



1 September 2023

**AIIA Submission to
Australian Universities Accord Interim Report**



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Dear Professor O'Kane

RE: AIIA Submission: Australian Universities Accord Interim Report

The AIIA welcomes the opportunity to provide comment on the Australian Universities Accord Interim Report.

General Comments

In general, the AIIA is supportive of the Australian Universities Accord – Interim Report. While feedback on the Report from industry employer members is positive, the AIIA suggests that more needs to be done to address the more substantive barriers and issues facing the ICT sector and its ability to meet the current and future skills needs of the industry, as well as challenges in reducing the barriers in business-university collaborations.

Employer challenges across the ICT sector are grounded in two fundamental but inter-related issues: meeting the ICT skills deficit faced by employers and meeting the productivity challenge through innovation.

Skills deficit issues

The ICT sector itself is a major employer in the Australian economy and contributor to the nation's prosperity.

The average annual wage earned by tech workers was \$115,290 in 2022, with tech workers earning a wage premium of \$41,490 compared to all other workers in Australia and \$11,336 compared to professional services workers.

The technology sector contributes overall an estimated \$167bn to the economy and counting, with \$56bn gross value add direct contribution and strong contributions by

the e-Commerce sector.

There were 870,268 tech workers in Australia in 2021, which is a year-on-year growth of 64,743. The size of the technology workforce is forecast to grow to 1.2 million by 2027. As a proportion of the total Australian workforce, technology workers account for 6.6%.

Women make up 31% of technology workers in Australia and this number is on the incline, growing 1.86% year-on-year, as is the number of senior Australians aged 55+ in tech.¹

Across the sector, employers are facing a vast skilled workforce deficit. That is, an inability to meet the needs of current and near-future workforce requirements for skilled ICT professionals. Secondly, it faces concurrent challenges in reskilling the current ICT workforce due to the rapid changes in skills requirement within existing jobs.

In terms of graduate recruitment, while recruitment by qualification remains important, there has been a substantive shift, both domestically and internationally, to recruiting according to skills, aptitude and career aspiration and providing for on-the-job skills development focusing – although not exclusively so - on employer certifications and potential qualification pathway options, if desired. At the same time the Higher Education sector has come under significant criticism for producing graduates that are not ‘job ready’! One of the reasons for this is the speed of skill shifts in ICT jobs. At the same time, current accreditation practices, long timeframes for new course development and approval within institutions continues to devalue formal tertiary qualifications.

The gaps between VET and Higher Education continue to widen. The accord process affords a unique and once in a generation opportunity to debate the merits of restructuring the roles of both education sectors in developing and delivering technical skills-based education qualification. Most technical digital skills can be adequately addressed at the VET level, allowing universities to retain focus on higher order skill development such as professional and transferable skills as well as the science of new emerging technologies, particularly in higher degree programs. Whilst acknowledging the challenges such shifts bring, particularly for universities, the result could free up resources of the higher education in ICT and digital skills education for reinvestment into higher value emerging technology and digital capability domains and reducing duplication between the sectors.

Productivity issues

¹ Sources for all statistics: Deloitte Digital Pulse Report 2022 and ACS/TCA *Getting to 1.2m* Report



As ICT is the single most important enabler for productivity growth across all sectors of the economy, the requisite digital enablement skills also need to be met and as such, the sector faces competition from the very sectors it services.

As the need for greater productivity growth and resilience across the economy becomes greater due to increasing market uncertainty and disruption, the university sector is being underutilised by industry as a source of innovation.

While several universities have made concerted efforts to improve engagement approaches to support collaboration – and as such need to be acknowledged and lauded – these are not representative of the sector as a whole. Indeed, the general consensus is that the higher education sector could be easier to navigate, more responsive to the needs of industry, and less wed to traditional ways of doing business. Finally, industry can provide the required commercial acumen to support effective and timely collaboration.

While there remains a lack of maturity for effectively dealing with Intellectual Property Rights, despite the realignment of IP policies of institutions over the last decade, it seems most IP ownership positions still favour the institution rather than a more mature fit-for-purpose approach. Improving these capabilities, developing programs to facilitate and support industry engagement – particularly with SMEs, to reduce barriers to engagement.

Yours sincerely



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