we also recognise that a sharp increase in participation represents a challenge to institutions in continuing to improve the quality of teaching and learning outcomes.

The Group of Eight universities in Australia has estimated that absolute growth in enrolments in the decade to 2020 and the following decade will exceed the growth in enrolments that was recorded in the decade that followed the Dawkins reforms of the late 1980s.<sup>7</sup> This conclusion is based on projected growth in enrolments in Commonwealth supported places from a total of about 460,000 in 2008, to 580,000 by the year 2020. It is further projected that enrolments would grow to 660,000 by 2030, representing a 55 per cent increase compared to 2008.<sup>8</sup>

These projections do not take account of the potential for future growth in the numbers of international students once this industry is in a position to recover from the present downturn.

The Bradley review also identified a number of priorities relating to quality, which included:

- placing greater emphasis on improving the teaching and learning performance of institutions
- building up accreditation and quality assurance arrangements in the system
- meeting Australia's requirements for people with high-level knowledge, skills and understandings for both Australian and international labour markets
- recognising the importance of engaging in the global community, including through the exchange of knowledge and ideas
- building on the success of Australia's international education industry.

If these priorities can be given sufficient attention, they would make a positive contribution to lifting quality within institutions. But this may be difficult given that Australia's higher education sector is currently facing three major challenges, each of which places additional pressure on the quality provision of higher education.

First, the challenge of implementing the Bradley reforms that will result in a rapid increase in domestic enrolments, including enrolments of students from lower socio-economic and disadvantaged backgrounds. The BCA strongly supports increased participation overall and increased participation by people from disadvantaged backgrounds. But we recognise that the changes are already resulting in substantial increases in domestic student enrolments and are placing additional demands on institutions.

Second, the higher education sector is attempting to turn around the sharp fall in international student numbers, which are very important to many institutions.

Third, the sector continues to face the challenge of ensuring that learning outcomes are relevant to the requirements of workplaces that are increasingly operating as part of global networks.

It will be important that these challenges are met, while at the same time the higher education sector, government and business must work on improving the quality of teaching and learning in higher education over the near to medium term.

We are therefore recommending the development of a framework for ongoing improvement in teaching and learning aimed at making sure that greater participation will also result in a greater contribution to productivity in the Australian economy.

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<sup>7</sup> 'Challenges for Higher Education in Australia', Brief for Incoming Government, Group of Eight Universities, 2010.

<sup>8</sup> *ibid.*

The BCA has identified four priorities as the basis for a framework aimed at matching increased participation with improvements in teaching and learning outcomes. These are outlined below and are consistent with priorities identified by the Bradley review.

## **THE BCA'S HIGHER EDUCATION TEACHING AND LEARNING PRIORITIES**

### ***Rewarding effective teaching and learning outcomes***

Rewarding effective teaching and learning will help ensure that quality continues to improve and is not compromised by increased participation. Specifically, the following steps should be taken by the government in partnership with the sector.

#### *The further development of performance funding arrangements linked to teaching performance*

An important policy measure to recognise and reward effective teaching is to continue to develop performance funding arrangements linked to improved teaching outcomes. This approach was identified by the Bradley review and is one that the BCA recognises as having the potential to improve quality within institutions. Performance funding arrangements are important because they provide an incentive for institutions to improve teaching performance. This encourages teaching and learning improvement to be assigned a high priority at a time when there are competing priorities. The arrangements should complement a broader approach to encouraging teachers within higher education to share and engage with others involved in teaching ideas and methods to improve their teaching performance. The capabilities of academic teachers, and their commitment to improved performance, are pivotal to quality learning outcomes.

The BCA supports giving a high priority to developing an approach that makes performance funding conditional on institutions providing evidence of improvement in teaching and learning, taking account of their priorities and circumstances.

#### *Examining the feasibility of benchmarking the teaching and learning performance of higher education*

A further option for recognising and encouraging effective teaching and learning is to develop a national benchmarking framework for teaching and learning performance. The aim of such an initiative would be to assess the performance of an institution in improving the knowledge and capabilities of students.

National benchmarking would have the benefit of introducing an assessment measure that allows a comparison to be made in teaching and learning performance. This could then provide the basis for incentives to recognise effective teaching outcomes.

The results of national benchmarking would serve to identify where performance is below average or poor, and needs to be improved. The results would be an important source of information to institutions in making decisions about their priorities, the recognition of good performance and where management needs to take steps to make improvement.

As with performance funding, the introduction of national benchmarking arrangements would send a strong signal about the importance of teaching and learning outcomes.

