



THE ROLE OF UNIVERSITIES WITHIN THE BROADER TERTIARY EDUCATION SECTOR

ROUNDTABLE REPORT

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Foreword



Professor Peter Dawkins AO
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As Australia seeks new ways to sustain its prosperity and social cohesion, Australian universities are rethinking and revitalising their role in the broader tertiary education sector.

On 31 August 2019, Victoria University hosted a Roundtable with 40 leaders from the tertiary education, government, industry and not-for-profit sectors, to discuss this changing role. The Roundtable was part of the centenary celebrations for Sir Zelman Cowen, a visionary leader in Australian tertiary education whose openness to innovation remained vibrant throughout his lifetime.

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.

There was also broad agreement on responses to the five issues that were posed to the group:

1. **Participation in tertiary education** must continue to grow, including growth in university enrolments, and a turnaround in the steep decline in enrolments in the VET sector.
2. **Pathways and credit** were seen as important mechanisms for improving coherence in the tertiary education sector. Translating this enthusiasm into action remains technically hard, and requires all stakeholders to see that solutions are both worthwhile and achievable.
3. **Work and job readiness** issues generated a lot of discussion, especially about generic or general skills, and work-integrated learning. Overall, the group felt that Australia could do more to achieve stronger relationships between tertiary education providers and industry.
4. **Financing** challenges are closely linked to the need to grow participation, and the need to create a holistic financing model that levels the playing field between university and VET.
5. **Innovation** was embraced as critical, including the need for more diversity in university provision. While competition has led to some differentiation, government may need to take a more active role in fostering innovation and collaboration, including through industry relationships with all kinds of tertiary education providers. A fundamental belief emerged among the group that teaching and learning must become more active and collaborative.

The Roundtable welcomed Minister Tehan's commitment, in his opening address, to working with universities to shape the future of higher education. The Roundtable extended this hope for collaboration to include all levels of government, and all tertiary education providers.

It is my privilege to lead a university that is embracing change, and providing a new model of tertiary education to a richly diverse student population. It is also my privilege to work with colleagues across the tertiary education sector, as well as in government and the business community, who share a common vision for the growth of tertiary education in Australia.

Executive summary

This report presents proposals for shaping the future of the Australian tertiary education sector, arising from Roundtable discussions at *The Role of Universities in the 2020s Symposium* at Victoria University on 31 August 2019. The Roundtable participants comprised 40 leaders from universities, vocational education and training (VET), industry, and the not-for-profit sector.

The Roundtable discussions elicited a range of proposals for strengthening the Australian tertiary education sector, grouped according to five broad themes in this report. While the Roundtable focused on the role of universities, the group supported reform towards a more coherent tertiary education sector. The proposals in this report have therefore been framed with this goal in mind.

In keeping with the tenor of the Roundtable discussions, many proposals in this report identify high-level policy directions to address challenges facing the tertiary education sector, rather than detailed recommendations for reform. This report may thereby help to frame the more specific recommendations emerging from reviews of current issues in Australian tertiary education.

1. Increase participation in tertiary education

Mitchell Institute trends analysis shows that overall participation in tertiary education is declining. The Roundtable agreed that participation in tertiary education must increase, to drive Australia's prosperity. This requires a sustainable, coherent funding model for tertiary education.

Three key proposals were identified at the Roundtable to address declining participation:

Proposal 1.1: A shared commitment to increasing participation. This may include:

- All governments agreeing to work together to prioritise increased participation across all forms of tertiary education
- Fostering collaboration between universities, VET providers and their local communities
- Examining how inequalities in secondary school education are driving inequalities in tertiary education participation
- Raising awareness of tertiary education as part of lifelong learning for all Australians
- Promoting government support for participation in all forms of tertiary education.

Proposal 1.2: Funding that optimises participation and success. This may include:

- Collaborating across governments to improve equity in tertiary education funding
- Providing income-contingent student loans for higher education and VET
- Adjusting funding to meet the real costs of educating students with diverse needs.

Proposal 1.3: Diversified income streams that contribute value. This may include:

- Adopting a more strategic sector-wide approach to international student enrolments
- Collaborating with industry to explore options to increase “third stream” investment.

2. Set clear objectives for tertiary education

Despite repeated calls for a more coherent tertiary education sector, Australia still does not have a coherent sector-wide strategy for tertiary education. Participation growth must be guided by a coherent view of the role of higher education and VET in meeting future skills needs.

Two key proposals were identified at the Roundtable to clarify objectives for tertiary education

Proposal 2.1: Clear objectives to guide government investment. This may include:

- Improving collaboration on tertiary education policy across all levels of government
- Clarifying the economic and social objectives of tertiary education in Australia
- Supporting research and analysis on return-on-investment in tertiary education.

Proposal 2.2: Clear pathways through the tertiary education sector. This may include:

- Working with higher education and VET providers to clarify credit and pathways
- Acting on the findings of the Australian Qualifications Framework (AQF) Review
- Building consistent understandings of assessment in higher education and VET
- Identifying and promoting the scale-up of successful credit and pathways models
- Incentivising institutional collaboration on credit and pathways
- Monitoring the effects of capped funding arrangements on student mobility through the sector.

3. Improve student choices in tertiary education

Inequalities in funding arrangements, and limited access to information about flexible options, mean that many Australian students choose tertiary education courses for the wrong reasons. Student choices about tertiary education participation must be guided by understanding of the learning opportunities best suited to their talents, not distorted by affordability and accessibility.

