

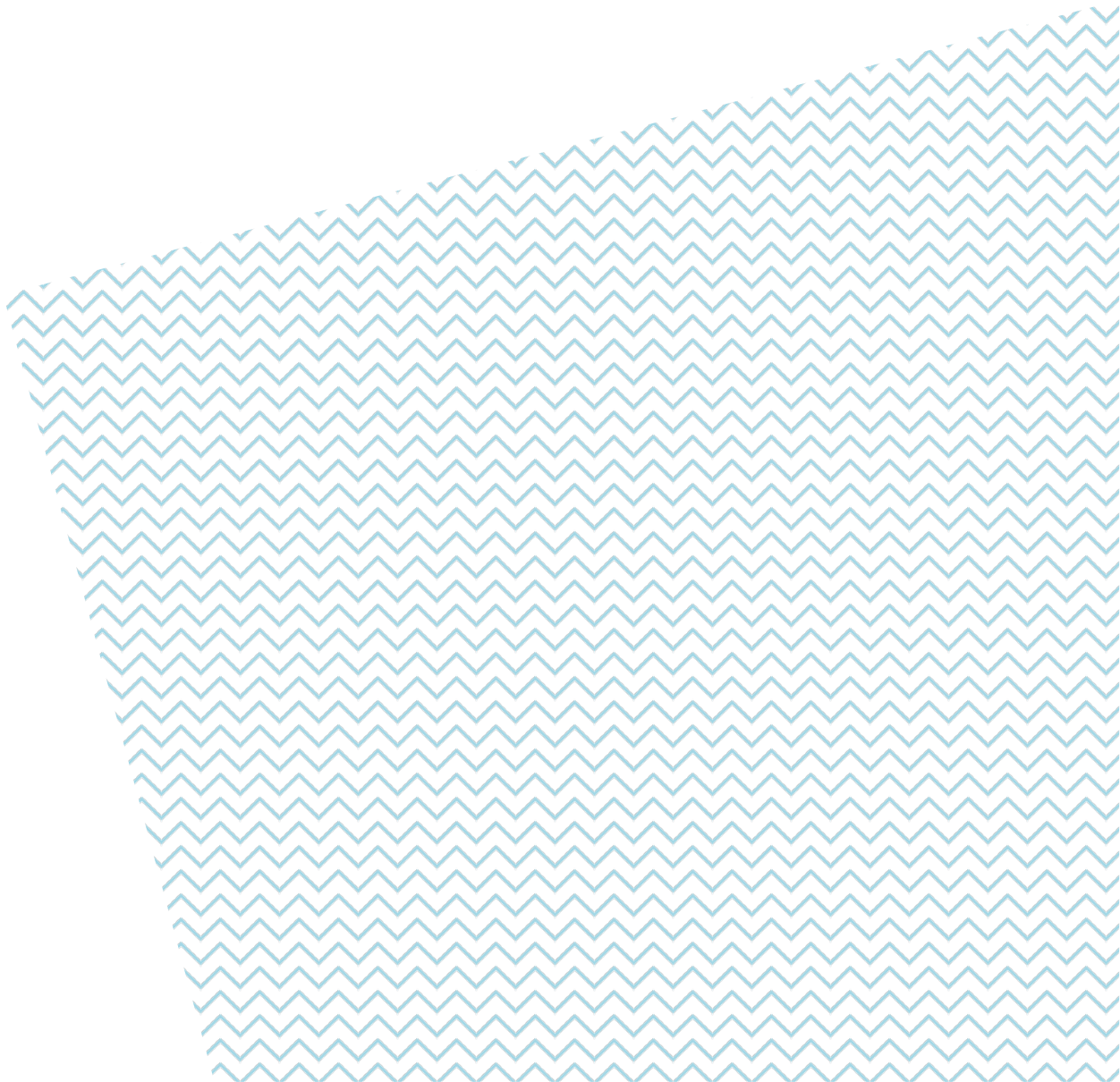


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# Employment White Paper

Submission to Treasury

November 2022



## Executive Summary

The University of Melbourne welcomes the opportunity to contribute to the development of the Federal Government's Employment White Paper.

