Executive Summary

The Melbourne Skills Meet-Up evolved from conversations across education sectors and industries around the desire for a forum to discuss critical issues around skills with a view to developing meaningful and practical outcomes for all stakeholders. The Skills Meet-Up was hosted by Edalex and The Bean Centre on 20 July 2022 and was attended by thought leaders working within the Australian skills ecosystem.

Key Takeaways

- **A reset is needed - and the time is past due** - participants felt that there were systemic problems with the current skills system that impacted all stakeholders - and recognised that a piecemeal approach would be insufficient to enact the necessary changes. There were multiple comments about the need to move beyond talking about what needs to be done to acting swiftly and with vision

- **Government initiatives and flexible, yet stable, funding models are key** - the group felt that funding models were out of step with the needs of the education providers in almost every way. Funding is too narrow in scope, not accessible enough, not flexible enough, too short-term and overall unstable to support the necessary large-scale changes that would deliver better outcomes

- **Frameworks would speed change and open innovation** - frameworks such as open standards, national policies and skills taxonomies would enable all skills ecosystem stakeholders to get on the same page with skills definitions, agreement on level of skill attained and agreed terms using the same language that could be understood by all to mean the same thing. Without frameworks, while there are pockets of progress, we cannot scale

- **Employers and the government will be the drivers of change in the next 12 months** - with employers experiencing skills shortages almost universally, the pressure they are exerting on the government to come up with solutions is only set to increase. How the government chooses to respond to this will impact greatly upon the education sector and by extension, society at large. Nothing less than our ability to meet current and future labour market needs is at stake

Next steps

The Skills Meet-ups are part of the ongoing skills dialogue in Australia, with clear links and implications globally. Edalex and the Bean Centre brought together a range of thought leaders to enable broader sharing and collaboration across sectors and industries. The Federal Jobs and Skills Summit has dramatically amplified the profile and discussion on skills across the country. We aim to continue our discussion through several initiatives, including future Skill Meet-ups (next scheduled for 5 October 2022), a dedicated LinkedIn group, and direct discussions with individuals and organisations. Thank you for your ongoing contributions!

The Format

The Skills Meet-Up opened with insights from international skills ecosystem organisations, the Open Skills Network (OSN) and Credential Engine, and a keynote presentation by the Victorian Skills Authority (VSA). They spoke of their various activities, what progress and challenges they had experienced to date and where they saw the skills ecosystem heading.

With this context in mind, the group were presented with two critical inquiries, which were then workshopped in four individual round table discussions. Each table facilitator took detailed notes of their table's discussion and shared the final consensus with the rest of the room at the end of the session.

It was noted that despite the composition of the roundtable discussions, the outcomes shared remarkable commonality.

The Discussion Topics

The two questions the round tables were asked to address were:

1. What's broken with the current system?
2. If you had a magic wand, how would you improve skills outcomes in the Victorian and National context?

What's Broken with the Current System?

The clear takeaway from each group is that there are several challenges with the current education system. Everything from the balance between industry and employer input and traditional pedagogy to the various issues with funding models.

Defining the system was deemed important. Outlining the interactions and interplay between providers, learners, employers and governance.

Nearly every group noted tension between educators and a structured system and employers who just want people who have the right skills to do the job. But there were different reactions:

All groups identified constraints to innovation via the current structured system;

- One group felt industry has too much input, and it impacts academic outcomes (Vocational perspective)
- Another felt that industry did not have enough influence in the skills space, and therefore outcomes are less than desirable at times (University perspective)
- Industry thinks in terms of skills, while education thinks in terms of knowledge
- Many felt that while change is accelerating, the big, clunky system cannot pivot fast enough to keep up
- Centralised education systems (like that in Australia) vs. fractured systems (like those in the U.S.) affect the ability to innovate, although both have their pros and cons

All groups agreed that current funding models were not fit for purpose.

The Funding Pipeline

Almost every time we talk about education, the topic of funding is one of the first things we discuss. A part of the reason was clearly defined by one tabletop discussion, when they said simply - "the ability to access funding / investment is creating hard and narrow skills solutions."

Funding models are always top of mind when education is discussed. As one of the groups articulated "the ability to access funding / investment is creating hard and narrow skills solutions."

