

Reimagining tertiary education in Australia

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- ◆ **Background to the current tertiary system**
- ◆ **The case for comprehensive tertiary reform (quick overview)**
- ◆ **Why the case for tertiary reform has not gained traction.**
- ◆ **An approach to reform**
- ◆ **System level reforms**
- ◆ **Cross sector and cross institution innovation and collaboration**

Background to the current tertiary system

- ◆ **Distinct and different HE and VET system have evolved in Australia**
 - ◆ Commonwealth assumed full responsibility for funding higher education in 1973 but not technical education. However Commonwealth leadership and intervention based on the Kangan Review saw the development of TAFE as distinct national system from 1975 through Commonwealth\State collaboration.
 - ◆ The systems were further differentiated with the development of the unified national higher education system and the national VET system between 1988-1994.
 - ◆ The pattern of development of each sector has followed Commonwealth policy leadership and growth funding.
 - ◆ The current VET system is based on a model of collaborative governance between the Commonwealth and the states, industry leadership and co-investment. This model has collapsed and significantly limits the development of a more coherent tertiary system due to the imbalance between the sectors.

The case for broad tertiary reform has been consistently made over a long period



- ◆ *Bradley Review (2008)*
- ◆ *It appears too, that some states and territories face major fiscal constraints, which may lead them to reduce their investment in VET in the near future, leading to skewed and uneven investment between the sectors over time if a demand-based funding model is adopted for higher education*
- ◆ *What is needed is not two sectors configured as at present, but a continuum of tertiary skills provision primarily funded by a single level of government and nationally regulated, which delivers skills development in ways that are efficient, fit for purpose and meet the needs of individuals and the economy. Bringing together responsibility for funding and regulation nationally would also assist in addressing the key barriers to forging closer links between VET and higher education.*

- ◆ *We need to think about the tertiary system moving from one which included a higher education system for the intellectual elite, and a vocational education system focused on practical skills, to one that provides a more comprehensive tertiary system for everyone.*
Peter Dawkins (2014)
- ◆ *This growing imbalance between VET and higher education funding has been evident since 2012, when full funding for demand driven higher education commenced, and most states began to reduce investment in VET. This is why decisions on higher education funding should not be considered in isolation from decisions on VET funding*
Noonan (2017).
- ◆ *If the system is to be improved and expanded, there is a clear need for a coherent financing architecture able to overcome the deficiencies of historically fragmented financing arrangements between higher education and VET in Australia. A new architecture would provide the foundation on which to develop policy for participation and integration, as well as to support regulation and planning*
Chew, Croucher and Noonan (2017) .

- ◆ - *maintain the unique characteristics of both the VET and HE sectors – VET as an industry-led sector based around competency-based training and applied learning, and HE offering advanced qualifications to develop highly skilled workers, as well as a broader remit of learning for the sake of learning, academic inquiry and research*
- ◆ - *move from the current siloed approach to funding and the perverse incentives between the sectors, to a single funding model that is sector neutral*

BCA (2018)

- ◆ *A national tertiary education and training system should be introduced progressively through negotiation between the Australian Government, states and territories on the basis that the Australian Government takes primary responsibility for a single tertiary education funding framework for qualifications from Certificate level (AQF level 1) through to PhD (currently AQF level 10)*

KPMG (2018).

- ◆ *Tertiary education is characterised by a highly unbalanced binary model with no coherent policy and funding framework.*
- ◆ *There is a need to establish a long-term policy view for tertiary education rather than short-term attempts to address components of the overall system.*
- ◆ *While recognising the distinctive features of higher education and VET, there is a need for a more coherent and connected tertiary education system to be established*

Australian Industry Group 2018.

