



THE UNIVERSITY OF  
MELBOURNE



## Response to BCA “Future Proof” Discussion Paper

19 January 2018

## Executive Summary

The University of Melbourne is pleased to make a submission to the Business Council of Australia's 'Future Proof' Consultation, and endorses the aspirations for a highly skilled society that is capable of meeting the coming social and economic challenges.

In coming years, people will move constantly between learning and work, sometimes engaging in both simultaneously. Higher education and vocational education and training (VET) providers will need to become more nimble, accessible and adaptable. Pathways and alignment between all types of tertiary education are critical to the success of the system overall.

A number of the proposals raised in the Discussion Paper are worthy of consideration. The University of Melbourne would support a comprehensive and integrated approach to vocational education and higher education that enhances their value and enables stronger pathways between sectors. There is an opportunity to better align course offerings with student aspirations and employer needs, while also developing a sustainable and coherent approach to tertiary education policy and delivery.

We have, however, significant concerns with some of the content in the Discussion Paper. The University of Melbourne endorses comments made in Universities Australia's submission to this Consultation concerning misconceptions about the performance of the university sector. Despite public comment that implies otherwise, the evidence indicates that Australia's universities perform well in their role of supporting a skilled workforce. The recent report on the Employer Satisfaction Survey (ESS) 2017 found that "employers remain highly satisfied with graduates from Australia's higher education system".<sup>1</sup> Similarly, the most recent results of the 'Graduate Outcomes Survey' shows that graduate employment levels are increasing, and that students are overwhelmingly satisfied with their course.<sup>2</sup> Nonetheless, the sector can always improve in its performance and the University welcomes reform ideas that advance this end. The reform effort however should be driven by facts, not by popular misconceptions.

The following submission offers comment on each of the five components identified in the Discussion Paper, with an emphasis on proposals relating to funding (Component two) and governance (Component four).

On funding reform, the Discussion Paper ignores a key barrier to student choice and to sector efficiency - the lack of institutional diversity. The proposed Learning Skills Account does not address this issue. At best, that proposal should be seen as secondary to structural changes that encourage greater specialisation and diversity among tertiary education providers, and that support articulation for students between institutions and sectors. The University of Melbourne supports reform of funding arrangements that advances this aim.

The proposed Lifelong Skills Account raises a number of further issues. There is a need for clarity around the policy objectives that underpin it. It is also important that the proposal be developed with a clear view of the risks associated with it. For example, there is a risk that it impedes rather than encourages continued learning by preventing continued access to the public subsidy and loans.

On the issue of governance reform, while the proposed establishment of a body to oversee the sector is welcome, we argue that such a body needs to have a focus on policy development. The stasis in higher education policy reform, along with the ongoing question of how best to integrate vocational and higher education, highlights the need for a body that sits at arms-length from government, offering advice on policy that is grounded in evidence.

For further information, or to discuss this submission, Dr Julie Wells, Vice-Principal Policy & Projects can be contacted at [julie.wells@unimelb.edu.au](mailto:julie.wells@unimelb.edu.au) or on (03) 8344 2639.

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<sup>1</sup> Social Research Centre (2018), *2017 Employer Satisfaction Survey*, p.ii.

<sup>2</sup> Social Research Centre (2018), *2017 Graduate Outcomes Survey*.

## Summary of Key Points

### Component one: structure

The University of Melbourne:

- supports a commitment to ‘funding neutrality’, so that student decisions are not skewed by differential funding settings.
- supports cohesive regulatory settings that allow students to transition between VET and higher education programs.
- strongly supports a comprehensive review of post-secondary education. This review should serve as the basis for decisions around the structural settings (including its architecture and governance) of the tertiary education sector.
- supports the pending review of the AQF, addressing anomalies that potentially obscure the differences between courses and the outcomes they deliver thus providing greater clarity for students.