The White Paper is broad in scope, seeking to provide a roadmap for Australia to "build a bigger, better-trained and more productive workforce," building on the outcomes of the Jobs and Skills Summit. The University supports the objectives of the White Paper, including its focus on productivity growth and ensuring that all Australians have the opportunity to participate meaningfully in the labour market.

Australia's education and training system is critical to the country's economic and social wellbeing. As articulated in the University's *Advancing Melbourne 2030* Strategy, our purpose is to benefit society through the transformative impact of education and research. Higher education helps both individuals and society, boosting productivity while increasing graduate earnings, health, and ability to participate in the broader community. It provides individuals with the necessary skills and knowledge to reach their potential.

This submission focuses primarily on the White Paper's second and fifth terms of reference, discussing the future of work, labour force participation, labour supply and improving employment opportunities, particularly through education and training.

Australia is facing enormous skills shortages. Employers have repeatedly described these shortages as a handbrake on the economy, as perennial job vacancies reduce businesses' outputs. At the same time, Australia's economy is undergoing fundamental structural changes, in part due to our ageing population, Australia's net zero emissions target and the challenges of climate resilience, and the increasing digitalisation and automation of our workplaces and society. This is expected to have significant implications for Australia's labour market. Addressing these skills needs will require a targeted approach for each sector, as the barriers and challenges facing the clean economy are quite different to those faced by the care economy, for example.

Responding to these challenges will require an adaptable workforce, which in turn will require a cohesive and joined-up post-secondary education and training system. The University encourages the Federal Government to work with its State and Territory counterparts to ensure workforce planning considers the roles of both higher education and vocational education and training (VET) and the points of complementarity and potential collaboration between them. As part of ensuring a streamlined and coherent regulatory framework, Government might also consider merging the functions of TEQSA and ASQA within the remit of a single post-compulsory regulatory body. This would support efficiency and consistency in quality assurance and accreditation requirements, where possible.

Education is a key enabler of workforce participation and improved employment opportunities. The Government could consider using education interventions to smooth pathways for people back into the workplace and/or study. Micro-credentials could be offered as a way for people to re-engage with study and acquire critical skills without committing to a diploma or bachelor degree. More flexible degree and postgraduate delivery models could be trialled, such as apprenticeship degrees and new modes of collaboration between VET and higher education. Policy reform also requires an understanding of the role postgraduate study will play in lifelong learning and retraining.

The Federal Government should also adjust higher education funding settings to reduce barriers for disadvantaged cohorts who are looking to upskill. For example, the Government should introduce demand-driven university places for all Indigenous Australians, not just those living in regional areas.

The nation's future productivity and labour supply also relies upon a properly funded university sector that enables institutions to deliver fully funded education and training and research. We note that the current Government is committed to conducting a review of the Job-Ready Graduates package and that the key challenges associated with the reform package will fall within the scope of the Universities Accord process. The University looks forward to engaging in this process.

Finally, there is more the Government could do to improve migration settings to complement the domestic workforce. Noting that the migration and visa system is currently overly complex and cumbersome, the University recommends a blanket four-year post study visa for all international students who complete a bachelor degree or above. This would improve international graduates' experience and employability while addressing skills gaps.

For further information, or to discuss the submission, Dr Julie Wells, Vice-President Strategy and Culture can be contacted at [julie.wells@unimelb.edu.au](mailto:julie.wells@unimelb.edu.au).

