Talking Point: Human Capital

Learning Cultures in Regional Australia
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Executive Summary

Human Capital – the skills and capabilities we have within us – is arguably the core driver of economic prosperity in the world today.

The challenge for regional Australia is that the skills and capabilities available in many areas lag well behind our big cities, and on average, the overall performance of regions is lower in seven out of nine key measures.

Revitalising regional education, by overcoming the barriers impacting learning outcomes in regional, rural and remote communities is a key challenge.

It requires a special focus on:

- lifting aspirations and access to learning opportunities though the whole lifecycle of study, training and employment;
- looking well beyond the traditional classroom environment towards building a culture of lifelong learning; and
- fresh thinking and ideas about how skills and capability building ‘ecosystems’ can be improved (or redesigned) at local or regional levels to advance access, equity and overall achievement.

Lifting up regional Australia’s performance in this area is an important challenge for the nation’s prosperity, and local leaders play a central role making it happen. The imperative is to create a learning culture – a community environment that inspires people of all ages to pursue ongoing skills and capability development. Strong learning cultures are built on access to a range of learning opportunities, both formal and in-formal, and enabled by all kinds of technology.

Local leaders especially, are ideally positioned to bring together key players, facilitate information and knowledge exchange, build a shared understanding of challenges and opportunities, generate new ideas and coordinate action.

Our ambition should be to lift the level of education engagement and quality of outcomes across all life stages. This requires a tailored response - as no two regions are the same.

The RAI’s online [In]Sight – Human Capital Index shows the skills and capability performance of every Local Government Area in every stage of the lifelong learning process, providing local leaders with the diagnostic tool and data needed to take targeted action.
Overall, the Human Capital Index clearly shows (below) the ‘education divide’ between the bush and the city, with more remote regions feeling the impact hardest.

While the Index score for Regional Cities is 14 per cent below Metropolitan areas, more remote Heartland Regions are almost 50 per cent lower. However, remoteness does not necessarily determine lower performance. A number of remote areas are performing well in various indicators, emphasising the need for a tailored response.

Some examples include places like Augusta-Margaret River WA and Roxby Downs SA, which have high school completion rates 10 per cent above the national average. In 2011, places like Robe SA, Etheridge QLD and Uralla NSW, had more than 94 per cent of people between the ages of 15-24 either learning or employed. This was 6 per cent above the national average and equal to the average performance of Metropolitan areas.

The Index reveals nationwide challenges. Less than 10 per cent of people over the age of thirty are engaged in Adult Learning. Participation rates are generally highest in major Metro areas and lower in regions, particularly as they become more remote.

These are just some of the specific challenge that regions face.

Bridging the ‘education divide’ will require an approach that focuses on lifelong learning. Lifting access to learning opportunities regardless of age and building a strong learning culture will be key to regions’ success. This can be done by building on existing strengths and encouraging new thinking and ideas about how to improve skills and capabilities across the entire lifecycle.
Interact – Explore your region’s learning culture

The first step is to understand what your region’s learning culture looks like. The RAI’s online tool [In]Sight – Human Capital Index provides specific data across all regions of Australia, and this Talking Point explores key benchmarks and practical examples that can be used to guide actions that make a real difference.

The updated [In]Sight - Human Capital Index enables communities all over Australia to benchmark their Human Capital performance, measured on nine skills and capability foundations linked to key stages of learning throughout life.

Go to the [In]Sight web tool at insight.regionalaustralia.org.au to explore the data for your region.

While you are exploring, think about these questions…

Revitalising regional education and creating a learning culture requires building skills and capability across the whole lifecycle of study, training, employment - and beyond.

- How does the performance of your region stack up in each of the nine Human Capital Index key measures?
- Where are the key strength and weaknesses?
- What stages of the lifelong learning cycle do they relate to?
- Which areas would you focus on first if you could, and why?

Thinking about the importance of local leadership and collaboration…

- Who are the key players?
- Are they working together or separately?
- Is there a coordinated approach focused on lifting aspirations and access to learning opportunities though the whole lifecycle of study, training and employment?
- Do current approaches look beyond the traditional classroom environment towards building a culture of lifelong learning?
- Is your region taking action to create a learning culture that inspires people of all ages to pursue ongoing skills and capability development?
- How might your region bring new thinking and ideas to the table to improve (or redesign) the skills and capability building ‘ecosystem’ to advance access, equity and overall achievement?
**Introduction**

A culture of lifelong learning is one of the best insurance policies against the changing world of work. When new skills emerge just as fast as others become obsolete, “employability is less about what you already know and more about your capacity to learn”. This means developing dynamic Human Capital - the skills and capacities that reside within people - is increasingly a priority.