Two key proposals were identified at the Roundtable to improve students' study choices:

Proposal 3.1: Promotion of diverse options in tertiary education. This may include:

- Improving information to students about pathways into and through tertiary education
- Encouraging schools and families to support students to build on their strengths
- Increasing opportunities for school students to experience academic and vocational learning
- Scaling up models of career education that target students earlier in their schooling
- Improving information about financial support available for all tertiary education options
- Raising awareness of alternative entry pathways and credit recognition
- Concentrating efforts to promote diverse study options in areas of low participation.

Proposal 3.2: Promotion of flexible, lifelong learning pathways. This may include:

- Raising awareness of the benefits of lifelong participation in tertiary education
- Expanding the role of the National Careers Institute to include higher education
- Ensuring that funding models do not close off or disincentivise certain pathways
- Encouraging schools to promote non-linear pathways in career education programs
- Encouraging universities to build on their students' existing knowledge and skills
- Encouraging tertiary education providers to offer discount vouchers for returning students
- Fostering partnerships between tertiary education providers that serve similar communities.

4. Connect tertiary education to the workplace

Australian tertiary education graduates must be ready to succeed in an increasingly complex labour market. Students in all forms of tertiary education must be supported to acquire broad knowledge and skills, to prepare them for work and lifelong learning. This requires effort from both education providers and employers, and effective collaboration between them.

Three key proposals were identified at the Roundtable to improve graduates' work-readiness

Proposal 4.1: Clear roles for tertiary education and employers. This may include:

- Consulting with tertiary education providers and employers about their expectations
- Supporting further analysis of the economic and social impact of preparation for work
- Working with employers to identify broad clusters of future skills needs
- Sharing and promoting models of best practice in preparing students for work.

Proposal 4.2: Better opportunities for work integrated learning. This may include:

- Working with educators and employers to develop higher apprenticeship programs
- Encouraging tertiary education providers to offer WIL experiences earlier in courses
- Strengthening connections between WIL in secondary and tertiary education
- Recognising the WIL potential in courses that do not have a direct vocational focus
- Promoting options for students to integrate work-related learning into their studies

Proposal 4.3: Strong partnerships between education and industry. This may include:

- Incentivising industry collaboration with tertiary educators
- Promoting better understanding of the benefits and challenges of partnerships
- Strengthening connections between industry and tertiary education sector research
- Promoting collaboration on the design of credentials to meet industry skills needs

5. Innovate to drive participation and success

The tertiary education sector must innovate to keep pace with change. Ongoing innovation is critical to sustaining a diverse tertiary education sector in which all students can succeed.

Three key proposals were identified at the Roundtable to encourage innovation

Proposal 5.1: Removal of structural barriers to innovation. This may include:

Developing policy, regulatory and funding arrangements that support diversification

Identifying and removing existing structural and cultural barriers to diversification

Proposal 5.2: Rewards and recognition for innovative provision. This may include:

- Offering stimulus funding or incentives for evidence-based experimentation
- Promoting successful innovations in tertiary education
- Promoting understanding among providers of potential areas for innovation
- Encouraging tertiary education providers to foster a culture of innovation internally
- Supporting research and development as a driving force of innovation

Proposal 5.3: Community engagement to drive innovation

- Consulting with current and future tertiary students about potential for innovation
- Consulting with diverse communities about potential innovation in tertiary education
- Consulting with other sectors about fostering collaboration and innovation.

The changing role of Australian universities within a broader tertiary education sector

Australian higher education is currently facing limited growth, after a decade of significant expansion. This calls for reflection on the role of universities within the broader tertiary education sector.

This report presents proposals for shaping the future of the Australian tertiary education sector, arising from Roundtable discussions at *The Role of Universities in the 2020s* Symposium at Victoria University on 31 August 2019. Hosted by the Sir Zelman Cowen Centre, with the Mitchell Institute for Education and Health Policy, the Roundtable aimed to honour the commitment to innovation that Sir Zelman showed during his time as a Vice-Chancellor, and to generate ideas for addressing the challenges currently facing the tertiary education sector.

The Roundtable participants comprised 40 leaders from Australian universities, as well as leaders from vocational education and training (VET), industry, and the not-for-profit sector. Discussions took place in groups formed around five key issues facing tertiary education:

1. *Participation*
2. *Financing, including student contributions*
3. *Pathways and credit*
4. *Work/Job-readiness*
5. *Innovation*

Facilitators for each group captured the key ideas that were put forward, noting where there was a convergence of views. Legitimate differences of opinion also emerged on some points, reflecting the diversity of stakeholders represented in the discussions. The goal was not to reach agreement, but to elicit a range of proposals to enable the tertiary education sector to reach its full potential in driving economic, social and intellectual growth in Australia.

The five issues discussed at the Roundtable have been reshaped in this report into five groups of proposals for reform, as ideas raised in relation to one issue frequently intersected with others. The grouping of proposals in this report is designed to assist in identifying priorities areas for reform, while recognising that the revitalisation of tertiary education cannot be achieved through piecemeal action. Rather, specific reform proposals should be seen as interlocking pieces in a larger puzzle, or steps that may be taken over time to progress towards a shared long-term vision. While the Roundtable focused on the role of universities, proposals in this report also extend these ideas to a broader vision for tertiary education reform. This reflects the group's support for reform towards a more coherent tertiary education sector.

The Roundtable took place as a number of reviews of tertiary education were underway or recently completed. These reviews will likely offer more detailed recommendations in the policy areas identified in this report, and will assist in identifying how these proposals may best be operationalised. Our intention is that this report may serve as a framing device through which these reviews can be synthesised, to strengthen coherence in tertiary education reform.