Benchmarking would need to be carefully developed to allow for the different circumstances and priorities of institutions. If national benchmarking arrangements were introduced, careful consideration should be given to how a framework in Australia might complement or be integrated with international developments in this area.

The potential cost of introducing a new comprehensive set of national benchmarking arrangements and their full implementation should also be addressed. In light of the

possibility that national benchmarking could be expensive, it should only be considered after a feasibility study and cost–benefit analysis have been completed. A feasibility study should take account of developments within the higher education sector aimed at strengthening the capacity to assess or measure learning outcomes.

In addition to these steps, the following recommendations relate to the higher education sector.

*Encouraging institutions to better recognise and reward professional development undertaken by academic teachers*

It will be important that academic teachers are given the opportunity to develop their teaching practice in ways that contribute to maintaining effective and relevant learning by students.

Australian businesses engaged in global markets require people who have developed, and understand the importance of, international capabilities.

International capabilities enable people to better understand and engage effectively with people and organisations from other nations and cultures. In addition, these capabilities allow organisations to plan and prepare in ways that take into account and address foreign customs, communication and other potential barriers. They include cross-cultural skills, as well as broader levels of knowledge and understanding about foreign nations and their people, culture and institutions.

For these reasons, the BCA encourages higher education institutions to support and reward academic teachers who, through professional development, seek to improve their understanding of international capabilities and how these can be further incorporated into teaching practice.

Higher education institutions should also be encouraged to provide professional development for teachers aimed at supporting effective learning by students from disadvantaged backgrounds.

The federal government accepted the recommendation of the Bradley review to set a target of 20 per cent of enrolments being students from lower socio-economic backgrounds within the next decade. This compares to about 15 per cent of total enrolments at present. This objective is strongly supported by the BCA for two reasons.

Australia should be providing all young people who have the interest and the potential to undertake further study, no matter what their circumstances, with a genuine opportunity to participate in higher education and to secure the benefits that flow from a professional or technical qualification.

In addition, our workplaces benefit from the inclusion of people from a diverse range of backgrounds. If individuals from disadvantaged backgrounds are provided with a high-quality education, they will bring different approaches and ideas to our workplaces, and this can be valuable to an organisation that is seeking to improve its performance.

Our institutions should have the ability to support individuals who require additional tuition to make certain they succeed in their course of study, while inspiring them to continue to develop and improve their capabilities. It will also be important that there is the potential for individual students to have access to mentoring or other forms of support should this be beneficial.

Equally, there is a need to broaden pathways into higher education from school, technical and further education and by other means such as university-affiliated preparation courses. We must make sure that pathways enable and actively encourage people from disadvantaged backgrounds who have the potential to succeed to gain access to a place in higher education.

Our objective must be to both improve the pathways into higher education, and to ensure that individuals from disadvantaged backgrounds can succeed in their studies and make the transition to a rewarding career.

*Encouraging institutions to extend institutional arrangements for recognising and rewarding the teaching performance of academics*

In light of the important contribution that effective teaching and learning can make to the potential for people to participate effectively in the workplace, the BCA encourages higher education institutions to continue to develop arrangements for recognising and rewarding academics who perform well as teachers.

Higher education institutions already provide rewards, including the opportunity for promotion, to academics who specialise in teaching. However, it is the assessment of the BCA that greater levels of recognition and reward are provided to academics for their research performance. Recognition for excellent research performance should continue to be a priority for higher education institutions. The BCA is proposing that institutions find ways to extend the level of recognition and rewards for teaching and learning, without reducing the recognition provided for research. This should involve consideration of a wide range of initiatives to recognise effective teaching, including, for example, through awards.

Greater recognition and rewards can provide an important incentive for academic teachers to improve their teaching practice and to seek to update their knowledge and capabilities in teaching. Effective teaching and learning should provide students with knowledge and capabilities that are relevant to the workplace.

***Further improving the value and the relevance of what is taught***

Improving the relevance of what is taught requires a continuing effort by higher education institutions to provide relevant curriculums together with teaching and learning approaches. One way to achieve this is through effective linkages with business and industry.

*Increased engagement with business on curriculum*

Engagement between business organisations and higher education contributes to the relevance of course curriculums. Links with business enable institutions to understand new developments and expectations.

In many professions, the knowledge required within the workplace changes as a result of new technology, regulation or due to developments within an industry.

The ability of graduates to contribute effectively in the workplace will be increased if the knowledge they have gained is up-to-date and is complemented by good technical and generic skills. The aim should be to enable people to contribute to innovation, to adding value to an organisation and to lifting its productivity performance.