### Component two: funding

The University of Melbourne:

- supports the introduction of a system of flexible funding envelopes for publicly subsidised places at universities to drive institutional diversity and specialisation.
- supports a cautious approach to the proposed Lifelong Skills Account, such that the measure does not unduly limit students’ continued skills development or cause other unintended consequences.
- opposes the proposal for government to establish a Business Fund to support workforce training.
- supports arrangements in which industry continues to provide funding to the VET sector, alongside government and students.
- supports reforms to teaching funding only where these are accompanied by reforms to research funding, such that university research performance is not adversely affected.
- strongly opposes the proposed introduction of upfront fees.

### Component three: single platform for market information

- The University of Melbourne supports an approach in which an online information platform is considered as a complementary source of information among others for prospective students.

### Component four: agree a shared governance model

The University of Melbourne:

- supports the establishment of a tertiary education body, whose primary remit is to provide advice around policy development and implementation.
- supports industry representation in such body, but does not support the body being ‘overseen by an industry-led board’.

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

- The University of Melbourne supports an overhaul of the AQF to accommodate short, specialist programs, and to encourage a modularised approach to lifelong learning.

# Comment on reform proposals

## General Comments

The world of work is changing. As is often noted, the future workforce will need to cope with a lower level of job security than was enjoyed in the past. It has been predicted that 40 per cent of Australian jobs “face the high probability of being replaced by computers in the next 10 to 15 years”.<sup>3</sup> However accurate that prediction ends up being, there is no question that disruptive technology will have a major impact, rendering some jobs obsolete while also creating new ones. These changes also affect the type of skills needed, with a growing share of the workforce made up of skilled jobs requiring higher level qualifications. Changes in the distribution of occupations across the workforce in recent decades bear this out. For example, in 1987, ‘Professionals’ made up only 15 per cent of the workforce, yet 35 per cent of the growth in employment between 1987 and 2017 came from that category.<sup>4</sup> These are, of course, global trends, affecting graduates not just in Australia but worldwide. Post-secondary education in Australia needs to be responsive to these economic shifts if it is to equip students with the adaptive skills that are now needed, and if it is to ensure that Australian business can compete in global markets.

It is important, however, that tertiary education is not understood merely as a means of delivering upon the skills needs of the labour market. The significance of ‘education for citizenship’ should not be overlooked. Central to the teaching mission of universities is the cultivation of capabilities that support engagement with the broader community. This is particularly relevant to the lifelong learning agenda promoted in the Discussion Paper. Opportunities for learning in later life do not just allow for technical upskilling but also that wider set of work, knowledge and social skills necessary for the knowledge economy. These opportunities are particularly important, and to be encouraged, for those who have been excluded from the workforce for an extended period.

The University of Melbourne is committed to continuous curriculum reform aimed at ensuring that our students develop the broad skills needed. Evidence suggests that this is working. A recent student survey reveals a high number of graduates who are self-employed three to five years after completion, indicating that our focus on entrepreneurial skills is having an impact. The survey results also reveal that University of Melbourne graduates are significantly more likely to volunteer than the general population, and that our graduates have (on average) more advanced collaboration and problem-solving skills than their peers.<sup>5</sup>

The proposals contained in the Discussion Paper are (unavoidably) specific, addressing particular policy problems. What is crucial is that reform ideas are sensitive to the broad aims of tertiary education, and to the challenges presented by the changing nature of the workforce.

## Component One: Structure

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

***4. 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?***

***5. 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?***

The University of Melbourne has long argued for a more ‘joined up’ tertiary education system, and welcomes the Discussion Paper’s focus on better integration of, and articulation between, the higher education and VET sectors.

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<sup>3</sup> CEDA (2015), *Australia’s Future Workforce*, p.6.

<sup>4</sup> ABS (2017), “Labour Force Statistics (6291.0.55.003): Table 7, Employed Persons by Occupation”.

<sup>5</sup> <https://about.unimelb.edu.au/facts-and-figures>

We support a basic commitment to ‘funding neutrality’, where non-bachelor course offerings are properly accommodated, and where student decisions around what to study and where to study are driven by their interests and aptitude, not by differential funding settings. It is also important that regulatory and funding settings allow for the transfer of credit from qualifications in either sector, such that students are free to transition between VET and higher education programs (in either direction).