1. Increase participation in tertiary education

The Roundtable agreed that participation in tertiary education must increase, to drive Australia's prosperity. This requires a sustainable, coherent funding model for tertiary education.

Overall participation in tertiary education is declining

Participation rates in tertiary education in Australia are trending downwards (Dawkins, Hurley, & Noonan, 2019). Current policy settings for higher education point to modest projected increases in funding and participation. Meanwhile, enrolment in vocational education and training (VET) continues to decline, resulting in declining tertiary education participation rates overall.

Growth in tertiary education enrolments is essential for supplying skills for the labour force, as well as for social and economic equity and opportunity. The current pattern of decline will leave the Australian labour force under-equipped for a future work environment in which tertiary education – whether university or VET – is required for most occupations. Participation in both higher education and VET needs to be lifted, to ensure that Australian students have a genuine choice. A strong, high-quality system that includes higher education and VET providers, including dual-sector institutions, will supply the full range of skills that Australia needs.

Three key proposals were identified at the Roundtable to address declining participation:

Proposal 1.1: A shared commitment to increasing participation

This proposal establishes increased participation as a key goal across all tertiary education policy, to ensure the sector can deliver on future skills needs. It may include:

- **All governments agreeing to work together to prioritise increased participation across all forms of tertiary education** (higher education and VET). This may include working with tertiary education providers to establish participation goals that reflect a sustainable balance of investment across higher education and VET, at Commonwealth and state/territory level.
- **Fostering place-based collaboration between universities, VET providers and their local communities**, to pursue local solutions to increasing tertiary education participation, potentially beginning in early childhood and continuing through school.
- **Examining how inequalities in secondary school education are driving inequalities in tertiary education participation** (for example, in school subject choices). This includes examining factors affecting participation in rural and regional communities.

“As a prosperous nation, it is unacceptable that there are still some students in Australia who do not have an equal opportunity to participate in tertiary education.”

Roundtable participant

- **Raising awareness of tertiary education as part of lifelong learning for all Australians.** This may include promoting evidence that all students can succeed in tertiary education, including showcasing diverse “success stories” from higher education and VET. It may also include raising awareness of both costs and return-on-investment of various study options.
- **Promoting government support for participation in all forms of tertiary education,** to demonstrate the government’s commitment to flexible pathways for all students. This may involve replacing fragmented information about support options with a simplified joint statement about how all kinds of tertiary education participation will be supported (which would be assisted by a more coherent funding model, as suggested below). This would give prospective students greater confidence in choosing to participate in tertiary education, especially those for whom financial concerns may currently be a barrier to participation.

Proposal 1.2: Funding that optimises participation and success

This proposal recognises that the current fragmented and inconsistent funding arrangements may be distorting students’ participation choices in tertiary education. It may include:

- **Collaborating across governments to improve equity in tertiary education funding.** This may include examining current pricing structures across higher education and VET, and their impact on student tertiary education participation choices. Adjustments to pricing arrangements should aim to encourage students to consider a broad range of options.
- **Providing income-contingent student loans for higher education and VET.** This may include extending HELP across higher education and VET (potentially requiring adjustments to repayment thresholds¹), noting that the introduction of free TAFE in several jurisdictions has been effective in raising VET participation and retention. Eligibility for providers to be granted approval to offer VET loans may require them to meet specific quality standards.
- **Adjusting funding to meet the real costs of educating students with diverse needs,** including systemic costs (such as students from disadvantaged backgrounds), and short-term costs (such as increased costs for tertiary provision in drought-affected rural areas). While the government’s preferred approach is to use performance-based funding to reward engagement of equity group students, funding arrangements that address these costs directly may be considered as part of a sustainable funding model for tertiary education.

“The effect of drought on rural students, and the universities that they attend, is real and vivid. As well as the psychological effects on staff and students, anything that takes students away from their studies does cost money.”

Roundtable participant

¹ <https://grattan.edu.au/report/help-for-the-future/>

Proposal 1.3: Diversified income streams that contribute value

This proposal aims to sustain and enhance the diverse contributions that are made to Australian tertiary education, which contribute more than just financial value. It may include:

- **Adopting a more strategic sector-wide approach to international student enrolments.** This involves recognising and leveraging the contribution that international students make to Australian tertiary education, both in enriching diversity at tertiary education institutions, and as part of a sustainable model of growth for the sector. It may include cross-portfolio collaboration to improve consistency between recruitment initiatives and visa arrangements; and active monitoring of the impact of changes in Australia's international relations on enrolment trends. It may also include encouraging international students towards rural and regional universities; noting the potential benefits to both students and host communities.
- **Collaborating with industry to explore options to increase “third stream” investment.** Potential models include those from the United Kingdom; or leveraging the growth of micro-credentialing to identify and deliver skills in high demand; recognising that tailored strategies to encourage investment in tertiary education may be needed across different industries.

Background: Investment in tertiary education in Australia

Higher education in Australia became a national investment in 1974 when the Commonwealth assumed full responsibility for funding higher education, abolished tuition fees, and replaced Commonwealth scholarships with family means-tested student assistance.

Commonwealth investment in higher education plateaued after the 1976 Commonwealth budget. However a new distinctive Technical and Further Education (TAFE) system emerged, boosted by significant Commonwealth investment, and agreement between the Commonwealth and the states. TAFE enrolments increased, as higher education entered a decade of low growth and consolidation.

The higher education funding system was further transformed by the introduction of Australia's pioneering income contingent loans scheme in 1989. This was initially for publicly funded undergraduate courses in universities, but now extended to full fee undergraduate and post graduate courses across a range of providers.

