



## Australia and the United States – National Skills and Productivity Agendas

### Skills Training and Vocational Colleges: Common Challenges and Initiatives

Australia and the United States have shared national aspirations of increasing the skills levels of their population in the next 10-15 years (Australia 40% of the population having degrees by 2025 and the US 60% by 2025). It is recognised that this is essential for a skilled 21<sup>st</sup> century workforce and national productivity.

Uniquely within our two countries agenda we:

- are seeking a national skills agenda in a federated state education system (the states have constitutional responsibility for education)
- recognise that to achieve our objectives requires a commitment to the engagement and support of non-traditional students (low socio-economic and non-qualified employees)
- are utilising creative funding to incentivise and facilitate reform
- seek to substantially increase student outcomes to meet our national objectives, while retaining quality, within a period of fiscal challenges

This paper briefly compares two defining papers that are shaping our national agendas:

- Reclaiming the American Dream by the American Association of Community Colleges 2012; and
- Skills for all Australians by the Australian government 2011

It identifies areas in which Australia and the United States might share challenges and best practices as we move forward with this key area of educational reform in our countries. It has implications not only for our national economies, but also our engagement bilaterally and regionally within the Asia - Pacific Century. (Note: Australia is already working with the US to establish a Green Skills Network between US Community Colleges, Australian TAFE's, industry and government.)

#### **Potential Areas for collaboration (based on the reports):**

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**Policy Development and Funding Initiatives** - policies and funding initiatives to facilitate change.

- Quality - the Voluntary Framework of Accountability and the Australian Skills Quality Authority (ASQA)
- Funding – Trade Adjustment Assistance Community College and Career Training Grant Program and the National Workforce Development Fund and Skills Connect in Australia

#### **Data Sharing**

- Meeting the Nations 2020 Goal – State Targets for increasing the number and percentage of College Graduates with Degrees
- *My Skills* web site in Australia

#### **Best Practice**

- Higher Education Participation and Partnerships Program in Australia – sharing best practice pathways between schools, community colleges and higher education.
- The AACC plus 50 Encore Completion Program

#### **Leadership**

- AACC and AACT collaborate to provide a leadership development program “Surviving the First 120 Days in the Presidency,”
- Productivity Commission Inquiry into the Australian VET Workforce





## Reclaiming the American Dream: Community Colleges and the Nation's Future

- By 2018 approximately two thirds of all American jobs will require a postsecondary certificate or degree and the US has been under producing graduates with postsecondary skills since at least 1980
- Number/Type of Community colleges
  - Public: 986      Tribal: 31      Independent: 115      **Total: 1132**

### Challenges

#### *Leadership*

- Current pool of leadership is retiring, shrinking and continuously rotating, and community colleges have been training leaders to maintain the inherited design instead of transforming it.

#### *Career Planning*

- Shortage of students enrolling in high-demand fields paying a family-supporting wage.
- Lack of career counselling services, structure and coherence in academic planning/advising and course taking patterns inadequately connected to job market needs

#### *Access/Transitions*

- From high school to community college - only 24% of graduates intending to go to college meet all four ACT benchmarks of college readiness in English, mathematics, reading, and science.
- Community college transfer students - have difficulties having credits recognized at baccalaureate institutions
- Returning to education - developmental education as pathway to college education can take some students 3 or more years

#### *Attainment*

- Only 46% of students who enter community colleges with the goal of earning a degree or certificate have attained that goal, transferred to a baccalaureate institution, or are still enrolled 6 years later.
- Rates are lower for Hispanic, Black, Native American, and low-income students. Nearly half of all community college students entering in the fall term drop out before the second fall term begins

#### *Finance*

- Community Colleges rely on state and local government for 55% of their revenues. Funding is geared towards encouraging enrolment, frequently without supporting growth or student incentives to encourage success. Enrolment has increased by 1.6 m students over the last decade with no more money per student.
- Most necessary changes in these institutions/student outcomes will come through new leadership commitment and skill to reallocate existing resources to fund effective educational practice at scale rather than a new influx of funding.





- **Recommendations**

- **Redesign students' educational experiences.**

Increase completion rates by 50% by 2020

- Construct coherent, structured pathways to certificate and degree completion.
  - Evaluative educational practices; integrate student support with instruction; promote implementation at scale
- Dramatically improve college readiness: By 2020, reduce by half the number of students entering college unprepared for rigorous college-level work, and double the number of students who complete developmental education programs and progress to successful completion of related freshman-level courses. (Evidence based pathways, Common Core Standards, college going culture)
  - Close the skills gaps by focusing career and technical education on preparing students with the knowledge and skills required for existing and future jobs in regional and global economies (stackable credentials, accurately identifying unfilled labour market needs, establish alternative models for completing skills-based credentials, develop a national credentialing system)

- **Reinvent institutional roles.**

- First, refocus institutional mission and roles on 21st-century education and employment needs. Second, develop support structures that help multiple institutions meet local, state, and national needs.
  - Shift community colleges to an expanded role as broker of educational access,
  - An increasingly open learning environment will require expanding community college work in academic advising, learning assessment, and credentialing.
- Invest in support structures to serve multiple community colleges through collaboration among institutions and with partners in philanthropy, government, and the private sector (data and credentialing).