The question as to whether the two sectors should ‘maintain a unique identity’ may, however, be the wrong place to start. A more fundamental question goes to the overall mission of Australia’s tertiary education sector, and how the sector’s performance is to be measured. A clear articulation of the basic aims of post-secondary education, the role of different qualifications, and how we are to assess whether the system is meeting its core objectives, should serve as the basis for our thinking on how the tertiary sector, as a whole, should be organised. That includes its funding, architecture and governance. This work can of course recognise the unique identities of the two sectors, notwithstanding the need to remove the structural and regulatory barriers to deliver a more efficient interface between the two.

For example, an orthodox way of marking the distinction between vocational and higher education is to view the former as concerned with the development of competencies and the latter as concerned with the cultivation of knowledge. It has been argued that this understanding of vocational education has stunted the sector’s development in Australia, limiting its potential contribution to the country’s innovation agenda. On this view, ‘knowledge circulation’ – not just the development of competencies – ought to have a far more prominent place in vocational education.<sup>6</sup> This would involve a greater emphasis on VET students absorbing new knowledge, and participating in the translation of that knowledge into professional practice. International exemplars suggest that this approach offers considerable benefits.

The importance of addressing fundamental questions around the basic aims of the Australia’s tertiary education system underscores the need for a comprehensive review. Calls for such a review have recently come both from within the sector and from federal parliamentarians. A comprehensive review of this kind would provide a stronger policy basis for addressing the structural issues that the Discussion Paper raises.

### **AQF Review**

There are anomalies in the Australian Qualifications Framework (AQF) and the way that it views qualifications on either side of the VET – higher education divide. For example, there is an implied progression when moving from VET qualifications at AQF3 to AQF4. In reality, AQF3 qualifications are in many cases more highly regarded. Certificate 3 is the apprenticeship benchmark; qualifications at that level may deliver superior learning and graduate outcomes than some Certificate 4s that do not always offer a clear pathway into the labour market. Nonetheless, the ‘higher ranking’ of courses at AQF4 is likely to inform student thinking around the employment outcomes they deliver. The pending review of the AQF should address such anomalies.

#### Key points:

The University of Melbourne:

- supports a commitment to ‘funding neutrality’, so that student decisions are not skewed by differential funding settings.
- supports cohesive regulatory settings that allow students to transition between VET and higher education programs.

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<sup>6</sup> Goedegebuure, Leo and Ruth Schubert (2017), “Vocational Education and the Innovation Agenda: Towards the Creation of Effective Innovation Ecosystems”, in Richard James, French S. and Kelly P. (eds.) *Visions for Australian Tertiary Education*, Melbourne Centre for the Study of Higher Education: Melbourne, pp. 111-121.

- strongly supports a comprehensive review of post-secondary education. This review should serve as the basis for decisions around the structural settings (including its architecture and governance) of the tertiary education sector.
- supports the pending review of the AQF, addressing anomalies that potentially obscure the differences between courses and the outcomes they deliver, thus providing greater clarity for students.

## **Component Two: Funding**

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

*7. 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?*

*8. Do you think there should be a cap on the subsidy and/or the income contingent loans? If so, how should the cap be determined?*

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

### **Demand-driven funding and institutional diversity**

A key aim in the BCA's proposals relating to funding is to promote greater choice among prospective students with respect to what and where they study. What is missing from the Discussion Paper is the issue of institutional diversity and specialisation. Australia's higher education sector is dominated by doctoral-awarding institutions with similar course profiles. There is a significant lack of specialisation, where providers stake out a unique value proposition by focussing on a narrower, specialised set of study areas. This lack of diversity in Australia's tertiary education system is a primary inhibitor of student choice and more responsiveness in course offerings.

Domestic higher education enrolments have been skewed by funding settings that favour bachelor level courses, and that offer high margins for some courses. These settings encourage uniformity across the higher education sector, resulting in a similar set of course offerings and enrolment distributions at most universities. Demand-driven funding has not led to the sort of specialisation in curriculum design and delivery that would genuinely provide students with greater choice.