But skills solutions, by nature, cannot be hard and narrow. In fact the same group wondered if we need a looser standard since everything is changing so rapidly. Revising a policy and standard every time there is a change is not a practical or desired solution, and raises the same question - is the funding system agile enough to keep up?

An observation was made that revising a policy and standard every time there is a change is not a practical or desired solution therefore the funding system may not be agile enough to keep up?

In other words: "How are these short and sharp pieces of learning going to be funded in a consistent way?" The answer is far from simple, as one group noted: "The underlying funding model is inconsistent, too linear and it affects the capacity to increase volume."

The following observations were made;

> "The underlying funding model is inconsistent, too linear and it affects the capacity to increase volume."

> Microcredentials and shorter forms of learning need to be part of the funding model

> "The current funding model is corrupting and misdirect[ing] activity and energy."

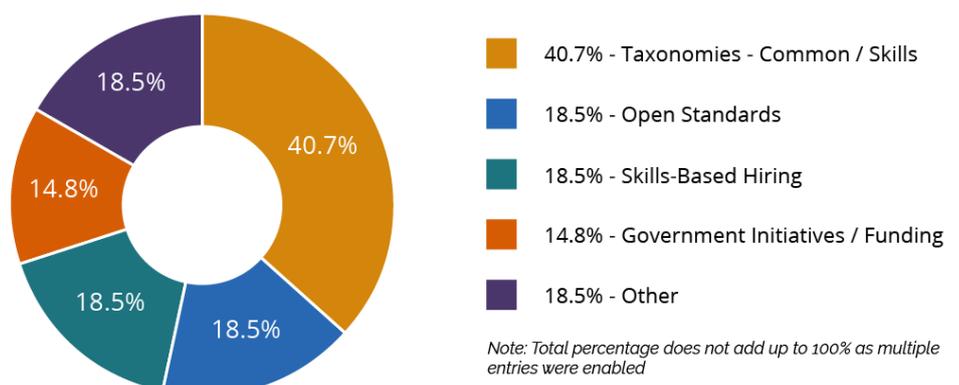> "Government policy is not supportive of the work that's happening."

> "(the system) is driven too much by compliance - the changes in ASQA to a self assurance model has helped, but there are still too many processes around compliance - consuming both funding and time."

In short, funding models need a reset.

The Need for a Common Language

The group collectively identified that the need for a common language and taxonomy around skills was the initiative that could promote the greatest change in the short term.

What initiatives do you feel will have the greatest impact on the Skills Ecosystem moving forward?

- 40.7% - Taxonomies - Common / Skills
- 18.5% - Open Standards
- 18.5% - Skills-Based Hiring
- 14.8% - Government Initiatives / Funding
- 18.5% - Other

Note: Total percentage does not add up to 100% as multiple entries were enabled

One group assembled this simple bulleted list: If we look at the market and the system:

- There is tension between employer needs and skills outcomes
- There is no common language around skills
- The pace of change is too fast for the systems' capabilities
- There is insufficient feedback from learners on skills
- There is a lack of visibility and available pathways for learners

If we extend this need for clarity to some of the measures to improve the skills gap such as skilled migration, then we have an economic imperative to have a more granular language around skills. We have to stop talking about occupations and get specific around the skills required.

Other groups stated;

> "There's no national, aligned approach, so things are getting lost." The lack of common language creates both dark and "grey" data that is not easily accessed, further confusing the system itself.

> "There isn't a common language across schools, VET, higher education and employers."

In summary, the group was united around the requirement for a defined skills taxonomy, transparent to all in the ecosystem with sufficient granularity and utility to enable scale.

What if We Had a Magic Wand?

Not surprisingly, the two topics above, funding and language, featured often in the use of the magic wand.

> "[We] need a more flexible system for funding so the right solutions are in the right place at the right time," one group stated. "[We need to] change funding and funding models [and create] consistent funding around skills," another said, noting that creating a meaningful skills architecture will take time, effort, and resources.

> "We need to provide an incentive / funding for skills shift from [the] government," another said. And any funding model "must also include end consumer protections."

If there was a magic wand educators could wield, funding would be one of the first things they would fix.