- **Reset the system to create incentives for student and institutional success.**

- Create new incentives for institutions, promote student progress, and to ensure rigor, transparency, and accountability in the community college sector.
  - Funding strategies that provide incentives and support for collaborative work across sectors
  - Public funding models for student success while continuing to serve traditionally underserved students.
  - Create accessible and interactive state wide data systems
- Implement policies and practices that promote rigor, transparency, and accountability for results in community colleges (Degree Qualifications Profile, data systems that permit colleges to track students, a concise and strengthened approach to measure indicators of student progress)





## Skills for all Australians: National Reforms to Skill More Australians and Achieve a More Competitive, Dynamic Economy

- In 2010 the Australian Vocational Education and Training (VET) system comprised of nearly 5,000 training providers, including 170 government owned institutions, 500 community based adult education centres, 2,200 privately funded providers and 2,100 which deliver a mix of public and privately funded training.
- The federal government shares the responsibility for cost of training with the states, contributing approximately 30%.
- Greatest users of the VET system are employers in construction, public administration and safety, education and training, utilities and mining sectors.

### Goals

- To respond to requests from industry and union partners to improve linkages between skills, funding and industry needs.
- See training opened up for people without qualifications, the removal of cost barriers, a focus on higher quality, and improved learning outcomes, including the completion of qualifications for disadvantaged students.

### Skills objectives by 2020:

- Double the number of higher level qualifications completions (diploma or advanced diploma);
- Halve the proportion of Australians aged 20 to 64 years without a qualification at the certificate III level or higher;
- And increase the proportion of young Australians aged 20 to 24 attaining a year 12 or equivalent to 90 per cent by 2015 (with equivalence measured as certificate II or above by 2015, and certificate III or above by 2020).

### Challenges and Recommendations

- Low Completion Rates: For every ten VET students, only three finish their course of study and gain a qualification.
- The number of employed people without a post-school qualification will be the same or slightly lower in 2025 than in 2010, Australians without qualifications at this level have employment rates less than 60% and it is estimated that 70% of new jobs created over the next 5 years will require a diploma level qualification or higher.

To increase skills base for economic growth the Commonwealth proposes their Skills Reform:

- **Make the training system more accessible and affordable**
  - By providing a national entitlement to training at a minimum of the first certificate III qualification to working age Australians. Even with govt. subsidised places there are upfront costs up to \$3000
    - Expand access to income-contingent student loans (VET-HELP) / HECS style loans to study at the diploma and advanced diploma level. Repayment begins once annual income reaches the threshold (currently \$47,196)





- Increased availability of information about courses, costs and training provider quality through a new *My Skills* website
  - Students will be able to access their training records to keep track of qualifications as they up/re-skill
  - This will also establish a basis for better government analysis to support fund allocation
- **Increase quality and consistency**
  - Establishment of Australian Skills Quality Agency (ASQA)
  - Support for quality teaching and assessment, including trialling models for independent validation of training
  - Support for a strong public training provider network through the implementation of the reforms to ensure a high quality training system is accessible to all Australians; and
  - Incentives to achieve improved completion of full qualifications, particularly at higher levels and for disadvantaged students
  - Information on the quality of training providers on the *My Skills* website
- **Respond to Industry Needs:**
  - The National Workplace Development – a working partnership with industry to identify priority skills needs and develop successful interventions that are industry based, and have the full involvement of the Industry Skills Council
  - To reinforce the role of industry in national training, the following measures have taken place:
    - The National Workforce Fund (\$558 million over four years) to support training and workforce development, focused on training in acute skills pressure and occupations with high demand
    - An Australian Workforce and Productivity agency to build on the work of Skills Australia, including an additional \$25 million to increase government engagement with employer/employee bodies and associations
    - Australian Government Skills Connect, a new service to link eligible Australian enterprises with skills and workforce development programs
    - The \$100 million Accelerated Australian Apprenticeships Package to support the delivery of high quality, competency-based trade progression and apprenticeship completions;
    - \$101 million for more effective support through mentoring and pastoral care for apprentices and employers, better advice to help people choose the right Australian Apprenticeship and the appointment of Ambassadors to raise the profile of Australian Apprenticeships in the community.