The recent changes to funding announced in MYEFO have paused, if not ended, demand driven funding at the undergraduate level. This leaves open the question of how future growth will be determined, innovation and new course design encouraged, and Commonwealth subsidies allocated.

The University of Melbourne has been advocating for a modified university funding model that aims to drive greater specialisation and diversity in the higher education sector. The model would involve universities being allocated 'funding envelopes' – based on existing allocations but with mechanisms to accommodate growth in line with demand. This would allow greater freedom to distribute places across sub-bachelor, bachelor and post-graduate course levels and study areas. Universities could use their allocation to focus on a given course level, and to pursue innovations in program design. The Commonwealth – or an agency acting on its behalf – would work with universities to articulate mission-specific aims, providing a framework for institutional decisions around course offerings and the distribution of places.

It is important that any policy interventions that seek to enhance student choice – whether this be the funding envelopes proposal outlined above or some alternative – proceed with a clear understanding of the way in which the current arrangements limit the choices that students have.

### **Lifelong Skills Account**

In principle, there is some merit in establishing Lifelong Skills Accounts (LSAs) or something similar, as a way of building awareness around the entitlement to further study. As with any voucher-based system, however, there are fundamental design questions that need to be worked through to ensure

that such a measure achieves its aims without generating unintended consequences. The following considerations should inform the development of such an approach.

- **LSAs should encourage lifelong learning, not undermine it.** Despite the name given to it, a LSA may limit lifelong learning, by preventing those students who have reached the subsidy or lending cap from doing further study. There are a number of ways in which caps may be softened so as to avoid this:
  - allowing for LSAs to be ‘recharged’ over time, reflecting the potential decay in value of some qualifications in the absence of continued professional development.
  - Incentives and support for employers to invest in the acquisition of skills and qualifications.
- **LSAs should not have unintended consequences on particular cohorts or programs.** As with the proposed HELP lending limit announced in MYEFO 2017/18, there is a risk that LSAs disproportionately affect fee-paying post-graduate students. Prospective post-graduate students may be prevented from taking up a Masters program where they exceed the lending cap. The withdrawal of those students from the market may undermine the viability of some post-graduate programs, further diminishing student choice and undermining the sector’s responsiveness to labour market demands. The broad-based undergraduate degree coupled with specialised professional graduate education – an option offered by most Australian universities, and a distinctive characteristic of the University of Melbourne curriculum – is popular with many students and employers in Australia and internationally. A LSA which caps access to income contingent loans will make these offerings more expensive to those students who have reached their cap.
- **LSAs should not punish students who have had an earlier ‘false start’ in tertiary study.** For a range of reasons, many students commence a course and discontinue without completing. These students should be encouraged to re-commence post-secondary study, not prevented from doing so.
- **The introduction of LSAs needs to be accompanied by adequate regulatory oversight.** The introduction of similar measures in the UK and New Zealand opened the door to exploitation and misuse of public funds. Tighter oversight may include banning or closely monitoring recruitment agents.
- **LSAs should introduce as little administrative effort as possible.** Caps on subsidy and lending will need to be factored into the admissions processes of providers, i.e. when determining whether or not a student is eligible and is able to cover the relevant costs. The design of the measure should ensure that the administrative effort entailed is minimised.

Beyond these design issues, there are two points about the aims that the BCA is seeking to advance in the LSA proposal, one relating to the impact on government expenditure, the other relating to equity.

The Discussion Paper implies that LSAs are a way of limiting budget outlays on tertiary education. There is, however, a lack of evidence to indicate that introducing LSAs will have this effect. The ‘funding envelopes’ proposal outlined above represents a far more effective lever for Government to control expenditure.