Since then, the higher education financing system has been largely unchanged. Public financing is mainly limited to public universities under tightly defined financing rules for undergraduate education. Proposals for fee flexibility have not been taken up, and volume was deregulated but will now likely be more tightly regulated. Private higher education undergraduate and post graduate financing is underpinned by HELP, but deregulated except for lifetime loan caps.

VET funding is highly differentiated between the states and has been in serious decline. Most VET students have to pay upfront fees across most courses, although discounts are given to those in disadvantaged groups. VET Student Loans (VSL) are limited to specific courses and subject to loan caps. Upfront fees constrain access, especially for disadvantaged students.

There has been huge growth in revenue from international students, but a downturn in international student revenue could create major risks for domestic provision. System efficiency and quality will be a continuing issue given government fiscal constraints and low wages growth (with consequential impacts of HELP debt repayment levels).

Students today face far greater financial and other pressures than their counterparts in earlier years. Student income support is limited in its availability, and insufficient to meet the growing costs of living, particularly in relation to rental and transport costs. To compound these challenges, the increase in university participation has increased the socio-economic diversity of university students, meaning more students struggle with fees and costs. The financial burden is especially great for students from non-metropolitan areas, who often face the costs of living independently.

Not only do financial arrangements underpin providers' ability to offer high-quality learning experiences; they also send signals to potential students that guide their participation choices. A sustainable, efficient and equitable financing system will be required to underpin ongoing increases in participation in tertiary education in Australia, and boost national productivity and prosperity.

2. Set clear objectives for tertiary education

Participation growth must be guided by a coherent view of the role of higher education and VET in meeting future skills needs.

Australia needs a coherent strategy for tertiary education

Australia's higher education and VET systems started as separate systems and largely remain so. Indeed, differences in governance, funding, regulation and pedagogy between VET and higher education have intensified over time, rather than diminished. Several major recent reports – including from the Monash Commission², dual sector university Vice Chancellors³, the Business Council of Australia⁴ and the Mitchell Institute⁵ – have argued for moves toward a more coherent, better connected, and equitably funded tertiary education system.

Two key proposals were identified at the Roundtable to clarify objectives for tertiary education:

Proposal 2.1: Clear objectives to guide government investment

This proposal involves establishing clearer and more cohesive objectives for investing in tertiary education to meet future skills needs, at all levels of government. It may include:

- **Improving collaboration on tertiary education policy across all levels of government**, including greater Commonwealth-State collaboration through the Council of Australian Governments (COAG), and co-operation across Education, Skills, and Higher Education portfolios. This is critical for developing an effective and well-resourced tertiary sector.
- **Clarifying the economic and social objectives of tertiary education in Australia**, by consulting with stakeholders in all parts of the tertiary education sector about the value that they deliver, and testing value propositions with the wider community (with particular attention to rural and regional, disadvantaged, and high-growth communities). This should provide a nationally consistent framework of goals for all tertiary education providers, to complement the ongoing role of state and territory governments in ensuring that tertiary education provision responds to local skills needs. Estonia, Finland and Singapore provide potential models; as does the *Melbourne Declaration on Educational Goals for Young Australians*.
- **Supporting research and analysis on return-on-investment in tertiary education**, based on a broad definition of value (not limited to employability skills). This would provide a more robust evidence base to inform a long-term funding strategy, which may have particular benefit in improving stability in funding arrangements for VET. It may include analysis of economic risks in not meeting the costs of tertiary education growth.

² <https://commission.monash.edu/2019/05/03/1374780/report-of-the-2018-monash-commission>

³ www.dualsectorpaper.com/

⁴ https://www.bca.com.au/future_proof_australia_s_future_post_secondary_education_and_skills_system

⁵ www.mitchellinstitute.org.au/papers/rethinking-and-revitalising-tertiary-education/

Proposal 2.2: Clear pathways through the tertiary education sector

This proposal involves clarifying pathways through tertiary education, to create a more coherent understanding of how VET and higher education contribute to lifelong learning. It may include:

- **Working with higher education and VET providers to clarify credit and pathways**, to improve the ability of students and providers to negotiate fair and rigorous arrangements. This may begin with collaboration between governments and providers to develop a shared language to apply to credit and pathways solutions, beginning by identifying common terms. The Roundtable recognised that some previous attempts to clarify credit and pathways have become mired in complexity, and shared commitment is required to achieve improvement.
- **Acting on the findings of the Australian Qualifications Framework (AQF) review**, to clarify the skills, knowledge, and capabilities in academic, vocational and professional qualifications, and how these are best delivered. Industry and professional bodies may have a role to play in this; perhaps using a model of Skills Organisations proposed in the *Expert Review of Australia’s Vocational Education and Training System*⁶. It may involve disruption to some VET superstructure, especially the training package model. This may include guidelines for transfer of learning across tertiary education providers, especially for general qualifications (as well-defined pathways already exist for professional qualifications).
- **Building consistent understandings of assessment in higher education and VET**, within a broader pedagogical framework that aligns graded and competency-based assessment. This may also include assisting universities to identify VET providers with high-quality teaching and assessment practices, and providing guidance for credit recognition for students from other VET providers.
- **Identifying and promoting the scale-up of successful credit and pathways models**. Victoria’s pre-accreditation system was identified as an especially effective model for offering short modular courses that provide well-defined pathways into further education or employment for disadvantaged groups. Other exemplary models may exist at institutional level, especially in dual-sector institutions.
- **Incentivising institutional collaboration on credit and pathways**. This may include incentives for parts of higher education courses to be delivered through the VET sector, to improve the cost-effectiveness of tertiary education overall.
- **Monitoring whether constrained funding arrangements cause bottlenecks or other adverse effects on student mobility**, to ensure that funding arrangements do not compromise or constrain student pathways through the tertiary education sector, or the flow of information between tertiary education providers.

