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The Productivity Commission

E-mail: skills.workforce.agreement@pc.gov.au

Dear Sir/Madam

Review of the National Agreement for Skills and Workforce Development (Interim Report)

La Trobe University welcomes the opportunity to respond to the Productivity Commission's Interim Report of the Review of the National Agreement for Skills and Workforce Development (the Report).

La Trobe is a State-wide university covering central and northern Victoria with campuses at Albury-Wodonga, Bendigo, Mildura and Shepparton. Our main Melbourne campus is in Bundoora, part of Melbourne's rapidly growing north, and we also have campuses in Melbourne city and Sydney. Three of our regional campuses are co-located with TAFEs, with which we enjoy strong and long-standing partnerships. This has enabled a number of pathway projects in which we work with regional schools, TAFEs and other community groups to raise aspiration and improve transition to post-school education.

It is clear that Australia's economic recovery post COVID-19 will need to be underpinned by newly-skilled vocational and higher education graduates. In order for this to succeed, the priority should be to break down the barriers between the two sectors and to optimise their respective strengths.

A. Optimising the respective strengths of the vocational and higher education sectors

The Report argues that "subsidies for VET are justified to avert the risk that students will be otherwise encouraged to enter the subsidised higher education sector even if the VET sector better meets their and society's needs" (p.124) and that career advisors "favour universities and mistakenly see VET as only offering trade qualifications." (p.6) When addressing the National Press Club on 26 May 2020, the Prime Minister Scott Morrison remarked that students are defaulting to the university system even when their careers would be better served through the vocational system[1]. His remarks reflect what appears to be an emerging narrative - both domestically and abroad[2] - that too many students are going to university, and that government education investments should therefore be focussed on technical or vocational education.

La Trobe acknowledges that the overall effectiveness of Australia's tertiary education sector, and therefore the options available for students, would be improved through more astute funding settings and improved information about the career outcomes for both sectors. **However, we**

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[1] https://www.pm.gov.au/media/address-national-press-club-260520
[2] https://www.timeshighereducation.com/news/tories-tear-english-target-half-young-enter-he

caution against a policy premise that increased university participation is 'wrong' or 'sub-optimal'. A 2016 report by Cadence Economics estimated that, in the 2007-15 period, university graduates accounted for almost 90 per cent of Australia's job growth, and in 2014-15, new skilled graduates entering the Australian workforce grew the nation's economic activity by $26.4billion (as measured by GDP)[3]. On an individual level, the data clearly show that income for students who complete a higher education degree is usually higher than that for those pursuing other pathways. Over their working lives, graduates on average earn significantly more than people who finish their education at Year 12. Clearly, ensuring that all those who wish to enter higher education are able to do so benefits society and the national economy, as well as individuals themselves.

Instead of an 'either/or' option, La Trobe argues for improvements in the pathways and synergies between VET and higher education to better address both local community aspirations and industry needs.

B.   Strengthening TAFE-university partnerships

The PC's report usefully highlights three case studies outlining fee-for-service and subsidised prices relating to courses for three occupations (nurse, childcare educator and carer, and building designer) across the VET and higher education sectors. It also devotes an entire chapter (Chapter E) to higher education funding. **The Report however fails to explore the opportunities that could stem from strengthening TAFE-university partnerships. We submit that this is an aspect which deserves further attention in the PC's Final Report.**

For a number of years, La Trobe pioneered a successful degree-diploma model which led to a higher number of articulations to La Trobe degrees from students who would have previously not considered university education. Described by the 2017 Halsey Review[4] as 'sector-leading', La Trobe's dual degree-diploma model consisted of students enrolling a TAFE diploma nested within a higher education degree program, with a choice of exit points as they progressed. This resulted in significantly greater fluidity between sectors than any previous models. While capped funding in 2017 made this program no longer viable, we continue to work with co-located TAFEs to support articulations into higher degree programs.

We argue that federal (and state) policy levers could more usefully be applied to incentivise collaboration between the two sectors which could lead to the development of innovative partnerships and education offerings such as VET Diploma – HE Degree options. Certainly, La Trobe would be keen to explore ways in which students could move between the sectors more smoothly. One example would be for the second year of a degree or a major to consist of a TAFE skills-based experience, leading to a new model of higher education qualification that harnesses the best of both sectors – a kind of 'degree apprenticeship'. Already trialled in the UK, degree apprenticeships combine university study and workplace learning to enable apprentices to gain a

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[3] Cadence Economics (2016), 'The Graduate Effect: Higher Education Spillovers to the Australian Workforce'
[4] © Commonwealth of Australia 2018, 'Independent Review into Regional Rural and Remote Education—Final Report'.

full bachelor's or master's degree while receiving an apprentice's minimum wage[5]. This would be in line with the advanced apprenticeship models[6] announced in the 2019-2020 Mid-Year Economic and Fiscal Outlook (MYEFO) that are already being piloted in Australia involving universities and extensive industry collaboration. La Trobe would be interested in participating in similar pilot programs particularly for disciplines such as Nursing, Engineering Technology and Agriculture.

The opportunities are manifold particularly when collaboration is encouraged at both levels of government. As long as there is increased recognition of the similarities, differences and value across the two sectors, innovative partnerships will emerge.

C.   Seamless transition in both directions

La Trobe shares the PC's observation that there is a need for "improved information about credit pathways – which encompasses credit transfer, recognition of prior learning and articulation – to allow students to move from VET to higher education taking into account the skills they have acquired already." (p.6). **However, it is important to underline the opportunities for higher education graduates to move to vocational education as well.** This is why we fully support the development of shorter micro-credentials with cross recognition between the two sectors (as recommended by the recently-concluded review of the Australian Qualifications Framework (Noonan Review[7])) to enable rapid, 'stackable' learning experiences. Such flexibility enables students to take initial steps to professional areas of need even when they are not willing/or able to commit to a full diploma or degree in another area. It also allows providers to offer short, highly-targeted courses to students and employers looking to fill a skills gap without getting bogged down in red tape. Equally, we support the Noonan review's intention to better align standards in the VET and higher education sectors for credit and recognition of prior learning. Enhancements in the simplicity and alignment of the Framework would facilitate the development of new education models that respond to contemporary community aspirations and needs.

D.   The critical importance of articulation and the advantages of national-level articulation agreements

La Trobe has in place several articulation arrangements including agreements with TAFE partners which enable students in possession of a diploma to articulate to a La Trobe degree. Comprehensive information about articulation opportunities, as recommended in the PC's report, is important. However, it is crucial to not lose sight of the fundamental issue – namely the critical importance of articulation and in prioritising and supporting sub-bachelor options that fully articulate into relevant fields of study at degree level. This is essential for supporting career progression and life-long learning and also as a means of meeting equity and participation

[5] https://www.officeforstudents.org.uk/advice-and-guidance/skills-and-employment/degree-apprenticeships/degree-apprenticeships-for-providers/
[6] https://budget.gov.au/2019-20/content/myefo/index.htm (Appendix A)
[7] Review of the Australian Qualifications Framework Final Report (2019)

objective, and is a matter that must be considered in the development of a new National Agreement.

Linked to this, the process of negotiating articulation agreements can be lengthy and frustrating for universities and TAFEs alike. **The opportunity to create national level articulation arrangements to University courses for specified training packages would further facilitate and quicken the process of approving articulations and enable more consistency nationwide**. This is an additional element that could be explored by the PC's report.

La Trobe would be very pleased to provide further information on the issues raised in this letter upon request.

Yours faithfully

Professor John Dewar AO
Vice Chancellor