# SUBMISSION TO THE NATIONAL PRIORITIES AND INDUSTRY LINKAGE FUND CONSULTATION

30 October 2020

Universities Australia welcomes the opportunity to make a submission to the *National Priorities and Industry Linkage Fund (NPILF)* consultation.

Universities Australia is the peak body representing Australia's 39 comprehensive universities that educate more than 1.4 million students and undertake research on behalf of all Australians.

The design of the NPILF program proposes a system of indicators, coupled to funding, to provide incentives to universities to achieve three priorities:

1. Increase the number of internships, practicums and other innovative approaches to work integrated learning.

2. Increase the number of sciences, technology, engineering and mathematics (STEM) skilled graduates and improve their employment outcomes.

3. Supporting the development of educational and research partnerships and collaborations between universities and industry.

Universities Australia welcomes the Government's commitment to fund work integrated learning and related activities as outlined in the NPILF paper.

Universities recognise their role, in conjunction with employers, in the education and skilling of the current and the future workforce. This has always been the case but it is even more important for education providers, industry, government and the community to work seamlessly together to provide graduates with the best chance of employment in a recession.

Universities Australia understands the aim of the consultation is to contribute to designing a program that achieves the three key priorities whilst providing flexibility. Universities Australia supports the objective of ensuring the focus for universities and Government is on innovative ways of achieving outcomes for students, supported by a light-touch framework to demonstrate progress.

## RECOMMENDATIONS

Universities Australia recommends that:

1. The Department of Education (DESE) undertake further work to focus the definitions and conceptual basis of the 'metrics tier indicators'.
2. The ABS Data Quality Framework be included as part of the principles of indicator design.
3. Further work be undertaken on (i) better integrating existing university practices with industry; (ii) working with employer groups on potential mechanisms by employers to make students job-ready, beyond that of work integrated learning.

Universities Australia would be pleased to discuss these points further with DESE and the working group, given the complexity of aspects of the program, particularly the metrics.

# KEY POINTS

***The job-ready graduate***

The consultation paper defines a 'job-ready' graduate as:

> *… well-rounded and has the relevant capabilities to confidently enter or remain in the workplace. Providing graduates with the foundations in critical thinking, creativity, communication and system problem solving is vital in order to future proof graduates against robotic redundancy and to prepare them to succeed in a future of multiple careers.*

Given the recognition in the paper that students should be equipped to tackle multiple careers, it is important to avoid a too narrow focus on specific skills sets. Universities can be expected to provide graduates with a strong foundation in the discipline of their choice. The *2019 Employer Satisfaction Survey* – which reported the views of almost 4,700 direct supervisors of recent graduates – found that 84 per cent of employers expressed overall satisfaction with their recent graduates in 2019. More than nine out of ten supervisors (92 per cent) indicated that the graduate's qualification prepared him or her for their current employment.[1]

Australia's Chief Scientist, Dr Alan Finkel, articulates this sentiment by encouraging a focus on graduates being job-capable, rather than job ready[2]:

> *…We, employers, don't expect you to come out of university a one-to-one fit for a job. No: we understand that the role of a university is to make you job capable, not job ready.*
>
> *A graduate who's only trained to do one thing is a graduate we've set up to fail if that one thing doesn't go right – or ceases to be relevant to our firm.*
>
> *We, employers, look for graduates who've made the most of their education to date, and have the inner momentum to keep that learning going.*
>
> *In my days as a CEO, we did everything we could to build a culture where pivoting to new areas was encouraged.*
>
> *We offered a full week, paid, for professional development every year. And we insisted that employees take it.*
>
> *Not because we were nice, but because we were sensible.*
>
> *If we're going to create that culture right across the economy, then we need many, many sensible employers – doing it, saying it, and sharing it in schools.*
>
> *So, employers, step up: recognise your obligations.*

This raises the question about the role of employers. Employers need to work closely with higher education providers to offer placements during study. They also have an essential role in introducing new graduates into the specific requirements of their business and their job.

1 Social Research Centre 2019, *2019 Employer Satisfaction Survey: National Report.*

2 Speech by Australia's Chief Scientist, Dr Alan Finkel AO. Thursday, 23 May 2019. STEM careers – a broad horizon.

***Tier principles***

The tier principles are helpful in defining the policy intent of the program. In defining the indicators, the approach would benefit from following the principles employed by statistical agencies in collecting data. This would help to ensure that the indicators chosen match the desired target; can be efficiently collected; and are accurate.