“If we’re serious about lifelong learning, we need to have a system that’s clear to users, no matter their age or background, and people should easily be able to move across, up, down – but how that works is complex.”

Roundtable participant

⁶ <https://pmc.gov.au/domestic-policy/vet-review>

Background: Credit and pathways in Australian tertiary education

Issues around credit and pathways have been a longstanding policy concern. Several major policy reports and papers in recent years have argued for a better connected, if not integrated, tertiary education system. Such a system would be characterised by learner based pathways between institutions and systems to support flexible and continuous education.

Despite the clear merits of a well-connected system, tertiary education provision remains highly institutionally focused. Pathways within and between the sector are difficult to establish and sustain and difficult for students to navigate. Differences in university and VET systemic arrangements limit partnerships between providers, and prevent the realisation of the potential of dual sector universities to create learner centred pathways and collaborative delivery.

Credit provision remains legitimately as a matter for decisions by individual institutions, but varies significantly between institutions and fields of study. Credit recognition will become increasingly important with the rise of micro credentials and to ensure that adults returning to formal learning or retraining have existing skills and knowledge recognised.

The current AQF Pathways policy is largely ineffective and not properly recognised or embedded in sector standards (as outlined in the recent Ithaca report for AQF Review⁷). System level data and information on pathways and credit provision is almost completely lacking.

Improved pathways and credit arrangements have much to offer, in improving the responsiveness of the tertiary education sector to its increasingly diverse student population. Flexible, seamless pathways between VET and higher education can improve university access for students from non-traditional backgrounds, including those without a strong base of academic skills. At the same time, movement between university and VET should not be seen as “one way”, but as offering a suite of options for students to build a portfolio of knowledge and skills.

⁷ <https://docs.education.gov.au/node/51846>

3. Improve student choices in tertiary education

Student choices about tertiary education participation must be guided by understanding of the learning opportunities best suited to their talents, not distorted by affordability and accessibility.

Many Australian students choose courses for the wrong reasons

The previous sections have focused on the systemic costs and benefits of tertiary education. Yet the greatest costs and benefits in Australia's tertiary education system fall to the students. The inconsistencies between higher education and VET funding throw up barriers to optimal decision-making and flexible movement through the tertiary sector. Many students make participation choices based on limited understanding of their options, or factors that do not relate to the real value of the learning experience to their goals, such as availability of financial support.

There was a strong feeling among Roundtable participants that student choices are also being compromised by biases and information gaps relating to different types of tertiary study. Many students are influenced by school and family expectations to choose courses based on prestige or exclusivity, rather than the best match for their interests, aptitudes, or career prospects. Other students may exclude certain study options as beyond their reach, because they are unaware of alternative entry pathways. Disadvantaged circumstances can also have a narrowing effect on students' aspirations. There is scope for orienting all students' aspirations to a broader range of possibilities, including VET and higher education options for students of all abilities.

Two key proposals were identified at the Roundtable to improve students' study choices:

Proposal 3.1: Promotion of diverse options in tertiary education

This proposal involves strategies to encourage students to consider a broader range of tertiary education options, by overcoming informational and structural barriers. It may include:

- **Improving information to students about pathways into and through tertiary education**, to increase the aspirations of all students to pursue further study. This may include leveraging information about the return-on-investment for different study options, as discussed above.
- **Encouraging schools and families to support students to build on their strengths** in considering study options, as the basis for their future prosperity and fulfilment. This may involve explicitly addressing biases towards study options perceived to be prestigious, and raising awareness of salary and career options in a wide range of industries and professions.
- **Increasing opportunities for students to experience academic and vocational learning** in secondary school, including addressing perceptions of VET for school students as a second-class option. This issue has emerged in the current NSW Curriculum Review, and

could be taken forward through the COAG *Review of Senior Secondary Pathways*. This may include improving funding models for VET for school students, so that VET is seen as part of schools' core offerings to students, not as an "add on" that many schools cannot provide.

- **Scaling up models of career education that target students earlier in their schooling.** These models should encourage portfolio-based exploration of students' strengths and interests, to equip students to pursue a range of lifelong learning opportunities.
- **Streamlining and promoting information about financial support available for all tertiary education options,** to minimise the impact of financial considerations on students' study choices. This may be most effective if more equitable student support were available in higher education and VET (see above).
- **Raising awareness of alternative entry pathways and credit recognition,** to reduce the discouraging effect of not achieving a desired Australian Tertiary Admission Rank (ATAR). This may include promoting entry pathways that recognise existing knowledge in more diverse ways (including Indigenous knowledge traditions), especially in the arts, humanities, and social sciences.
- **Concentrating efforts to promote diverse study options in areas of low participation,** as part of local strategies to increase participation and success. This may also include raising awareness among tertiary education providers of adult and community education, as a core component of post-secondary education pathways for disadvantaged learners.

"You go to open days and you get a sales pitch, we need to change this, as it isn't helpful. Young kids will end up with debt at the end of this."

Roundtable participant

Proposal 3.2: Promotion of flexible, lifelong learning pathways

This proposal involves awareness-raising initiatives and structural reforms to encourage all students to regard tertiary education as a process of lifelong learning. It may include:

- **Raising awareness of the benefits of lifelong participation in tertiary education** through a sustained public information campaign. This may include promoting two-way movement between higher education and VET, and addressing public perceptions about the lower status or quality of VET, by promoting it alongside university as an equally valuable, but distinctive, tertiary education experience. It may also include clear messaging about credit and pathways, that Australian tertiary education students should "not repeat anything they already know".
- **Expanding the role of the National Careers Institute to include higher education,** and to support current and prospective students at all stages of the lifelong learning process.
- **Ensuring that funding models do not close off or disincentivise certain pathways.** This may include addressing VET funding access rules across many states and territories that many limit student choices, as well as restrictions on available courses eligible for VSL.