A region with dynamic Human Capital has a number of advantages. Its labour force is more adaptable, can learn new skills more easily, and work more creatively, all of which makes for a more engaged and productive community.

It also means a region is more likely to take advantage of the opportunities created by the **future of work**, instead of being affected negatively by it. The challenge in developing this culture is that some regions will be better placed than others.

([In]Sight: Australia's Regional Competitiveness Index) captures the competitive position of each of Australia’s Local Government Areas (LGAs) and Regional Development Australia (RDA) regions by highlighting data and rankings across a range of indicators. [In]Sight’s new **Human Capital Index** allows people in regions to gain new perspectives on the learning culture in their area. The Index takes a lifecycle approach (illustrated in Figure 1).

![Figure 1: Life Stages of Human Capital](image)

This approach gives a comprehensive perspective of the stages of learning across a lifetime. It allows regions and communities to pinpoint areas to focus on that can strengthen and improve competitiveness overall.

This Talking Point starts the conversation about why lifelong learning is so important; how regions are taking action; and, by taking a closer look at three key indicators, demonstrates why small changes could make big differences.
Learning through life

Education is at the heart of Human Capital. It’s a crucial foundation for social and economic life, enabling people to develop skills and build careers. This doesn’t just mean specialist knowledge but also the soft skills like communication, critical thinking and creativity that allow people to thrive in any working environment.

The benefits of greater education to people living in regional Australia are clear. It is estimated that for every additional year of schooling, earnings rise by 5-10 per cent, while workers with a university degree are twice as likely to be employed as those without.

But learning doesn’t finish when we graduate from high school or university. It’s a lifelong experience. Whether it be employees developing new skills in on the job training or obtaining new qualifications for a whole new career path, people are constantly engaged in one form of learning or another.

This focus on lifelong learning in the newly updated Human Capital Index is important as it is quickly becoming recognised as a key element of Human Capital development. With new innovations and constant disruptions to traditional industries we cannot fully predict what the jobs of tomorrow will be and the “idea of a one-time education providing people with a lifelong skillset is a thing of the past”.

A life-cycle approach to measuring Human Capital has two clear advantages. It provides a clearer picture of what a region’s Human Capital stock looks like both now and into the future. It also allows regions to understand where to effectively channel their energy through investment or engagement.

Across Australia, for example, attendance at an educational institution after most Australians enter the workforce drops off significantly, and enrolment rates are even lower in regions than in metropolitan areas. Tertiary education in particular shows a sharp decline, despite having a longer tail (see Figure 2). By the age of 30 less than 10 per cent are enrolled in some form of formal education.

![Figure 2: Type of Educational Institution Attending by Age](image-url)
For regional areas with significantly low levels of tertiary enrolment, promoting the value of higher education for example, may be a priority. Research has demonstrated that higher levels of parental education attainment has significant positive effects on children's school performance too.

This feedback effect is an illustration of how a strong learning culture in a region can have broad benefits. By focusing energy on one stage of the Human Capital development life-cycle, communities can capture significant positive flow on effects. This is why global interest in lifting Human Capital is now centred on communities fostering a 'learning-culture'.
Learning communities as a locally-led response driving Human Capital growth

While some of the discussion about Human Capital is at the international and national level, there is a global movement of local communities determined to grow their own human capital capacity through actions enabling lifelong learning.

The United Nations is a key force in this global movement, describing it as follows:

“An entire education system is designed to facilitate lifelong and ‘lifewide’ learning and the creation of formal, non-formal and informal learning opportunities for people of all ages...”

The United Nations Educational, Scientific and Cultural Organization’s (UNESCO) ‘Key Features of Learning Cities’ (figure 3) show how local drivers are just as important as the facilities and services provided regionally and nationally. Two of the key pillar in this model specifically address the importance of families and communities in ‘revitalising learning’ and supporting a ‘learning culture’.

Figure 3: UNESCO’s Key Features of Learning Cities

When put into practice, locally-led lifelong learning activates awareness of and partnerships in learning that reach across all life stages and forms – formal and informal.

It turns out that there is a lot communities can do (and are doing) to activate lifelong learning connections locally.
What does a learning community look like?

In Australia, initiatives to grow Human Capital through lifelong learning are seeing communities drawing on Federal and State government resources to bring together key players and create a learning culture.