# Recommendations

## 2. Future of work and labour market implications of structural change

The University of Melbourne recommends that the Federal Government:

- Seek to improve pay and workplace conditions across the care economy in order to increase supply and retention of workers in the sector.
- Work with State and Territory Governments to ensure ongoing supply of and funding for student practicum placements, particularly in the education and health sectors.
- Ensure that Jobs and Skills Australia consults across both the VET and higher education sectors on its clean energy workforce capacity study.
- Develop a digital and emerging technologies workforce plan, providing end-to-end pathways in education and training.
- Merge the functions of TEQSA and ASQA within the remit of a single post-compulsory regulatory body to ensure efficiency and fitness for purpose and, where possible, consistency in quality assurance and regulation across sectors.
- Work with State Governments to remove restrictions on eligibility for government-subsidised education and training based on prior qualifications.
- Establish a pilot program funded to support innovative cross-sector delivery of education and training in priority sectors.

## 5. Labour force participation, labour supply and improving employment opportunities

The University of Melbourne recommends that the Federal Government:

- Consider allocating funding and loans to more micro-credentials, pending the evaluation of the pilot.
- Broaden access to national data sets so that researchers, industry and government can work together to develop and evaluate the success of programs to support skills and capability development and labour force participation.
- Offer medium-term funding for multi-partner, whole-of-region initiatives that provide education and training to disadvantaged groups and that involve partnerships between VET and universities.
- Increase workforce participation by Indigenous Australians by reducing barriers to higher education, including through demand-driven university places for all Indigenous Australians, heavily subsidised courses and wrap-around and financial supports for Indigenous students.
- Remove the 50% completion rate rule for Commonwealth assistance in higher education, noting this may disproportionately impact disadvantaged cohorts.
- Review policy settings (including welfare payment settings) to ensure disadvantaged cohorts are not unfairly impacted when pursuing further study.
- Consider limitations of costing studies, drivers of student demand, and impacts on research funding when reforming the Job-Ready Graduates package.
- Encourage lifelong learning by considering:
  - Removing the Student Learning Entitlement, which caps the amount of subsidised study a student can undertake
  - Other mechanisms (beyond tax incentives) for businesses to contribute to the costs of upskilling where they directly benefit
  - Tax incentives for individuals to undertake training related to future (not just current) employment.
  - Introduce a four-year post-study visa for all international students who complete a bachelor's degree or above.
- Ensure changes to international education policies (including visa policies) promote the benefits to individuals, not just to the economy.

# Future of work and labour market implications of structural change

Australia is facing significant skills shortages, with about a third of assessed occupations experiencing shortages in 2022. These shortages are only expected to grow in coming years as the clean, digital and care economies become increasingly important. The Victorian Skills Authority (VSA) predicts that 373,000 additional workers will be needed in Victoria alone by 2025 to meet growing demands. Most of these new workers will be needed in the service sector, the health and community sector, and the professional, financial and information services sector. At the same time, a one-size-fits-all approach to these skills shortages will not work. It will be important for government to develop tailored solutions to address the specific hurdles that prevent or discourage people from participating in each section of the labour force. Some possible recommendations are explored below.

## Building a sustainable care economy

The National Skills Commission, replaced by Jobs and Skills Australia, forecast 301,000 new Health Care and Social Assistance jobs to open up over the next five years. University and VET courses in aged care, disability care, and childcare are usually heavily subsidised to increase the supply of workers. However, lower wages and poorer workplace conditions impede attraction and retention of people into these jobs. The Federal Government has started to address this issue, successfully arguing in a submission to the Fair Work Commission that aged care workers should be granted a pay rise. If the Government seeks to address predicted skills shortages, it will need to continue to advocate for better working conditions and pay across the whole care economy, including in early childhood education.

Additionally, there is a need to ensure ongoing supply of clinical placements so that universities can train skilled graduates into the future. Practicum placements are mandatory in several priority skill areas; however, universities face significant challenges securing these placements in education, health and allied health professions. The Victorian 2022-23 State Budget committed funding to review current clinical placements in the healthcare sector. The recent Victorian Parliamentary Inquiry into Universities' Investment in Skills recommended that the Victorian Government consider fees and funding arrangements in this review, to balance training costs to healthcare providers with ensuring a pipeline of skilled workers in healthcare. It also recommended consulting with universities and making the findings from the review publicly available.<sup>1</sup> The University supports these recommendations. This process may need to be replicated in other jurisdictions across Australia to ensure the ongoing supply of skilled graduates for the care sectors.