- **Encouraging schools to promote non-linear pathways in career education programs.** This should include messaging that “changing tack” does not constitute failure. The German model provides a strong example of a non-linear approach to pathways. Students with limited family support may require extra assistance in taking a “choose your own adventure” approach to developing individualised pathways into and through tertiary education.
- **Encouraging universities to build on their students’ existing knowledge and skills** in their pedagogical models and credit recognition arrangements, including knowledge and skills gained in non-formal learning contexts. This may include requiring universities to improve the accessibility of information about their entry pathways and credit recognition processes.
- **Encouraging tertiary education providers to offer vouchers** for future study to graduates on completion of a course (as are currently offered by some tertiary education providers in Singapore, who offer students discounts on future study).
- **Fostering partnerships between geographically proximate tertiary education providers which serve similar communities** (including adult and community education). These partnerships could streamline pathways and encourage lifelong participation. Models of institutional collaboration include students simultaneously enrolling in multiple institutions; sharing of physical infrastructure where possible; or well-supported models of online delivery.

“It’d be good if the qualifications are not seen as a destination, but as a stepping stone. That’s the big systematic change needed. If we can’t drive that, other providers will come in and dominate the sector.”

Roundtable participant

4. Connect tertiary education to the workplace

Students must acquire broad knowledge and skills in all types of tertiary education, to prepare them for work and lifelong learning. This requires effort from both education providers and employers.

Graduates must be ready to succeed in a complex labour market

While tertiary education still confers benefits for employability and earning power, transitions from study to work are increasingly complex. Graduate transitions to employment have slowed since the Global Financial Crisis, and graduate numbers have increased. Many students are now opting to pursue post-graduate studies to increase their employment prospects, but incur higher levels of HELP debt in doing so. Internships and opportunities to develop work readiness skills are increasingly essential to successful graduate labour market outcomes.

Many students place a high priority on work readiness as an outcome of tertiary study, even those not doing courses associated with a specific career. Employers are increasingly looking beyond formal credentials, to a broad range of attributes and capabilities. Work and job readiness is therefore an increasing priority for tertiary education institutions, reflected in the standards, learning outcomes and graduate outcomes for key disciplines, with an increasing focus on generic or general capabilities and skills. Research also plays an important role in the contribution tertiary education makes to the world of work, in driving innovation and growth.

Three key proposals were identified at the Roundtable to improve graduates' work-readiness:

Proposal 4.1: Clear roles for tertiary education and employers

This proposal involves evidence-based guidance from government about how tertiary education providers and employers can contribute to work-readiness for graduates. It may include:

- **Consulting with tertiary education providers and employers about their expectations** for the skills that graduates will develop in different kinds of tertiary education, best-practice models and current challenges. This may form part of the clarification of the economic and social objectives of tertiary education (Proposal 2.1), noting that tertiary education builds “lifelong and life-wide” skills and knowledge, not only preparation for work. It should balance responsiveness to emerging workforce needs with preservation of existing knowledge.
- **Supporting further analysis of the economic and social impact of preparation for work** in tertiary education. This may help identify misalignment between graduate skills and employer expectations, including differences across industries, for priority attention. It may also help clarify which skills relate to different outcomes (either finding work, or succeeding in work). Other potential research priorities include how skills for work and lifelong learning are defined and demonstrated among different communities, especially Indigenous communities; and how work-readiness skills contribute to gendered patterns in graduate outcomes.

- **Working with employers to identify broad clusters of future skills needs**, so strategic investment in tertiary education can be informed by labour market trends; without adopting prescriptive approaches, but instead aiming to inform and influence student choices. This should include general skills such as adaptability, resilience and self-directed learning; noting that the specific skills required by future employers cannot be predicted with confidence⁸. It may also include systematic monitoring of the impact of technologies on demand for skills.
- **Sharing and promoting models of best practice in preparing students for work**, including the development of general capabilities in higher education and VET settings, and in general and professional courses. This may include best practice in assessing general capabilities; which remains an emerging area of practice across the tertiary education sector. It may also include raising awareness among tertiary education providers of contemporary recruitment methods, and assessments of general capabilities that may be involved.

Proposal 4.2: Better opportunities for work integrated learning

This proposal involves maximising opportunities for work-integrated learning (WIL) in all kinds of tertiary education, to build students' understanding of the world of work. This may include:

- **Working with educators and employers to develop higher apprenticeship programs**, to extend a well-established model of WIL to a wider student body. The UK model of degree apprenticeships was identified as promising for Australia,⁹ as well as the possibility of apprenticeships in VET Advanced Diplomas or Associate Degrees. Other best-practice models may be drawn from professional disciplines (such as teaching, nursing, journalism); dual-sector universities; “hybrid” models; and internships. Particular attention should be given to designing workable apprenticeship models for small to medium enterprises. It may also be necessary to address university concerns about “industrial” terminology, and risk of dropout.
- **Encouraging tertiary education providers to offer WIL experiences earlier in courses**; as WIL is less effective when it is “tacked onto the end” of a course. This may include creating “virtual businesses” in which students can engage, where local WIL opportunities are limited.
- **Strengthening connections between WIL in secondary and tertiary education**; noting that 5,000 hours of work engagement from age 15 to 25 leads to better long-term outcomes¹⁰.
- **Recognising the WIL potential in courses that do not have a direct vocational focus** (such as Science and Arts), but which teach thinking skills that are valuable in the workplace. This includes recognising the general benefits of research skills to work-readiness.
- **Promoting options for students to integrate work-related learning into their studies**. Students should be supported to build a portfolio of formal and non-formal learning, to use for entry (and re-entry) into tertiary education, and for credit recognition within relevant courses.