The LSA proposal is also presented as embodying a commitment to equity, i.e. by ensuring that all prospective students have equal access to the public subsidy and to income contingent loans. A commitment to equity, however, does not itself imply that all adults should access the same level – or a similar level – of financial support for postsecondary education. Given the range of public benefits generated by graduates in different fields, the level of public support does (and should) vary, i.e. depending on the cost of the study area, the amount of study required to work in a given field, labour market needs, and so on. Equity aims are best pursued by minimising barriers to participation and by

establishing a range of pathways into tertiary study, such that those who experience disadvantage are not thereby excluded from educational opportunities. On its own, the proposed LSA does little to promote those aims.

### **Business Fund**

The University of Melbourne does not support the establishment of a separate fund accessible to business for the purposes of workforce training. Business already benefits from government support for apprenticeships and from access to the highly skilled workforce that is sustained by public investment in tertiary education. There is no policy basis for diverting limited resources in the way proposed. As per Universities Australia's submission, there is some merit in a fund that is supported by a training levy on businesses along with incentives for business to invest in education and training.

### **VET Funding**

The Discussion Paper articulates the principle that "A universal tertiary system needs to be funded *by government and the individual*, and the cost of the system needs to be calculated" (p.64, emphasis added). While funding for higher education has traditionally come largely from government subsidy and student contribution, in both the VET sector and at the graduate level, funding has consistently come from a third source: employers. In 2016, VET providers drew \$473m in revenue from 'fee for service' sources, much of it from industry.<sup>7</sup> This reflects the key role that the VET plays in workforce training. It is entirely appropriate that this continue. Funding reform should not result in government or students covering a shortfall caused by a withdrawal of funding from business.

### **Cost-reflective funding and university research**

The Discussion Paper raises the prospect of establishing a "cost-reflective price" for each course, whereby the level of funding is determined by estimated delivery costs (p.87). While we welcome a conversation about reform of funding arrangements aimed at improving sector performance, it is critical that proposals are advanced with a clear view of the impact on other parts of the system. We refer to points made in the Productivity Commission's 2017 report on 'University education', relating to the likely impact of cost-reflective funding on university research.

Making payments to universities for Commonwealth-supported places more cost-reflective would be an option to address the problem. However, it would have undesirable flow-on effects to university research capacity unless offset by other funding initiatives. It cannot be recommended without a reassessment of research funding arrangements for universities, or indeed their overall operation.<sup>8</sup>

And:

Moreover, changes to one part of the university system (such as funding arrangements for teaching) can have incidental and profound effects in other areas (such as research), which creates new policy questions. Accordingly, initiatives that aim to fix one problem in the system can reverberate — requiring a cascading series of policy interventions.<sup>9</sup>

The research performance of Australia's universities is key to the health of the sector overall, helping to attract international talent, supporting the broader innovation agenda, informing the development of high quality curricula, and underpinning Australia's reputation as a destination for international students. Hence, reforms to the funding of teaching need to be approached holistically. Any move to align funding of university teaching with delivery costs would need to be accompanied by a review of the funding arrangements for university research and the provision of enabling teaching infrastructure.

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<sup>7</sup> NCVER (2017), *Australian Vocational Education and Training Statistics: Financial Information*, p.9.  
[https://www.ncver.edu.au/\\_\\_data/assets/pdf\\_file/0026/1376711/Finance-information-2016.pdf](https://www.ncver.edu.au/__data/assets/pdf_file/0026/1376711/Finance-information-2016.pdf)

<sup>8</sup> Productivity Commission (2017), *5 Year Productivity Review: Supporting Paper 7: University education*, p.2.

<sup>9</sup> Productivity Commission (2017), *5 Year Productivity Review: Chapter Three - Future Skills and Work*, p.105



## Upfront fees

Parts of the Discussion Paper raise the prospect of introducing upfront payments for students entering tertiary study, so that prospective students have ‘skin in the game’ and will therefore carefully consider the choices they make. While we understand the imperative that system settings do not lead to a repeat of the VET FEE-HELP debacle, the University of Melbourne strongly opposes the introduction of upfront fees. This would set a worrying precedent, and disproportionately affect students from low socio-economic backgrounds, disrupting some of the equity gains made in recent years. It would also undermine one of the successes in Australian public policy – the income contingent loan scheme that ensures there is no up-front fee barrier to entry to post-secondary education. The fundamentals of the policy principals underpinning the loans program should be retained, even if adjustments are made to operational aspects of the scheme to ensure its long-term sustainability. Students already invest substantially in their education, through the costs of books, study materials, and foregone income. For most students, this represents significant investment or “skin in the game”.