Mechanisms that enable higher education and business to share information about curriculums can help achieve a shared understanding of the knowledge, technical skills and generic skills graduates will need to enable them to work effectively with others as part of diverse teams.

Many businesses are giving a high priority to the continuing education and development of their employees. Both business and higher education stand to gain from sharing information and ideas about core knowledge and technical requirements. Effective engagement offers a way to improve curriculums. This is acknowledged by many institutions which have developed their curriculums in this way.

The BCA recommends that the business and higher education sectors continue to support the Business/Higher Education Roundtable, especially in identifying and promoting best practice examples of business–higher education engagement.

We continue to regard advisory committees and course review panels as important mechanisms for engagement between higher education and business. These structures provide for the sharing of information and the development of partnerships.

In addition, the BCA supports higher education institutions taking the following steps.

*Enabling institutions to specialise and to create national and international centres of excellence*

Specialisation in particular areas of teaching and learning through (for example) centres of excellence can contribute to a focus on high-quality and effective teaching and learning outcomes. In part, this is supported by improving the ability of institutions to attract talented academics to teach in centres of excellence, which encourage new ideas and collaboration, including through links with similar institutions in other countries. In addition, such centres can support effective engagement with leading business and industry organisations that have expertise in the area of specialisation.

The shift to a demand-driven model for the allocation of publicly subsidised undergraduate places enables institutions to move to specialise in specific areas, fields or disciplines.

*Greater internationalisation of the curriculum*

Through external engagement, there is an opportunity to increase the internationalisation of the curriculum. A number of Australia's higher education institutions have already established international partnerships and highly effective links, including the establishment of campuses and teaching and learning partnerships in Asia.

These links are an important opportunity to continue to internationalise curriculums within higher education. The opportunity for students to learn about foreign cultures, systems and practices can help provide them with an international outlook. As graduates enter the workforce, the opportunity to contribute to innovation will often be through working in international teams and identifying international opportunities for an organisation. Furthermore, increasing the internationalisation of curriculums would support important initiatives such as the development of international capabilities.

***Developing a comprehensive strategy to enable Australia's international education industry to grow sustainably***

The education of foreign students in Australia has become one of the nation's most important export industries. Although the education of international students by Australian universities, colleges and training institutions has been a success story, it is now facing a number of challenges. Other countries, including the United States, are competing more strongly for students. In Australia, changes were introduced to the requirements for student visas and to skilled migration rules. These and other developments have contributed to a situation where international student numbers have suffered a sharp decline.

While a strategy for international education has been developed, there is a need to revisit the strategy with a view to developing a long-term economic plan that enables the industry to return to and maintain sustainable growth. Australia's economic future is closely linked to Asia, especially China, Japan, India, South Korea and the nations of South East Asia. Building our education export industry will help achieve our economic aspirations while also deepening these relationships. A new strategy should include the following components.

### *Student visa requirements and procedures that compare favourably with other nations*

The BCA supported the announcement by the federal government of a strategic review in relation to the international student visa program. The review is currently being undertaken and is due to report to the government by the end of June.

A key consideration of the strategic review should be to determine whether Australia's student visa rules and procedures are competitive with those in other nations, especially the United States, Canada and the United Kingdom. Requirements such as the amount of funds that applicants must have available in advance, and the time involved in making an application, are important issues. Importantly, the review is an opportunity to examine whether applications can be easily submitted, and whether the procedures are more or less onerous than those for other countries.

The review of the student visa program, together with additional measures already introduced, has the potential to help reverse the decline in international students coming to Australia.

### *Providing increased incentives for international students to learn and develop English language proficiency*

One of the areas where Australia's international education system could be improved is in the English language proficiency of international graduates. While the entry requirement for English language proficiency has been strengthened, the BCA encourages institutions to offer further opportunities to international students to develop their English language capabilities while undertaking further studies, including through greater interaction with domestic students.

English language proficiency is an important requirement for business when recruiting graduates. In many industries, especially those facing skills shortages, international students can, upon graduation, help to meet industry requirements, especially in highly specialised fields. Enabling international students to gain the level of English language proficiency required for individuals to be effective in the workplace should be a priority for Australia's international education industry.

### *Arrangements to support greater interaction between Australian and international students*

There are important benefits to be gained from greater interaction between Australian and international students. Australian students would have the opportunity to learn critical cross-cultural skills, including cultural understanding from increased engagement with foreign students. These are important attributes in many workplaces.

In addition, Australian students can assist international students to better develop their English language skills and, more broadly, to enrich their experience at an Australian institution. At the same time, ongoing relationships and business connections can be made through interaction between students. Relationships that are established between students can and do contribute to strengthening cultural and diplomatic ties between Australia and other nations, especially countries in Asia, which account for the majority of international students.