⁸ Fortune 500 research: 23% of business leaders are confident that they have skills and knowledge for future of industry.

⁹ <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2019/future-degree-apprenticeships.pdf>

¹⁰ https://www.fya.org.au/wp-content/uploads/2018/06/FYA_TheNewWorkReality_sml.pdf

Proposal 4.3: Strong partnerships between education and industry

This proposal involves strengthening connections between tertiary education providers and employers, to promote shared efforts to improve learning and graduate outcomes. It may include:

- **Incentivising industry collaboration with tertiary educators,** potentially using tax incentives such as offsets. Canada is an example of tax incentives resulting in relatively high levels of WIL. Incentivised collaboration could also enhance the commercialisation of research, whether through tax incentives, or a dedicated fund.
- **Promoting better understanding of the benefits and challenges of partnerships,** from both the tertiary education and industry perspective. This may include raising awareness of specific challenges and opportunities faced across the range of tertiary education providers (including regulatory and funding arrangements); as well as employers (especially small and medium enterprises). It may also include promoting best practice models, and increasing engagement with professional bodies to broker WIL arrangements.
- **Strengthening connections between industry and tertiary education sector research,** including opportunities for researchers and research students to “dip in and out of work”. Cooperation between tertiary education providers and industry on research could be facilitated through government initiatives such as the Innovation Connections project.¹¹
- **Promoting collaboration on the design of credentials to meet industry skills needs.** This may include identifying skills sets that may be developed through shorter courses or micro-credentials, which may be more cost-effective than completing a full qualification.

“The problem of job readiness is not about being unable to get a job. It is the mismatch between what the student has graduated with, what they have been prepared for, and what the job is.”

Roundtable participant

¹¹ <https://www.business.gov.au/assistance/entrepreneurs-programme/innovation-connections>

5. Innovate to drive participation and success

Ongoing innovation is critical to sustaining a diverse tertiary education sector in which all students can succeed.

Tertiary education must innovate to keep pace with change

The growth in university participation has challenged how universities define what they do. It has generated a stronger focus on teaching quality and innovation in course design and delivery across the system. There are many and increasing examples of significant innovation in Australian universities, including in how courses are structured and credentialed, as well as innovation in teaching and learning. Despite “change fatigue” from waves of policy reform, many VET providers have also innovated to meet the needs of students and employers.

The student population has also diversified, along socio-demographic and economic lines. Perhaps the greatest transformation in the university student profile in recent years has been the rapid increase in participation from non-traditional student groups, responding to the opportunities offered by demand-driven funding. Another is the marked growth in international student enrolments, which has dramatically changed the needs and profile of the student population. The tertiary education sector must continue to innovate to meet students’ needs, and promote scaling up of best practice within and between university and VET providers.

Three key proposals were identified at the Roundtable to encourage innovation:

Proposal 5.1: Removal of structural barriers to innovation

This proposal involves identifying and addressing the policy, regulatory, structural and funding arrangements that constrain innovation across the tertiary education sector. It may include:

- **Developing policy, regulatory and funding arrangements that support diversification** in tertiary education provision, recognising that a diverse student population requires diverse models of provision. This may include more innovative, flexible performance metrics to measure what matters most to quality teaching and learning; and a focus on customising options for rural and regional, Indigenous, disadvantaged, and mature-age students. It also means avoiding introducing new barriers to participation that disproportionately affect equity group students; especially in relation to entry requirements, and access to student support.
- **Identifying and removing existing structural and cultural barriers to diversification** in tertiary education provision. This may include addressing the effects of standardised and prescribed funding systems, standards and quality assurance requirements. It may also include avoiding penalising tertiary education providers for the outcomes of innovation; such as cost-effectiveness initiatives that result in a budget surplus. League tables, or similar competitive mechanisms, may also inhibit the spread innovation across institutions.

Proposal 5.2: Rewards and recognition for innovative provision

This proposal involves actively promoting innovation in tertiary education, through financial incentives and dissemination of ideas across the entire tertiary education sector. It may include:

- **Offering stimulus funding or incentives for evidence-based experimentation** within tertiary education provision. This may prioritise innovation that improves participation and outcomes for equity group students. It may also prioritise innovations that involve collaboration between tertiary education providers, for a more connected tertiary sector. Distribution of incentives would need to recognise the different scope for innovation between disciplines and contexts; for example, hands-on subjects cannot be easily delivered online.

- **Promoting successful innovations in tertiary education.**
Successful innovations identified at the Roundtable included:

- *Institution-level innovations*, such as the Victoria University Block Model; the Melbourne Model at The University of Melbourne; and the University of Western Australia’s curriculum reform.
- *Credentialing innovation*, such as micro credentials, digital badges, and Associate Degrees.
- *Innovation in teaching and learning*, such as shifting away from lectures to more collaborative learning; weekend “creatathons”; and a summer school for Indigenous PhD candidates.

“There is a massive amount of inertia [in Australian universities]. The private sector hasn’t disrupted the university sector to same extent as it has elsewhere.”

Roundtable participant

Promotion of innovations should include dissemination of information about their impact, success factors and scalability.