The ABS uses the Data Quality Framework to ensure statistical information is of a high standard. The Framework articulates seven dimension of data quality:

| | | |
|---|---|---|
| 1 | **Relevance** | The degree to which statistical information meets user needs. |
| 2 | **Accuracy** | The degree to which statistical information correctly describes the phenomena it was designed to measure. |
| 3 | **Timeliness** | The delay between the end of the reference period to which statistical information pertains and the date on which the information becomes available. |
| 4 | **Accessibility** | The ease with which statistical information can be obtained. |
| 5 | **Coherence** | The degree to which statistical information is logically consistent and can be brought together with information from other sources or different time periods. |
| 6 | **Interpretability** | The availability of supplementary information (metadata) necessary to understand, analyse and utilise statistical information appropriately. |
| 7 | **Institutional Environment** | Institutional and organisational factors which may have a significant influence on the effectiveness and credibility of the agency producing the statistics. |

This is consistent with other frameworks such as those used by Canada and the European Union.

***Tiered indicators***

***Flexibility***

Indicator quality, as outlined above, should be the guiding principle in deciding the number of indicators, whilst seeking to minimise the reporting burden on institutions. The program design should complement and not duplicate the existing reporting that universities provide to Government. Where possible, data should be reused, and single-purpose data collection minimised to increase efficiency. If the comments below can be addressed, then there does appear to be sufficient flexibility in the system of indicators to allow universities to meet the policy intent of the program in the context of their individual missions.

***Work Integrated Learning (WIL) and the Work Experience in Industry (WEI) unit***

Universities Australia supports the adoption of the WEI unit as a component of the WIL tier. Given the extension of Commonwealth Grant Support funding to the unit, this will ensure that universities are funded for the cost of arranging work experience for the student. However, given the narrow scope of activities eligible for WEI, it is not by itself sufficient to cover the intent of the WIL priority.

Universities Australia has concerns about the definition of WIL and how the definition interacts with suggested indicators and suggests further work on this aspect of the program.

**General comments on the metrics**

Metrics need to be collectable in an efficient and robust way. Universities Australia has concerns about some of the proposed WIL metrics, given that most of the proposed WIL metrics do not exist. For the STEM+ metrics, the '*STEM-skills embedded in curriculum'* and *'proportion of final year students rated as job-ready'* metrics are not collected (see additional comments on these below). Most of the industry partnership metrics are also not available, except for the '*cat 2 to 4 income* and '*graduate employment outcomes'* (see further important comments below).

On the issue of employment outcomes, Universities Australia is concerned that universities will not be able measure the employment outcomes of graduates with sufficient accuracy. It is also important to note that external factors including local, national and international economic conditions have a profound influence on employment rates. Administrative data linking by government may be an option to consider.

An example of how data linkage can be helpful, but is outside of universities' remit and requires additional support, comes from the health area. From a health professions' education perspective, data collections that can link clinical work placements/experience with later work outcomes (health service location/domain) by discipline would be helpful. This technique would assist industry, professions and universities. Some of this type of data is collected for some professions by the Australian Health Practitioner Regulation Agency (AHPRA) but it:

- is not publicly accessible;
- does not cover all disciplines; and
- does not generally include placement information (but could).

Additional policy to support data linkage across relevant agencies would assist.

The indicators are currently stated as targets. Universities Australia would prefer the two concepts to be separated (i.e. define an indicator and then establish a target).

Universities Australia is happy to discuss further specific comments on individual metrics proposed in the consultation paper.

The program is based on the presumption of continual improvement. There also needs to be scope for recognising universities that reach their optimal levels in each of the priority areas. It would be an unfortunate consequence if universities were expected to go beyond optimal levels, and over allocate scarce resources in order to comply with the program. The balance between continuous improvement and quality delivery of the NPILF priorities needs to be recognised in the design of the program.

Universities Australia supports a review of the program following the pilot phase. Should a continuous improvement approach be retained without limits as outlined above, this would be necessary after three to four years.

# CONCLUSION

Universities Australia welcomes the Government's focus and funding commitment to increasing student employability and stronger university-industry partnerships. Universities Australia supports a program that focuses on outcomes for students and industry, and provides flexibility in demonstrating those outcomes.