It would be beneficial for the higher education sector to continue to collaborate on ways to improve student interaction.

### ***Developing a demand-driven system that is responsive to the requirements of business and community stakeholders as well as students***

The BCA supports the introduction of a demand-driven approach to the allocation of student places, however, it will be important that demand responds to the needs of key stakeholders, including industry and business, as well as students.

Unless efforts are made to influence student demand, this could result in a situation where demand for popular courses results in imbalances between graduate numbers and industry demand. Arrangements that achieve a balanced approach to meeting demand will help meet Australia's economic requirements. They will also ensure that higher education qualifications are valued.

### ***Supporting Skills Australia to lead annual consultations with industry, higher education and government regarding national higher education priorities***

The BCA supports an approach whereby Skills Australia leads annual consultations with industry, higher education and government regarding national higher education priorities.

A set of consultations involving key stakeholders specifically relating to higher education is required because this appears to be a gap in the move to a demand-driven system. If unaddressed, this could result in a misalignment between future graduate numbers and the requirements of industry for qualified people in areas of national priority.

Bringing together all key stakeholders allows the sharing of information. It would also encourage and test future workforce planning assumptions. These processes can make a significant contribution to ensuring that there is a better alignment between the requirements of industry and graduate numbers according to qualification. They can also contribute to providing individual graduates with the best possible opportunity to commence a career that is relevant to their qualifications. Achieving the best possible alignment between skills and requirements can contribute to productivity improvements across the economy.

### ***Timely provision of information about the employment outcomes of higher education graduates***

The provision of timely information about the employment outcomes of graduates according to their qualifications would make an important contribution to ensuring that a demand-driven system is responsive to industry requirements, and better serves the interests of future graduates.

Potential students should have available the best possible information on which to base future decisions. At the same time, information about employment outcomes should inform the decisions of institutions and industry.

The information provided will inform institutions about entry requirements and whether they might limit numbers in some courses, and move to increase numbers in others to meet demand.

Industry representatives have the option of using the information to inform marketing initiatives, and whether any incentives might be offered to encourage greater number of students. The value of information about current employment outcomes will be increased when it is combined with workforce planning information. Therefore, industry and institutions should work together to provide information and develop industry-based strategies to meet future demand where it might fall short.

The timely provision of information about the employment outcomes of higher education graduates according to the qualifications completed would help guard against the potential for a situation where students are responding to inadequate information and important business and industry requirements are overlooked.

## CONCLUSION

The next two years provide an opportunity to reshape teaching and learning in higher education to meet a number of different but complementary national goals. For this potential to be realised, it will be beneficial for the higher education sector, the federal government and regulatory agencies, together with business, to work to implement key aspects of the Bradley review recommendations. These include the recommendations concerning the future quality of the system as well as those that will enable greater participation.

Research highlights the fundamental contribution of higher education to workforce participation and productivity. But the contribution of higher education to productivity is closely linked to the quality of the teaching and learning undertaken by each institution and by the sector as a whole.

In taking up new opportunities and meeting emerging challenges in a changing and intensely competitive world, organisations require employees who are more flexible and creative. Importantly, they also require people who have the relevant knowledge and capabilities required to contribute to innovation and generate additional value.

The Bradley reforms aimed at increasing participation in higher education appear to be clearly established and in place. But a substantial increase in participation would present a challenge that might make it difficult to maintain quality unless it is accompanied by a number of initiatives to strengthen teaching and learning outcomes.

The BCA's priorities cover both the 'what' and the 'how' of reform implementation, with the aim of reinforcing quality teaching and learning outcomes and ensuring that these reforms are given equal weighting alongside those that will enable increased participation.

We are focused on better outcomes for graduates and the nation through more choice, improved curriculums, recognising teaching performance and a greater focus on Australia's skills requirements. And we believe this will be enabled, in part, through greater collaboration between the higher education sector and the business community.

Our priorities take account of important international linkages that need to be cultivated, both in terms of our education export market, and also to ensure Australia has the capacity to identify and realise future opportunities in the Asia Pacific and across the world.

Changes to higher education policy settings should contribute to a more productive Australian economy, built on greater workforce participation and community prosperity.

The business community has a major stake in seeing changes in the higher education sector reflect the imperative of lifting Australia's productivity performance. The BCA is committed to supporting this evolution by contributing to the work of Skills Australia in identifying and sharing information on national skills priorities as one of a number of targeted contributions being explored.

Australia's future economic success depends more than ever before on the quality of the teaching and learning outcomes of our higher education institutions, together with those of the wider education and training system.

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