A better approach is to focus on positive initiatives to support student choice (such as the availability of clear and relevant course information and data about institutional performance) and their transition to tertiary study. These factors play a positive role in improving student outcomes and minimising waste.<sup>10</sup>

### Key points:

The University of Melbourne:

- supports the introduction of a system of flexible funding envelopes for publicly subsidised places at universities to drive institutional diversity and specialisation.
- supports a cautious approach to the proposed Lifelong Skills Account, such that the measure does not unduly limit students’ continued skills development or cause other unintended consequences.
- opposes the proposal for government to establish a Business Fund to support workforce training.
- supports arrangements in which industry continues to provide funding to the VET sector, alongside government and students.
- supports reforms to teaching funding only where these are accompanied by reforms to research funding, such that university research performance is not adversely affected.
- strongly opposes the proposed introduction of upfront fees.

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

**10. Market information has been an issue in tertiary education for at least a decade. What are the barriers to building a single platform, and how can they be overcome?**

**11. What new data sets will need to be created, and what current data sets will need to be accessed or linked?**

**12. What are your views on the Business Council’s proposed approach for a learner’s decision-making process?**

### **An online interface**

Prospective students today have access to more and better information relating to their study options than those in the past. The QILT website did not exist a decade ago, and there have been significant advances in the collection and reporting of data on institutional performance in this time. Any new measures should enhance and complement the initiatives that are improving market information to prospective students.

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<sup>10</sup> For a discussion of effective interventions for supporting students transitioning to university, see Hanover Research (2014), *Strategies for Improving Student Retention*, Hanover Research, Arlington.  
<http://www.hanoverresearch.com/media/Strategies-for-Improving-Student-Retention.pdf>

The basic idea of an online interface to aid student decision-making is sound. Students need to have as complete a picture of market information as possible. It is important to note, though, that such a portal can only ever be complementary to the wider sources of information and advice available to prospective students, including from parents, teachers and peers, careers counselling, outreach programs, existing experience in tertiary education, and so on. This diversity of sources provides students with a richer understanding of tertiary study, supporting more informed decisions. An online platform should complement – not displace – these other sources. Indeed, the availability of detailed data representations in an online interface only further emphasises the importance of support networks to help students make sense of the information provided.

The design and content of an online platform also needs to be carefully considered to ensure that it is genuinely helpful to prospective students. It is important that the information provided is properly contextualised to support informed decision making. For example, the use of job vacancy data is only one dimension to take in to consideration. The measure is an example of a lag indicator, and will not inform prospective students as to the future jobs that might be available.

#### Key points:

- The University of Melbourne supports an approach in which an online information platform is considered as a complementary source of information among others for prospective students.

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

***18. The Business Council has proposed the creation of a tertiary system funding and marketing information institution to enact the decisions of government and a range of other responsibilities.***

***18.1 Do you support the new institution being a not-for-profit company? If not, what governance would you propose and why would it be preferable?***

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

***18.3 Should the Board have any policy responsibility, and why?***

#### **A Tertiary Education Policy Body**

The University of Melbourne supports the view that governance arrangements should aim to minimise cost-shifting between the federal government and the States, and to avoid funding biases that distort student decision-making. The division of funding and policy responsibilities between levels of government should form part of a holistic review of the tertiary education system. Conceptually, the Discussion Paper provides a sensible model that allocates AQF 5-9 qualifications and Diploma and above funding to the Australian Government and Certificate 1-4 under State funding responsibility. The University particularly commends the recommendation that Government funding should be committed for a minimum of 10 years as this will ensure greater certainty and encourage the sector to innovate with greater confidence.