## The energy transition to achieve net zero

The enormous labour market implications associated with achieving net zero emissions are becoming increasingly apparent. Started in 2021, Net Zero Australia is a research partnership between the University of Melbourne, the University of Queensland, Princeton University, and management consultancy Nous Group. The study aims to provide rigorous and independent analysis of the pathways by which Australia can achieve net zero in both domestic and export emissions. The study's interim results, released in August 2022, suggested that 1 to 1.3 million new jobs will be needed by 2050 to support the transition to net zero emissions. For comparison, this is approximately the size of the current health and welfare workforce in Australia. The overwhelming majority of those new roles will require a post-secondary qualification.

Educating and training this new workforce presents a massive challenge for higher education and VET providers alike. This is exacerbated by capped university places in areas of skill needs, cuts to funding in some of the high priority skills areas (e.g. engineering), and funding barriers that prevent people from upskilling or reskilling. Education and training solutions will likely be multidisciplinary in nature (e.g. business management, engineering, information technology, law, planning and construction) and span the sectors. The University notes that the Federal Government has tasked Jobs and Skills Australia with commissioning a workforce capacity study on the clean energy sector. We would encourage JSA to consult with both the VET and higher education sectors in this study, taking a similar approach to the Victorian Government in its Clean Economy Workforce Development Strategy.

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<sup>1</sup> Victorian Parliament Legislative Assembly Economy and Infrastructure Committee, *Inquiry into universities' investment in skills*, p. 35-36

<https://new.parliament.vic.gov.au/4a8a90/contentassets/5ac739e6f25b495a82107adfc7109a20/laeic-59-04-vic-universities-investment-in-skills-final-report.pdf>

## **The transformation associated with digitalisation and emerging technologies**

The Government has set a target of 1.2 million tech-related jobs by 2030. This will require a massive uplift in digital skills, supported by a range of education and training programs provided by VET and higher education (certificates, diplomas, bachelor degrees, micro-credentials, postgraduate qualifications). Again, education and training solutions will span disciplines and sectors. End-to-end pathways in education and training need to be developed, starting in school and spanning vocational and higher education. Noting the rapidly changing nature of digital skills, micro-credentials and other just-in-time certificates will be essential.

## **The adaptability of our workforce to meet the needs of emerging industries and areas of traditional economic strength**

There are limitations to future skills needs projections. Unforeseen shifts in the economy are inevitable and it is impossible to predict what some of the specific jobs of the future will look like, as they are predicated on technologies that have not been invented yet. This means it is critical that we create an agile and adaptable education and training system that is responsive to future workforce needs.

This will require a joined-up post-secondary approach by the Federal and State Governments. However, to date, government responses to skills shortages at both the State and Federal level have focused primarily on VET. For example, the Victorian Skills Authority's response to projected skills needs focuses heavily on the role of TAFE and VET providers (and to a lesser degree, dual sector universities), even though the findings will have impacts on universities too. The Federal Government has established Jobs and Skills Australia to provide advice on current, emerging and future workforce, skills and training needs. Amendments to the legislation have sensibly ensured universities are now part of the JSA remit along with VET and apprenticeships.

Efforts to create collaboration, complementarity and pathways between vocational education and training and higher education are often hampered by different funding systems and different regulatory requirements across State and Federal jurisdictions. There are no quick fixes, but there are some strategies the Government could consider to reduce barriers between higher education and VET.

For example, the Government could revisit the Bradley Review's recommendation to merge the functions of TEQSA and ASQA within the remit of a single post-compulsory regulatory body. Regulation and accreditation arrangements across sectors are complex and the disconnects between them create disincentives for institutions seeking to offer qualifications which span the Australian Qualifications Framework. A single national regulatory body for VET and higher education could still work within the frameworks of separate jurisdictions (as ASQA already does) but could also encourage a system-wide view of post-compulsory education, support harmonisation and collaboration, and reduce complexity and bureaucracy.