- **Promoting understanding of potential areas for innovation**, focused on meaningful improvements to teaching, learning and assessment. Innovation should aim to move teaching and learning from individual to collaborative, such as team teaching or peer assessment. While the Roundtable identified some technologies that offer promising opportunities for innovation (such as social networking, and real-time digital assessment), the “human element” of innovation was considered to be more important than the technological elements.
- **Encouraging tertiary education providers to foster a culture of innovation**, to engage all staff in collaborative professional reflection and continuous improvement. Practitioner action research is one way to develop pedagogical content knowledge for university educators, and identify effective strategies for teaching increasingly diverse student groups. Innovations in discipline-specific knowledge may also provide the impetus for pedagogical innovations.
- **Supporting research and development as a driving force of innovation** in the tertiary education sector, and the Australian economy more broadly. This may include moving to a full economic costing of research, drawing on international models (such as the UK) where a greater proportion of research costs are met by government. It may also include greater international promotion of Australian research leadership in tackling global challenges.

Proposal 5.3: Community engagement to drive innovation

This proposal involves driving innovation by leveraging tertiary education providers' most valuable source of ideas; their students, and the communities that they serve. This may include:

- **Consulting with current and future tertiary students about potential for innovation**, to help tertiary education providers respond to students' own identified learning needs. This would encourage student diversity to be positioned as a key driver for innovation. It also recognises that students increasingly seek non-formal learning outside of institutions (such as YouTube); and that all education providers can benefit from understanding how these trends may disrupt students' expectations about what institutional learning should involve. This may also include promoting student agency in co-designing the teaching and learning process.
- **Consulting with diverse communities about potential innovation in tertiary education**, to yield innovative local solutions to tertiary education provision challenges. This may also help to sustain public trust in, and engagement with, the tertiary education sector.
- **Consulting with other sectors about fostering collaboration and innovation**. The Minerals Council of Australia was identified as one exemplary driver of innovation. The experience of "first movers" in business may also be instructive for tertiary education; and universities may learn from VET providers, in adaptive capacity and resilience to change.

Appendix A – Roundtable participants

Chair

Ms Elizabeth Proust AO, Non executive director, Lendlease

Facilitators

Professor Glyn Davis AC, Chief Executive Officer, Paul Ramsay Foundation

Ms Catriona Jackson, Chief Executive Officer, Universities Australia

Professor Stephen Parker AO, Lead Education Partner, KPMG

Mr Craig Robertson, Chief Executive Officer, TAFE Directors Australia

Emeritus Professor David Weisbrot AM, Adjunct Professor, Sir Zelman Cowen Centre, Victoria University

Participants

Professor Kent Anderson, Adviser, Training and Skills, Office of the Hon. Dan Tehan

Professor Ian Anderson AO, Deputy Chief Executive Officer, National Indigenous Australians Agency

Dr David Bowser, Chief Executive Officer, CURIO

Professor Peter Dawkins AO, Vice-Chancellor and President, Victoria University

Mr Grant Dreher, Deputy Vice-Chancellor Vocational Education & Pathways, Victoria University

Professor Annabelle Duncan, Former Vice-Chancellor & Chief Executive Officer, University of New England

Professor Carolyn Evans, Vice Chancellor and President, Griffith University

Professor Peter Høj AC, Vice-Chancellor & President, The University of Queensland

Mr Simon Hollingsworth, Deputy Secretary, Victorian Department of Education and Training

Dr Jen Jackson, Education Policy Lead, Mitchell Institute, Victoria University

Mr Thomas Johnsson, Chief Executive Officer, UniLodge

Mr Conor King, Executive Director, Executive Director, Innovative Research Universities

Ms Megan Kirchner, Head, Tertiary Education, Business Council of Australia

Ms Jenny Lambert, Director, Employment, Education and Training, Australian Chamber of Commerce and Industry

Professor Kathy Laster, Director, Sir Zelman Cowen Centre, Victoria University

Ms Megan Lilly, Head of Workforce Development, Australian Industry Group

Mr Michael Lim, YLab Manager, Foundation for Young Australians

Professor William Locke, Director, Melbourne Centre for the Study of Higher Education, University of Melbourne

Dr Don Markwell, Warden, St Paul's College, University of Sydney

Dr Lin Martin, Commissioner, Tertiary Education Quality and Standards Authority

Professor Duncan Maskell, Vice-Chancellor, The University of Melbourne

Professor Geoff Masters AO, Chief Executive Officer, Australian Council for Educational Research

Professor Peter Noonan, Professor (Tertiary Education), Mitchell Institute, Victoria University

Mr Andrew Norton, Higher Education Program Director, Grattan Institute

Ms Jan Owen AM, Chief Executive Officer, Foundation for Young Australians

Dr Caroline Perkins, Executive Director, Regional Universities Network

Mr Mike Teece, Policy Director (Academic), Universities Australia

Ms Vicki Thomson, Chief Executive Officer, Group of Eight

Professor Michelle Trudgett, Pro Vice-Chancellor Aboriginal and Torres Strait Islander Education, Strategy and Consultation, University of Western Sydney

Professor Simon Wilkie, Dean, School of Business and Economics, Monash University

Recorders

Dr Zoran Endekov, Policy Fellow, Mitchell Institute, Victoria University

Dr Daniel Loton, Senior Educational Research Advisor, Connected Learning, Victoria University

Dr Gayani Samarawickrema, Learning Designer, Connected Learning, Victoria University

Dr Nina Van Dyke, Policy Fellow, Mitchell Institute, Victoria University

Ms Sarah Williams, Administration Officer, Mitchell Institute, Victoria University



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