- ◆ *Post-secondary education should operate as a continuum of diverse and distinctive offerings through the VET and higher education systems which learners can access at different stages to meet their diverse and changing needs. This approach would recognise the benefits of the diversity of provision and providers available through the current VET and higher education systems. However, the systems could be far more effectively connected by removing barriers to cross system collaboration and developing clear and well supported learner pathways between them.*

For a system of post-compulsory education that truly enables lifelong learning, there needs to be:

- a range of institutions with sufficient spread of capabilities and strengths to support the expected needs of the Australian community – diversity rather than conformity;*
- pathways for learners to move readily between vocational education and training and higher education*
- qualifications that meet the current and future demands of industry, the community and individual learners*
- course offerings that are flexible, affordable and time-saving to meet people's specific and rapidly changing needs.*

Monash Commission (2018)

- ◆ *Rethinking tertiary education, which means taking an innovative approach to ensuring that tertiary education responds to the increasing diversity of its students, and to the changing demands of the Australian labour market. Previous models of tertiary education are no longer suited to this task. Australia needs a more comprehensive, coherent and interconnected tertiary education sector that makes better use of both VET and higher education. This type of tertiary education will respond to challenges facing our students, rather than one based on outdated divisions between academic and vocational learning.*
- ◆ *Revitalising tertiary education, which means taking a strategic view of tertiary education participation trends, and ensuring that the sector achieves an economically sustainable level of participation that meets future workforce needs. This means reversing the downward trend in overall tertiary participation rates, supporting more students to make an investment in their education, and ending the fragmentation that sees different arrangements between higher education and VET.*
 - ◆ Dawkins Hurley and Noonan (2019)

- ◆ *The Roundtable reached agreement on one overarching idea: the need to achieve a more coherent, yet still differentiated, tertiary education system. There was considerable passion among the group for diversity in tertiary education, but also for greater coherence between provision options, including university, vocational education and training, and emerging models.*

Mitchell Institute The Role of Universities Roundtable Report (October 2019)

- ◆ *VET and higher education are equal and integral parts of a joined up and accessible post-secondary education system with pathways between VET, higher education and the school system’.*

COAG Vision for VET (August 2019)

- ◆ *“Recent research has proposed the need for a single tertiary education sector that calls for universal and affordable access to a quality tertiary education that is comprehensive, coherent and interconnected and that makes better use of both vocational and higher education (to the extent they can be differentiated). This type of tertiary education will need to respond to challenges facing our students, rather than being based on outdated demarcations between academic and vocational learning. This has the potential to impact significantly on current senior secondary entry requirements into tertiary education’.*

Senior Secondary Pathways Discussion Paper (September,2019)

Why the lack of progress – some possibilities?

- ◆ HE and VET systems were consciously developed and have evolved over time as distinct and differentiated systems. They have not have not fundamentally changed in over 20 years.
- ◆ Bradley tertiary recommendations were not considered by Government at the time, VET and HE reform pursued separately under very different models.
 - ◆ This follows a familiar pattern of episodic and cyclical sector specific reforms
- ◆ No burning platform' in terms of public and media perceptions.
- ◆ Lack of clarity about what problem we are trying to address.
- ◆ Systems are now mature, diverse and complex.
- ◆ Policy focus within sectors
 - ◆ Future of demand driven system in HE
 - ◆ Joyce Review and Skills reform process in VET.
- ◆ Resistance from within sectors.

Why the lack of progress?

- ◆ Risk aversion in government and peak bodies.
 - ◆ The unintended consequences of major system change particularly related to funding
 - ◆ Concerns in HE about reputational damage to VET and provider quality across VET system
- ◆ Diffuse governance
 - ◆ Commonwealth\State responsibilities
 - ◆ Autonomy of HE institutions public and private institutions and focus on rankings within the HE system.
 - ◆ Increasing centralisation of TAFE in most states and effects of budget savings and course, campus and staff rationalisation.
- ◆ Barriers to effective collaboration and pathways between sectors and costs of establishment and maintenance
- ◆ ‘Many people do well from current systems or can manage inconsistencies and anomalies.