The Commonwealth and State Governments could also work together to remove restrictions on eligibility for government-subsidised education and training based on prior qualifications. A person who has completed a generalist degree or an advanced diploma may need ready access to industry-specific skills to upskill in a current job, reskill for a new job or to re-join the labour force. However, some jurisdictions currently limit government-subsidised training to individuals who are "upskilling" (i.e. moving up the Australian Qualifications Framework). Removing these restrictions would allow people to combine and/or build on qualifications in ways which equip them for workforce participation and enable them to adapt to new skills requirements. The Andrews Government in Victoria recently acknowledged the importance of this change, committing to remove the upskilling requirement from its Free TAFE program if re-elected. Other jurisdictions should consider similar measures.

## **Case study: Addressing the MedTech skills gap through collaboration with dual sector institutions**

Medical Technology (MedTech) is one of the fastest growing sectors. In order to progress domestic manufacturing, product developers need access to talent from across the full post-secondary qualification spectrum, from new industry-ready graduates through to the upskilling of the existing workforce. The University of Melbourne has recently developed a proposal in partnership with dual sector institutions, Swinburne University of Technology and RMIT University, to address the barriers presented by the shortage of trained workforce participants within this sector.

Collaboration between the educational partners will ensure VET, higher education coursework subjects, micro-credentials and postgraduate education are developed and delivered with a 'lifelong learning' approach to meet the needs of new entrants to the industry (including retraining workers transitioning from declining industries) and current practitioners looking to upskill. The course curriculum will be developed and written in collaboration with

industry partners, aligning to the direct on-the-job needs of their workforces. New subjects will be developed to complement graduate outcomes in existing courses. Qualifications will be available from a Certificate III level through to PhDs embedded within companies, strengthening the diverse but complementary roles of the VET sector and universities.

The Federal Government could support projects such as these by establishing a pilot program funded to support innovative cross-sector delivery of education and training in priority sectors. Eligibility for the fund should be limited to projects that are co-led by both higher education and VET providers, acknowledging that emerging industries and technologies will require people who are skilled at all post-secondary levels.

## Recommendations

**The University of Melbourne recommends that the Federal Government:**

- **Seek to improve pay and workplace conditions across the care economy in order to increase supply and retention of workers in the sector.**
- **Work with State and Territory Governments to ensure ongoing supply of student practicum placements, particularly in the education and health sectors.**
- **Ensure that Jobs and Skills Australia consults across both the VET and higher education sectors on its clean energy workforce capacity study.**
- **Develop a digital and emerging technologies workforce plan, providing end-to-end pathways in education and training.**
- **Merge the functions of TEQSA and ASQA within the remit of a single post-compulsory regulatory body to ensure efficiency and fitness for purpose and, where possible, consistency across sectors.**
- **Work with State Governments to remove restrictions on eligibility for government-subsidised education and training based on prior qualifications.**
- **Establish a pilot program funded to support innovative cross-sector delivery of education and training in priority sectors.**

# Labour force participation, labour supply and improving employment opportunities

Education is a key enabler, boosting labour force participation and providing individuals with greater employment opportunities. As the Productivity Commission noted in its recent interim report, education can boost productivity, but it can also “provide fulfillment, improve health outcomes, reduce crime and increase social and economic mobility.”<sup>2</sup> It is therefore essential that broader economic and employment strategies consider the education and training policies that underpin them.

## Removing barriers and disincentives to work

For many people, a lack of adequate education and skills is a key barrier to participating in the workforce. The acquisition of knowledge, skills and capabilities is not a linear process. It can be interrupted by economic circumstances, caregiving demands, and personal circumstances. For example, there are currently approximately 1 million Australians who have started, but not completed, a bachelors degree. Micro-credentials could be offered as a way for people to re-engage with study and acquire critical skills without committing to a diploma or bachelors degree. They could also be used to add to completed study, where that is appropriate, resulting in a sub-bachelor qualification if the student wishes to complete a qualification but not commit to the original full degree.