The Discussion Paper raises the prospect of establishing an institution to “manage the funding model and market information system”, and questions whether the body should have any policy responsibility. The University of Melbourne’s view is that the provision of advice around policy development and implementation ought to be the primary remit of such a body. The short-comings in the higher education reforms initiated in 2014 and 2017 underscore the need for a body that sits at arms-length from government and that provides expert, evidence-based policy advice. A Tertiary Education Commission would enable continued sector improvement, and support its capacity to respond to emergent challenges. In short, what is needed is a policy body that supports a self-reviewing tertiary system, not simply an administrative body that manages an information system and administers funding.

Along these lines, the BCA proposals go into a level of detail that a policy body would be best placed to work through in consultation with all primary stakeholders.

## The role of industry

It is important that industry have a voice in the governance model established for tertiary education. The University of Melbourne does not, however, support the suggestion that a new governance model be “overseen by industry-led board” (p.116). The particular role for industry needs to be further explored. Industry is one of a number of stakeholders in Australia’s tertiary education system. Others include government, parents, sector leaders and those concerned with the development of the disciplines, such as the learned Academies. While it is appropriate that it be strongly represented, there is no basis for industry assuming the level of control seemingly implied in parts of the Discussion Paper.

### Key points:

The University of Melbourne:

- supports the establishment of a tertiary education body, whose primary remit is to provide advice around policy development and implementation.
- supports industry representation in such a body, but does not support the body being ‘overseen by an industry-led board’.

## **Component five: Create a Culture of Lifelong Learning**

**19. What are your views on adopting a more modularised approach to skill development to support lifelong learning?**

**20. Do you support established workers being able to use their LSAs to fund self-constructed qualifications?**

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

*So what should we tell our children? That to stay ahead, you need to focus on your ability to continuously adapt, engage with others in that process, and most importantly retain your core sense of identity and values. For students, it’s not just about acquiring knowledge, but about how to learn. For the rest of us, we should remember that intellectual complacency is not our friend and that learning - not just new things but new ways of thinking - is a life-long endeavour.<sup>11</sup>*

Blair Sheppard, Global Leader, Strategy and Leadership Development, PwC

## University of Melbourne initiatives

The University of Melbourne strongly supports the view that lifelong learning should take on greater prominence in the policy and regulatory framework, and in the design of programs offered by tertiary providers.

Our ‘Graduate Online’ courses embody this thinking, and the type of non-traditional, modularised approach that is raised in the Discussion Paper. Courses are structured around a four-term academic year, offering students the flexibility to move in and out of graduate study as per the demands of their professional and family life. Students are able to ‘stack up’ subordinate qualifications (i.e. certificates and diplomas) into a full Masters degree, as well as exiting a Masters program with sub-ordinate qualifications if they choose to.

In addition, the University has recently launched the Melbourne School of Professional and Continuing Education (MSPACE), marking a significant expansion of our professional, continuing and executive education academic programs.<sup>12</sup> Changes in the nature of employment and the stability of workforce

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<sup>11</sup> PwC Global (2017), *Workforce of the Future: The Competing Forces Shaping 2030*, p.4.

<sup>12</sup> <http://newsroom.melbourne.edu/news/new-academic-school-offer-professional-and-continuing-education-university-melbourne>

roles mean workers now need to regularly update their professional knowledge and skills whether for career enhancement or career change. The initiative responds to the needs of graduates in local and international communities who will increasingly be seeking opportunities to re-skill throughout their careers.

### **AQF and micro-credentialing**

The AQF is out of step when it comes to micro-credentialing, inhibiting the adoption of a more modularised approach to lifelong skills development. There is currently no place within the Qualifications Framework for specialist certificates that make up only 25 per cent of a full-time load. Since these shorter programs are an important part of the lifelong learning agenda, the AQF should be overhauled to accommodate them.

#### Key point:

- The University of Melbourne supports an overhaul of the AQF to accommodate short, specialist programs, and to encourage a modularised approach to lifelong learning.