Related to funding, the common language of skills would go a long way toward making changes in those models possible. "{it's important to] define taxonomy and mapping. [We] must consider state vs. state differences vs. federal vs. international taxonomies." Ideally, everyone would be on the same page, but one group pointed out: "[We] recognise there will be a range of segmented solutions that reflect the different priorities of government, learners, employers, etc."

At the same time: "[We] need a framework that pulls everything together [and] synthesises all existing resources."

While funding and language are vital, there were other topics of interest as well:

Many wished for a more defined government role, either hands on and flexible or perhaps hands off
One group pointed out the three things the government can provide: regulation, certification, and funding
Another wanted clarification and permission to play in the innovation space, even at the edge
Several groups wished for a more unified strategy overall rather than so many isolated projects
One pointed out that they would wish for a more robust conversation around skills, shifting the proxy for hiring away from qualifications and toward skills
Some wished for better roll-outs for pilot projects and wider adoption and utilisation by learners. And one group wished for the recognition that it's not necessarily new skills that are required but new collections of skills

Table: If Australia could change one thing to have the greatest impact on skills reform, what would it be? (unedited responses)

|	
Data analysis of skills obtained against skills used and skills required versus qualifications	Understand the value of education and understand the value of people learning to accrue skills over their lifetime
Deregulation	Tie funding to impactful skills outcomes
Agreement on a skills based approach	A long term funded plan, stretching beyond change in government
Funding model that facilitated continuous skills acquisition	A system that builds a national consensus and the technology to be able to scale it
Recognition of transferability of skills	Skills based ecosystem across all sectors
Common Skills Taxonomy : skills based funding	Funding skills not quailications
Harmonised skills systems	Genuine AQF
Remove barriers to innovation	Direct learner funding
Strategy and plan	Skills-based funding
Create a common skills language that unlocks existing data so it can be used across all learning - formal non formal and informal and then mandate its use	

Key Insights from Stakeholders

Everyone wishes for a better system, improved funding models, and increased support for innovation. The good news is that even without a magic wand, these wishes can come true. It means a lot of good people coming together and doing more than just wishing, but taking action.

The inaugural Skills Meet-up participants believe a range of stakeholders are essential to driving change, collaboratively.

Which key stakeholders do you believe will drive the most change in the next 12 months?

Note: 13 options in total

Stakeholder	Count
Employers	12
Government	8
Learners	3
Other	3
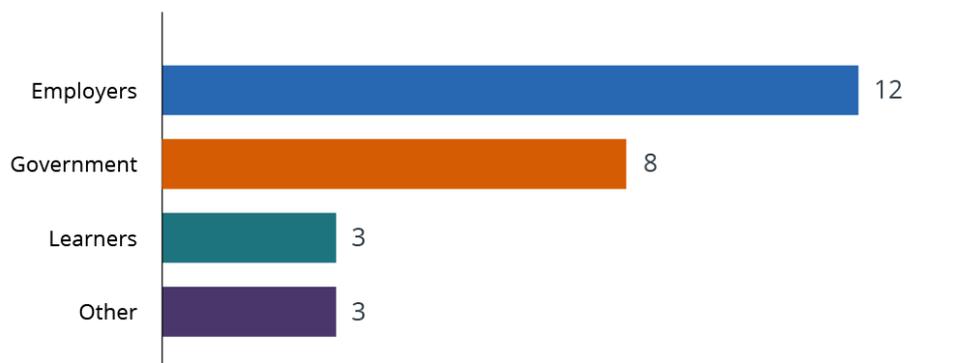
Skills Meet-Ups like this one may just be the first step. But it's a start. We're not looking for a genie and a lamp, but we all understand that with the right skills in place, new funding models, and a common language we can, and will, achieve more.

It reminds one of the saying, "If you want to go fast, go alone. If you want to go far, go together." That, above all, is the biggest take away from the Skills Meet-Up.

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THE Bean Centre

Edalex is an edTech company on a mission to surface skills data, learning outcomes, digital assets and the power of individual achievement. Founded in 2016, Edalex develops technology solutions that extract hidden value from educational data to make it accessible and more meaningful.

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The Bean Centre was founded in 2021 by Emeritus Professor Martin Bean CBE with a single mission: To partner with visionary education experts, breakthrough technology companies and future thinking education providers to create a future that works.

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