For people who are not currently participating in the workforce, the upfront fees often associated with micro-credentials may pose a barrier. The University notes that the Government has launched a micro-credential pilot program, and is legislating amendments to extend FEE-HELP to selected micro-credentials. Pending the evaluation of the pilot, the Government may wish to consider rolling out funding and loans to more micro-credentials, with appropriate regulation. Supported micro-credentials will need to be high-quality, relevant, timely, industry-backed, and stackable. An assurance mechanism will also be necessary so government, industry and students can have confidence. Other methods to encourage upskilling and reskilling are considered later in this submission.

Beyond education and training, there is an urgent need to improve employment services. Employment services often use a one-size-fits-all approach to place people into jobs. These services could be greatly improved to enhance workforce participation. However, a lack of data around those services inhibits evaluation and the development of appropriate policy responses. The University encourages the Government to improve, link up and broaden access to government data, so that universities and other organisations can better support Government in evaluating policy and programs, and designing evidence-based improvements.

## Labour market outcomes for disadvantaged groups

The University of Melbourne is committed to improving the education and labour market outcomes for those who face challenges in employment, including First Nations people and those from regional areas. For example, the University has a strong presence in the Goulburn Valley, Victorian’s region with the largest First Nations population outside of Melbourne, a significant multicultural population and a community overrepresented in poor education outcomes.

This presence includes the Academy of Sport, Health and Education (ASHE) in Shepparton, which uses participation in sport to undertake education and training within a trusted, culturally appropriate environment, particularly for Indigenous students. In its 18th year, the initiative has supported over 1000 students into further study and employment. The University is also involved in the Goulburn Valley Tertiary Education Plan, a collaboration with La Trobe University and GOTAFE to provide a connected approach to pathways and workforce development to produce job ready graduates to meet the regional workforce needs. It was established to address the poor education outcomes in the region. The Government could make medium-term funding available to support multi-partner, whole-of-region initiatives such as these to facilitate real and sustainable change. This could be established as part of the pilot program to support innovative cross-sector delivery proposed previously in this submission.

Despite historically low levels of unemployment nationally, many groups, including Indigenous Australians, still face barriers to employment. Indigenous Australians are fifteen times more likely to be unemployed than their non-Indigenous counterparts. Pre-pandemic, more than half of the Indigenous population did not have a full-time job.

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<sup>2</sup> Productivity Commission, *5 Year Productivity Inquiry: From learning to growth*, p. ix  
<https://www.pc.gov.au/inquiries/current/productivity/interim5-learning/productivity-interim5-learning.pdf>



These statistics highlight the need to significantly increase workforce participation of Indigenous Australians, noting the cost to the national economy in lost productivity, and the cost to Indigenous Australians in terms of intergenerational wealth and income disadvantage.

Higher education has a significant role to play. Based on [2016 Census data](#), 42% of Indigenous Australians aged 25-34 had completed a tertiary qualification (mostly at the sub-bachelor level), compared to 72% of non-Indigenous Australians. The Federal Government should consider how it could increase higher education attainment by Indigenous Australians, including through heavily subsidised degrees and additional financial support for those undertaking study. The Government should also consider uncapping university places for all Aboriginal and Torres Strait Islander students, not just those from regional areas, as [79% of Indigenous Australians live in urban areas](#).

There is more the Government can do to support the broader cohort of disadvantaged students to obtain the education and training they need to participate in the workforce. For example, the Government should remove the 50 per cent completion rate rule for Commonwealth assistance. Currently, students who fail more than half of their units of study after attempting eight or more units [lose their eligibility for Commonwealth assistance](#). This rule may have a disproportionate impact on equity groups, who may be more likely to fail subjects due to factors outside of their control, including the need to work part-time alongside study. There are [exceptions](#) for special circumstances but this still places the onus on students who may already be experiencing difficult circumstances.

