

Committee for Melbourne & Foundation for Young Australians

Joint Submission to the Australian Qualifications Framework Review

Introduction

In September 2016, the Committee for Melbourne (the Committee) launched Melbourne 4.0, a major project designed to explore how Greater Melbourne can prepare for the accelerating speed of innovation and disruption that has catapulted us to the early stages of the Fourth Industrial Revolution.

The Melbourne 4.0 Taskforce used the Committee's cross-sectorial membership base to develop an understanding of the future operating environment and develop reliable and informed policy programs to help Melbourne prepare for these challenges and opportunities.

One of the strategic needs identified by the taskforce was the need to invest in future-focused skills. Our capacity to benefit from the range of economic opportunities in the coming years will largely depend on our capacity to develop local people with the necessary skills, as well as to attract and retain the best talent from around the world.

The Foundation for Young Australians' (FYA) [New Work Order Report Series](#) details the changing nature of jobs, how it acutely affects young Australians and what options we have to future-proof our economy.

Given The Committee's and FYA's shared focus on the challenges presented by the changing nature of work, our organisations have formed a strategic partnership to address this issue - using the combined strength of 'employers' perspectives of a changing workforce and a research base that draws out the challenges for young Australians entering the job market.

The Committee and FYA surveyed members of the Melbourne 4.0 [Future Skills Taskforce](#), Taskforce of [Melbourne 4.0](#), to understand how Melbourne employers are approaching a changing workforce. The results of this survey inform our response to the Australian Qualifications Framework Review and our recommendation:

Formally recognise micro-credentials, in consultation with employers, to ease transitions across the workforce, more rapidly fill skills gaps and promote lifelong learning.

Employer response to changing work

Employers know that skills and jobs are changing

Transformation of work is changing the portfolio of skills needed. [FYA's research](#) outlines the kind of skills and mindset our workforce needs now and into the future. These reports suggest the growing importance of enterprise skills, such as critical thinking, problem solving and collaboration, that are portable across jobs in an environment where a 15 year old today is predicted to have 17 different jobs across five different careers over their lifetime.¹ In Melbourne 4.0 the Committee's members collectively recognised that changing future-focused skills would be required for a workforce altered by automation, driven by the Fourth Industrial Revolution.²

Our Future Skills Taskforce survey identified the urgent need to update the skills of the current and future workforce - a process called lifelong learning.³ World Economic Forum research shows that investment in

¹ McCrindle Research (2014) "Job mobility in Australia" using HILDA and Department of Employment data. Available at: <http://mccrindle.com.au/the-mccrindle-blog/jobmobility-in-australia>

² Committee for Melbourne (2017) "Melbourne 4.0 report". Available at: http://melbourne.org.au/cms_uploads/docs/melbourne-4.0-report_web.pdf

³ Committee for Melbourne (2019) "Future Skills Taskforce Survey"

skills in terms of hours committed to learning will need to double by 2040 (from 300 to 600 billion hours) due to a rapidly changing world of work. In fact by 2040, 41% of the average worker's total education and training will need to occur after the age of 21 which confirms our survey results.⁴

There are already many opportunities to address and formally recognise future technical skills, such as qualifications from providers and online training providers, however there is a gap for enterprise skills which the AQF may be able to address.

How are employers responding to a changing workforce?

The Future Skills Taskforce survey illuminated how employers are already using methods to upskill, reskill and promote lifelong learning amongst their employees. The case studies below show employers are already trialling methods to upskill or reskill workers in discrete, future-focused skill sets in a dynamic work environment. The responses from the survey have been anonymised however we can connect you to the members to discuss further should you request.

Case Studies: Committee for Melbourne members

Organisational-based skills recognition

A statutory government agency introduced 'success profiles' which measure a range of technical and enterprise skills on a continuum from foundation to expert. Employees go through a professional development planning process and then can move up levels of competency by reaching a certain target of activities within a prescribed skill set. The success profiles have two major benefits for the organisation: (1) It is easy to align success profiles to internal opportunities for promotion or movement; (2) It promotes continuous and measurable development goals for employees.

A professional services firm, uses a similar system to the above. Their 'badge system' promotes future-focused skills by encouraging individuals within the organisation to work towards internally recognised skills training with a particular focus on digital skills such as artificial intelligence and machine learning.