The Learning Community Framework prepared by the Australian Centre for Local Government describes a very inclusive approach where:

- **Learning opportunities are provided for all age groups.** There will also be opportunities for different cultural groups.
- **All types of learning from formal to non-formal and informal learning are seen as valuable and enriching to the community.**
- **Learning is enabled by all kinds of technology from the formal classroom to the internet and mobile devices.**
- **Learning programs and activities are funded from a number of funding bodies.**
- **Learning institutions work in partnership to provide equitable access and pathways for residents.**
- **Residents are included as a key valuable resource base in the community for developing new and innovative learning opportunities.**
- **The learning community learns from its own experiences and makes changes accordingly, so that it continues to improve the quality of life for residents.**

There are also some great examples of places around Australia that are taking on this challenge.

**Victorian Local Learning Employment Networks**

In Victoria, the State Government has for many years supported a network of 31 Local Learning Employment Networks (LLENs) to assist young people, 10 – 19 years old, by improving their participation, engagement, attainment and transition outcomes.

The LLENs themselves are designed to broker partnerships, and with membership from a range of groups and organisations including education and training providers, business and industry, community agencies, parent and family organisations.
CASE STUDY: Wimmera Southern Mallee LLEN School Friendly Business program

The School Friendly Business (SFB) program is a partnership between schools and the local business community. The program supports stronger school/business relationships to improve student education, career and life outcomes.

Context and goals
Schools often do not have time to build connections with the business community. The SFB program aims to facilitate much stronger working relationships between schools and the local business community.

The Partnership Approach
The SFB program enables local business to support schools in ways that best suit their circumstances. The program enables more businesses to provide work placements, industry tours, talks to students and improves student aspirations by broadening their awareness and perspectives on local career pathways.

City of Melton
The City of Melton has a Community Learning Board which delivers activities under an umbrella Community Learning Plan. Two examples of actions under the Plan are a program to connect construction industry job seekers with local employers, employees, and another program to assist people with disabilities entering training or employment.

Gwydir Shire Council
Gwydir Shire is a small community (around 5,000 people) in inland NSW with a passion for learning. In 2000 the community brought together the high schools at Warialda and Bingara, along with TAFE NSW, the University of New England and local employers, to form the Gwydir Learning Region (GLR) cooperative venture. Since then more schools and universities have joined.

“...The GLR has gone from strength to strength, building on the ‘can do’ attitude in the local community. Winner of the 2006 NSW Training Initiative Award, the GLR is a model for other regional centres wanting to promote community development, enhance regional development and establishing a learning community.

GLR caters for all ages and competencies, including people wanting to improve their numeracy and literacy skills through to TAFE and university level distance education. The approach is based on individual learning rather than one size fits all. Individuals are able to extend their learning, develop new skills, discover new interests, achieve personal goals and pursue employment pathways previously not available to them.

The GLR’s key mission is to coordinate all learning in the region, ensuring educational needs are met, fostering community capacity building and regeneration into a sustainable geographical region in northern NSW.”
City of Hume
The City of Hume describes itself as ‘A city dedicated to lifelong learning’ and is very proud of the Hume Global Learning Village – a network of Global Learning Centres around the City:

“The flagship learning venues offer the local community, organisations and businesses a central hub in which to gather, share knowledge and experiences in a vibrant and welcoming space. Each centre is fully equipped to support training and education opportunities. The centres offer the ideal venue for learning that supports the joint vision of Hume City Council and the Hume Global Learning Village which is that of a strong and dynamic community of lifelong learners.”

Pathways at North Lakes
Pathways at North Lakes is an innovative response to the challenge of creating a strong learning culture in a brand new community. North Lakes is a large masterplanned community on the northern outskirts of greater Brisbane, at the southern edge of the Moreton Regional Council.

Collaboration between the property developer Lend Lease, Council and the Hornery Institute resulted in the development of a Pathways Campus which leveraged the initial seed capital of $3.8 million with external grant funding and third party contribution to deliver a $30 million facility that includes:

- A leading edge twenty first century library which has been an acknowledged pathfinder for the early provision of community cultural facilities to peri urban areas;
- Pathways Enterprise Centre – a technologically enabled Vocational Education and Training Hub;
- An integrated sports facility - aquatics centre, indoor courts and oval;
- Suite of community meeting rooms – ranging in size and formality;
- A senior secondary campus for North Lakes State College
- Council offices for economic development; and
- An offsite community hall.