Additionally, the Federal Government should review its policy settings, particularly for welfare payments, to ensure that disadvantaged students are not unfairly impacted or discouraged from completing additional study. For example, the Federal Government recently changed its interpretation of full-time study when determining eligibility under Austudy and Youth Allowance. This has meant that students enrolled in concurrent diplomas alongside their bachelors (or masters) degrees have had their student support payments discontinued due to failing to meet the 75 per cent load threshold for either course, despite the combined load of both courses meeting the threshold. Policies such as these, which unfairly impact disadvantaged cohorts undertaking further study, should be reviewed immediately.

The Government should also consider impacts on disadvantaged cohorts when reforming the Job-Ready Graduates package, noting that [Indigenous students and women were disproportionately affected by student contribution changes](#).<sup>3</sup>

### **Skills, education and training**

A core method for improving labour supply and labour market participation is through the delivery of high quality and relevant education and training. However, universities are constrained in their ability to deliver this due to the funding settings under the Job-Ready Graduates (JRG) Package.

The central component of the JRG package was the overhaul of CGS funding clusters and student contribution bands. There are significant problems with these changes that warrant emphasis here:

- [Deficiencies in the cost of teaching study](#): There were significant limitations in the cost of teaching exercise that were used as the basis for the new funding rates, some of these limitations were acknowledged by the authors of the study. Contextual factors (e.g. relating to geography, scale, course level and research intensity) result in delivery costs for particular disciplines varying widely between institutions. Similarly, the use of average costs fails to account for the difference in delivery costs between sub-fields within the same discipline. This results in more expensive sub-fields in disciplines such as engineering being significantly underfunded compared to the cost of delivery. Despite this being a priority skills area for government, there is a risk that underfunding may result in it being economically unviable for universities to offer some sub-fields over time.
- [There is little evidence that students respond to 'price signals'](#): One of the stated policy aims of the JRG reforms was to encourage students to enrol in courses that address skills needs by reducing contribution levels in those fields. As noted in the Productivity Commission's [recent interim report](#), there is little evidence that students respond to price signals in this way. Enrolment trends over 2021 and 2022 do not reveal a shift in direction towards course areas with lower student contributions under the JRG changes. This was confirmed by [recent University of Melbourne research](#) which found that university applicants are not particularly price sensitive under JRG.

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<sup>3</sup> Yong, Maxwell, *Demand and Supply Effects of University Funding Changes: An Australian Policy Analysis*, p. 2



- The funding changes include an effective cut to research support: the changes sought to align the funding universities receive for teaching with the cost of delivery, in effect removing the proportion of CSP revenue that universities have historically put towards research. The Productivity Commission's 2017 *Shifting the Dial* report correctly stressed that the introduction of cost-reflective funding of university teaching should only be introduced with corresponding reforms that compensate for the loss of research support. The JRG changes failed to do this, even though universities are required to undertake research under the Provider Category Standards. This has meant that universities are even more reliant on other sources of revenue (such as international student fees) to cover the costs of research, which generally drives innovation and productivity.

We note that the current Government is committed reviewing the JRG package within the scope of the Universities Accord process. The University looks forward to engaging in this consultation.

### **Upskilling and reskilling**

Lifelong learning will play an increasingly important role in Australia's skills system. Key elements of the University's course profile reflect a recognition of the value of access to higher education beyond the initial phase immediately following secondary school. Our suite of masters programs offers a re-entry point for existing graduates who are looking to change careers e.g. our two-year postgraduate programs in nursing and teaching allow for quicker entry into those fields for degree-holders than completing another bachelor degree. The University also provides rapid upskilling and reskilling that responds to emerging skills needs through its Melbourne MicroCerts courses and also bespoke courses co-designed with industry. Melbourne MicroCerts are designed to 'stack' to open pathways to further study and earn credit toward postgraduate degrees.