Future context

- ◆ Tertiary enrolments must increase just to maintain participation rates as population grows - however current resourcing outlook for HE and VET will see participation rates in tertiary education decline over the next decade.
- ◆ Employment growth focused in areas requiring tertiary qualifications however:
 - ◆ Benefits of tertiary attainment strong but slowing.
 - ◆ Growing evidence of under utilization of qualifications and mismatch between qualifications and occupations.
- ◆ Need for careful evidence based assessment of the future of the labour market particularly in terms of the impact of AI and new technology.
 - ◆ The labour market has been in a constant process of disruption, change and adaptation for well over the last century.
 - ◆ Importance of 'learning to learn' skills and accessible, responsive and workforce relevant education and training at all levels.
 - ◆ Challenge to structure and role of existing qualification systems but broad and high levels of initial educational attainment important.

Future context

- ◆ Recognition of growing differences and disparities between cities, outer metropolitan areas, regional and remote communities across socio economic groups.
- ◆ Participation and attainment by Indigenous communities remains the major challenge.

Reform approach

- ◆ *In my experience the language of change is often too evangelical, replete with platitudes about change being a constant, with analogies of burning platforms and with dire warnings of Armageddon if we do not reinvent ourselves. ----- That is why I am a convert to radical incrementalism. It is radical in that it sets out a clear vision, clear principles, clear values. And it is incremental because it recognises that translating vision into reality requires a series of smaller steps. Great leaps forward usually end in tragedy.*

Peter Varghese – Former Secretary of DFAT (2016)

- ◆ This approach is particularly relevant in dealing with mature and complex systems and institutions
- ◆ Exception to this is where major and consistent systemic changes are required particularly in the tax, income transfer systems and pricing and funding for service delivery where consistency in treatment of individuals and providers is important.
- ◆ Approach involves reform or extension of existing systems and institutional arrangements but allows for innovation and collaboration rather than large scale system integration.
- ◆ Importance of ongoing evaluation, longitudinal studies and data matching.

System level measures and reforms

- ◆ Primary focus must be dealing with the role, standing and levels of investment and participation in VET.
- ◆ Agreement by Commonwealth and State Governments to raise participation in tertiary education, particularly for young people not making successful transitions and adults without skills required for ongoing workforce participation.
 - ◆ Specific focus on regions with high levels of projected population growth
- ◆ Development of an comprehensive tertiary financing systems that recognises sector differences including levels of government responsibility.
- ◆ Commonwealth to take responsibility for funding of qualifications from current AQF level 5 and above with regulation through TEQSA.
- ◆ Consistent funding across provider types.

System level measures and reforms

- ◆ New VET funding agreements urgently required to replace current national reform agreements. These agreements must effectively link Commonwealth and State investment and investment levels and remove inconsistencies in eligibility criteria.
- ◆ Development and gradual implementation of a universal income contingent loan scheme accessible over working life and linked to regulated subsidy and efficient pricing model across sectors.
- ◆ Extend formal apprenticeship system to current AQF level 7 including contract of training and employer subsidies and incentives.
- ◆ Consideration and implementation of AQF Review recommendations.
- ◆ Integrated national platform of information advice and support to potential and current learners.
- ◆ Bring together tertiary data collections, data matching, longitudinal studies, workforce needs analysis, demographic analysis

Cross sector collaboration and innovation

- ◆ Cross sector pathways based on learner progression, guaranteed credit and guaranteed enrolment subject to satisfactory progress.
 - ◆ Extend these arrangements to senior secondary schools and students
 - ◆ Reform VET in schools to VET for senior secondary students and allow senior secondary students taking VET pathways to use funding for senior secondary studies in TAFE (and quality RTOs)
- ◆ Recognise and fund cross sector enrolments and delivery through embedded units within full qualifications or supplementary micro credentials.
- ◆ Cross sector and cross institution responses to major areas of future workforce needs in areas of employment growth (aged care, early childhood, disability care, civil construction, digital technology, health and allied health services) and critical areas of the economy (mining, agriculture, drought and climate change mitigation, energy, security including cyber security).
- ◆ Innovation fund to trial and evaluate cross sector\institutional collaboration



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