



# New funding for a new culture of learning

by Mark Latham

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Education has emerged as the top priority for Australian public policy. We have a long way to go, however, in improving the quality of the education system. The main task is to develop a new culture of lifelong learning in Australia – for education to replace sport as our national pastime.

The USA and Singapore have already created such a culture. In these nations, parents start saving for their children's education from an early age, and learning is a lifelong enterprise. Education is highly valued, and all sections of society are expected to contribute to funding it. In Australia, we tend to dismiss these expectations. The ideals of free, universal education are promoted as a superior model, but viewed objectively, every trend in policy is undermining this approach.

Whether we like it or not, publicly funded education is no longer sufficient to meet the needs of a learning society. In most countries, the private sector already spends more on research and training than governments. Australia needs to mobilise learning resources of this kind. This requires a new role for the public sector: finding clever ways of leveraging additional funds from non-government sources.

This is where the concept of learning accounts can be particularly useful. They operate along the lines of national insurance. Contributions are drawn from a number of sources to build up a bank of education resources. These funds can then be accessed to cover a range of learning needs and purposes. Governments need to offer incentives to make the accounts attractive for private contributions.

As with Australia's superannuation scheme, the aim is to build up a savings pool that benefits from investment strategies and compound interest. I envisage a national system of Lifelong Learning Accounts (LLAs) based on the following principles.

Individuals and families could open LLAs as a subset of their superannuation arrangements. The design and use of the accounts would be covered by Federal Government regulation. Participation in the scheme would be voluntary but, given the financial incentives on offer, a high take-up rate could be expected.

Accounts would be financed from a variety of sources: the Federal Government (subject to means testing); resources drawn forward from superannuation funds; and employer and/or employee contributions determined in enterprise bargaining agreements. Parents might decide to dedicate a proportion of their Family Allowance payments to the accounts, and educational institutions and companies might choose to pay scholarship funds into the accounts.

The accounts would be available to cover the costs of lifelong learning. Withdrawals could only be made for specific educational purposes: course fees, home learning equipment and so on.

Learning accounts are a fresh way of thinking about education funding. They would add powerfully to the creation of a learning society. Australians would need to calculate, on a regular basis, the best way of investing in their own skills. Learning would be positioned at the centre of family budgets and household decision-making. A new culture of learning would develop.

Australia can achieve the best of both worlds in education. We can maintain our traditional emphasis on equity and access through the role of government; plus we can grow a new learning culture in the homes, businesses and civic places of the nation. This is the stunning promise of a learning society: education for all, supported by all.

Unfortunately, Australians will spend the first year of this new century bedding down a new indirect tax system. What we should be doing, of course, is creating a new system of Lifelong Learning Accounts.