Noting the growing need for Australians to access additional education and training throughout their work lives, a combination of funding sources will be needed to support this:

- CSPs and HELP loans will have some role in supporting lifelong learning. An individual's entitlement to the CGS subsidy and to HELP loans are now both capped and this could impede Australians who are legitimately seeking to upskill or reskill.
- In addition to the existing tax incentives for businesses to invest in training their employees, consideration should be given to mechanisms by which businesses that directly benefit from workers upskilling can contribute to the costs of it.
- Consideration should be given to tax incentives for individuals to undertake training related to future (not just current) employment. The ATO has run a consultation on this proposition.

### **Migration settings**

Most international graduates are only eligible to stay on in Australia for two to three years after graduation, depending on their qualification. This creates disincentives for employers to hire them, leading to weaker labour market outcomes for temporary graduates compared to other skilled migrants.

The Federal Government recognised the importance of post-study work rights when it announced at the Jobs and Skills Summit that post-study work rights for select degrees in areas of verified skills shortages will be increased for bachelors, masters and PhDs. However, Australia's visa system is already overly complex and slow to respond to emerging skills needs. For example, the Productivity Commission has suggested that the Government should significantly improve skilled occupation lists or replace them altogether.<sup>4</sup>

The University encourages the Government to consider a simple, blanket approach, whereby all international graduates who complete a bachelors and above are eligible for at least a four-year post-study work visa. Similar programs have been introduced in competitor nations, such as the UK and Canada. Therefore, this step would also support the restoration and diversification of the Australian international education industry.

In making changes to migration settings, it will be important for the Government to communicate the benefits to international graduates themselves, rather than just the benefits to the economy. Conversations about migration settings sometimes risk framing migrants simply as stopgaps for domestic economic problems. The Government

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<sup>4</sup> Productivity Commission, *5 Year Productivity Inquiry: A more productive labour market*, p. 15  
<https://www.pc.gov.au/inquiries/current/productivity/interim6-labour/productivity-interim6-labour.pdf>

should promote the changes as a way to improve international student employability and experience, providing international students the opportunity to gain meaningful employment related to their studies.

Visa processing times for both international students and skilled migrants also present a barrier, with some visas facing wait times of months or even years. The Federal Government is currently working to address this, but a swifter and permanent improvement would deliver real gains to the sector.

## Recommendations

**The University of Melbourne recommends that the Federal Government:**

- **Consider allocating funding and loans to more micro-credentials, pending the evaluation of the pilot.**
- **Broaden access to national data sets to enable researchers, industry and government to better work together to develop and evaluate the success of programs to support skills and capability development and labour force participation.**
- **Offer medium-term funding for multi-partner, whole-of-region initiatives that provide education and training to disadvantaged groups.**
- **Increase workforce participation by Indigenous Australians by reducing barriers to higher education, including through demand-driven university places for all Indigenous Australians, heavily subsidised courses and wrap-around and financial supports for Indigenous students.**
- **Remove the 50% completion rate rule for Commonwealth assistance in higher education, noting this may disproportionately impact disadvantaged cohorts.**
- **Review policy settings (including welfare payment settings) to ensure disadvantaged cohorts are not unfairly impacted when pursuing further study.**
- **Consider limitations of costing studies, drivers of student demand, and impacts on research funding when reforming the Job-Ready Graduates package.**
- **Encourage lifelong learning by considering:**
  - **Removing the Student Learning Entitlement, which caps the amount of subsidised study a student can undertake**
  - **Other mechanisms (beyond tax incentives) for businesses to contribute to the costs of upskilling where they directly benefit**
  - **Tax incentives for individuals to undertake training related to future (not just current) employment.**
- **Introduce a four-year post-study visa for all international students who complete a bachelors degree or above.**
- **Ensure changes to international education policies (including visa policies) promote the benefits to individuals, not just to the economy.**