“A significant component of the project was the development of tertiary and vocational training programs for the community using new educational formats and delivery mechanisms. This project also facilitated the development of networked relationships with both the Queensland and Federal Governments Departments of Education, Employment and Training.”
Learning cultures across Australia’s regions

Using the updated Human Capital Index we can gain a snapshot of different regions’ learning cultures. Using three indicators corresponding to different life stages – Secondary Literacy and Numeracy, Learning or Earning and Adult Learning – the index provides an indication of regions’ strengths and weaknesses.

Hobart, for example, exhibits a strong learning culture across key indicators. A diverse city economy, with significant opportunities to both learn and work, give Hobart an advantage.

<table>
<thead>
<tr>
<th>Hobart Performance</th>
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<tbody>
<tr>
<td><strong>Secondary Literacy &amp; Numeracy</strong></td>
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<tr>
<td><strong>Learning or Earning</strong></td>
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<td><strong>Adult Learning</strong></td>
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Not all regional cities have these same characteristics though. Bunbury for example, performs well in Numeracy and Literacy scores, yet ranks poorly in terms of Learning or Earning and Adult Learning measures.

Understanding the types of learning different regions are engaged in can help to identify which areas need strengthening and what areas can be leveraged as community assets.

Foundations in literacy and numeracy

High levels of literacy and numeracy form the basis of successful learning outcomes for young Australians. Kids not only keep these skills for life but developing them fully can significantly impact their social and career prospects. Literacy and numeracy are core building blocks for people to be effective in regional economies.

The jobs of the future for example, are more likely to need a higher level of skills than today. Strong performance in Literacy and Numeracy measures are not only linked to better employment outcomes but are also crucial requirements for students to pursue more specialised training.

This means that the development of a strong learning culture starts from a young age. A region with strong scores in Secondary Literacy and Numeracy measures suggests a younger population that is highly engaged in learning activities, both inside and outside the classroom. On the other hand, in regions where Literacy and Numeracy scores are low, improving these early measures should be a priority.

Uralla, a heartland community in the Northern Inland region of NSW, has signs of a strong learning community yet its poor scores in Secondary Literacy and Numeracy is a significant shortcoming. With a number of higher education resources in the surrounding region such as the University of New England, Uralla performs well in Learning and Earning and Adult Learning measures. This suggests that its learning culture is skewed towards its older populations.
This is a similar story for places like Palmerston in the Northern Territory and Palerang in the Southern Inland region of NSW, both of whom perform well in Learning or Earning and Adult Learning measures, but less so for school-age numeracy and literacy standards.

Across Australia, regional areas in general perform comparably worse than metropolitan areas in literacy and numeracy measures. A trend that is only exacerbated the more remote a region is.

Research by the Grattan Institute highlights that equally capable students in regional and remote areas fall nearly two years behind the progress of inner city kids between year 3 and 9. A significant emphasis is placed on the lack of opportunities available to regional students to ‘get hooked on learning outside of school’. This means that communities will need to look further than the classroom to begin fostering an appetite for learning amongst their younger population.

As a core basis for future Human Capital development, building greater capacity in literacy and numeracy skills amongst secondary as well as primary school students should be a priority for developing a well-rounded learning culture in regional communities.

If this sounds like your community, what can you do?

You can start by considering some of the active approaches taken by communities to engage local schools in local leadership, and strengthening connections between schools and the business community. The latter in particular is something most small communities think happens ‘naturally’, but in fact this is rarely the case. Stronger business-school links will demonstrate to teachers and students the importance of strong literacy and numeracy skills.

**Keeping young adults engaged**

The transition after compulsory education is a key stage in the lives of young Australians and for regional communities. Keeping young adults active through access to higher education or ensuring effective pathways from school to employment is critical. Not only for developing a strong learning culture but for a vibrant regional economy too.

The consequence for taking this transition for granted can be marked. Disengagement from study or work at this stage of life is linked to greater risk of unemployment, higher rates of job insecurity as well as a lower capacity to learn overall.

For young adults, this period in their lives is an opportunity to develop job specific skills, get experience in a professional environment and network with others. The smoother this transition is, the more likely it is that regions are able to capture the fresh ideas, knowledge and skills that engaged young people bring to their communities.
While regions may perform well in terms of Literacy and Numeracy measures as well as Adult Learning rates, low performance in Learning or Earning measures can create a significant gap in a community’s learning culture.