Experiential learning

Several organisations across a range of industries and sectors indicated they recognise the value of various forms of experiential learning including: learn and share sessions; on-the-job learning (learning by doing); cross-functional working groups and mentoring to gain specific skills as required.

Aspirational structure and titles

A land management authority, structures its organisation to ensure it remains future-focused. This includes altering the way departments are structured, to be cross-functional, and ensuring job titles don't just reflect the current role but also indicate aspirational skills for the individual and organisation.

⁴ World Economic Forum (2018), "The Future of Jobs Report". Available at: http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf

Committee for Melbourne and FYA Recommendation

The Department for Education and Training has the opportunity to use this review to ensure the Australian Qualifications Framework recognises future skills and formalises micro-credentials, which would have benefits for employers and broader society. Our organisations' joint recommendation is outlined below:

Recommendation

Formally recognise micro-credentials, in consultation with employers, to ease transitions across the workforce, more rapidly fill skills gaps and promote lifelong learning.

Committee for Melbourne members believe micro-credentials will be essential to encouraging engagement in lifelong learning. The case studies provided show that members are already attempting to map and develop future-focused skills of their employees in the absence of formal micro-credentials. Survey responses from our members validate their commitment to lifelong learning and the recognition and development of future-focused skills which could be achieved through micro-credentials.

As outlined above, the importance of particular types of skills (i.e. enterprise skills) is changing and, as a result, employees will need to continuously learn and upskill. FYA's New Work Mindset report shows that on average, when an individual trains or works in 1 job, they acquire skills for 13 other jobs and that employees might not need to acquire an entirely new skill set when the skill sets of many jobs are 'portable' to other jobs⁵. Micro-credentials provide flexibility for employees to rapidly reskill or upskill as they move between jobs and adapt to a changing workforce. Formal recognition of these micro-credentials will give employers confidence in the ability of their employees and future recruits.

Formally recognised micro-credentials presents an opportunity to encourage lifelong learning however, to ensure they are relevant to changing labour market, the Australian Qualifications Framework needs to reflect the latest changes to jobs and skills by consulting with employers. Importantly, the Australian Qualifications Framework should be aware of employer initiatives that are operating largely in isolation to each other. The case studies provided give a glimpse into the training programs, recruitment processes and structural changes employers are testing to better appreciate and develop a broader set of future skills that their employees need and to gauge the competency of their employees. Consolidation of these initiatives into the Framework is required to allow employers to use the credentials in their recruiting processes and workplaces. The Australian Qualifications Framework should work with employers to understand existing initiatives, the future-focused skills required in today's workplace and make sure the new micro-credentials can be pragmatically recognised in a workforce setting.

⁵ Foundation for Young Australians (2016), "New Work Mindset". Available at: <https://www.fya.org.au/wp-content/uploads/2016/11/The-New-Work-Mindset.pdf>

Conclusion

Committee for Melbourne and FYA welcome the Department of Education and Training's Australian Qualifications Framework Review. We encourage the formalisation of micro-credentials and the incorporation of future skills and employer implementation experience into the framework.

Given our desire for brevity in the submission, we have been unable to cover all complexities of the topic. However, FYA and the Committee would be happy to elaborate further on the recommendation at your convenience. The Committee would also be happy to connect the AQF review to member employers to provide advice and guidance.

Please contact us, on the details below, if you wish to discuss our recommendations, research or case studies further.

About Committee for Melbourne & FYA

Committee for Melbourne

The Committee is an apolitical, not-for-profit, member-based entity that brings together over 140 organisations from greater Melbourne's business, academic and civic sectors, who share a common vision to make Melbourne a better place to live, work and do business.

As an independent organisation we represent no single interest group or political position, but seek to challenge conventional thinking and to develop innovative ideas to continue to enhance our position as an economically prosperous and highly liveable global city.

Foundation for Young Australians

FYA is committed to young people, their futures and the contribution they can make to Australia. Our work, informed by strong evidence, research and evaluation, backs young people and informs the national agenda on the issues that most affect them. FYA believes young people are ambitious, creative and capable of rethinking the world and solving tomorrow's problems today.

- We **back** young people by building the skills, capabilities and knowledge they need to thrive in the future of work.
- We **inspire** young people by providing ideas and opportunities to create purposeful lives.
- We **connect** young people by building a network of inspired and inspiring young Australians.
- We **transform** the way government, industry and community sectors engage with young people to rethink the systems that shape the world.

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