Albany, for example, is a top performer in both Secondary Literacy and Numeracy and Adult Learning scores, but performs substantially worse in terms of Learning or Earning measures. Given its strong learning culture in other measures, Albany’s low Learning or Earning score suggests there is a lack of opportunities for younger people in the community to stay engaged.

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<tr>
<th>Albany</th>
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<tbody>
<tr>
<td>Secondary Literacy &amp; Numeracy</td>
<td>Top Performer</td>
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<tr>
<td>Learning or Earning</td>
<td>Low Performer</td>
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<tr>
<td>Adult Learning</td>
<td>Top Performer</td>
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Regions like Devonport in Tasmania as well as Bundaberg in Queensland also exhibit these same characteristics.

If this is a concern in your community, there are a number of things you can do. To develop a more well-rounded learning culture in regions, the priority for local leadership should be to improve pathways for high school students into the workplace as well as highlight emerging opportunities in continuing education.

Developing stronger connections between the business community and schools to give the younger population early work experience, for example, is a proactive solution that can enhance a learning culture for young adults across regions. The Australian Government Department of Education and Training has a framework for Preparing Secondary Students for Work which includes a number of support resources.

**Adult learning the key to reskilling**

Changes to industries and occupations due to digital disruption is a considerable source of anxiety amongst many Australian workers. It’s not just low skilled workers that will feel the effects, with certain medium skilled occupations likely to be impacted too. Estimates of job losses and gains vary wildly, but what we know for sure is that workers in the future job market will need a higher level of skills than they have today.

The need for a focus on lifelong learning could not be emphasised more. To meet these demands, workers and those out of work will need to take steps to ensure that their skills are up to date.

In any job, it’s common for workers to invest in themselves through upskilling and new qualifications. For most workers, this comes in the form of on the job training, often occurring within the workplace and is impossible to reliably measure. The proportion of adults enrolled in a formal education institution, however, gives an indication as to how engaged adults in regional communities are in lifelong learning.
A region with strong Adult Learning measures suggests a community where learning at all stages of life is highly valued. This can have significant benefits in developing a learning culture throughout all ages of the community. The positive relationship between parental education and primary and secondary student outcome is one example. In many regional areas, Adult Learning is low compared to other key indicators.

<table>
<thead>
<tr>
<th>Busselton</th>
<th>Performance</th>
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<tbody>
<tr>
<td>Secondary Literacy &amp; Numeracy</td>
<td>Top Performer</td>
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<td>Learning or Earning</td>
<td>Top Performer</td>
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<td>Adult Learning</td>
<td>Average Performer</td>
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In Busselton, for example, Adult Learning scores relatively poorly compared to other indicators. Other regions like Harvey in Western Australia and Mackay in Queensland tell a similar story.

Being proactive is vital to improving these measures. Resources like Open Universities means regions across Australia have the opportunity to access university level qualifications. Developing community learning programs is another example. Increasing adult learning rates, no matter people's age, will be key to fostering a strong learning culture across all parts of the community.
Conclusion

This Talking Point demonstrates that regions looking to build better Human Capital measures do not have to reinvent the wheel. By shifting focus to a lifelong learning approach, we see that regions can create significant benefits through targeted intervention.

While predictions about the future of work can vary greatly, it is certain that regions (and the people in them) will need to develop a lifelong learning culture if they are to secure the new skills and knowledge required for ongoing social and economic prosperity. Developing a culture in which people of all ages have opportunities to learn will be vital.

If this Talking Point has sparked your thinking, find out about the approaches taken in Melton, Hume and Gwydir to build a lifelong learning culture or head to the [In]Sight Human Capital Index online to see how your region performs.
Appendix

i  https://www.weforum.org/agenda/2016/09/ceo-career-tips-for-millennials
iii https://www.weforum.org/agenda/2015/03/whats-the-value-of-a-college-education/
iv https://www.brookings.edu/blog/the-avenue/2013/11/12/the-economic-value-of-education/
vi http://en.unesco.org/world-education-forum-2015/5-key-themes/lifelong-learning
vii http://learningcities.UIL.unesco.org/key-features/key-features-of-learning-cities
ix http://gwydirshire.com/relocating-to-the-gwydir/
xi https://gwydirshire.com/relocating-to-the-gwydir/
xiii http://www.horneryinstitute.com/ourWork-pathwaysatNorthLakes.html
xviii https://www.sprc.unsw.edu.au/media/SPRCFile/NSPC01_7_Considine_Zappala.pdf