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The University of Sydney's feedback on the National Priorities and Industry Linkage Fund (NPILF) Consultation Paper

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The University broadly supports the feedback that has been provided on our behalf by the Group of Eight and Universities Australia. We provided the following points to complement their comments.

Scope and definitional issues

- The proposal that NPILF funding does not have to be spent on NPILF activities (p.18) is strongly endorsed. With the scheme to be funded by reducing or removing the 'base research' component from the Commonwealth Grant Scheme (CGS), this is a critical design feature.
- The broad definition of 'industry' as **'business, government and the community sector, as all play a critical role in our national prosperity and wellbeing'** (p.9) is strongly supported, not least because it includes the public and private health and education sectors. Both of these industries are characterised by deep university-employer collaboration and innovation in WIL and research.
- The proposed first NPILF principle - **'improves uni-industry engagement to enhance student employability'** (p.11), should be simplified to **'improves uni-industry engagement'**, given the source of funding and to reflect the additional value of research engagement to both industry and universities.
- The second principle - **'promotes collaboration'** (p.11) is unnecessary as it overlaps with the first and is vague with respect to what sort of collaboration is to be promoted.
- The inclusion of 'Allied Health' in the definition of STEM+ (p.4) is welcome. However, clarity is required about which health disciplines are included in the definition. All health disciplines build on scientific knowledge and approaches and arguably should be included. In addition to the 18 or more distinct allied health professions recognised in Australia,¹ we can see no logical reason to include the disciplines of medicine, dentistry, nursing, pharmacy and Indigenous health.

Preparing Job-ready Graduates

- One of the NPILF's three priorities is to increase the number of STEM+ skilled graduates and improve their employment outcomes. Pre-COVID, graduate employment outcomes were strong in some STEM fields. Nevertheless, the latest Graduate Outcome Survey data show that graduates with bachelor degrees in the Natural and Physical Sciences have the worst mid-term full-time outcomes of any broad field. We know from analysis of graduate employment outcomes that *field of study* is just one of many factors that may influence employment outcomes. Differences in labour market outcomes for graduates need to be understood in terms of the compositional differences among cohorts. In addition to field of study, statistically significant variables include age, gender, cultural background, educational disadvantage, social capital, employment experience during study, geographic and institutional differences. The policy challenge of improving employment outcomes for STEM+ and graduates of other fields is more complex than presented in the Consultation Paper. The NPILF's almost singular focus on increasing WIL for STEM+ students is, in our assessment, not based on a sufficiently robust understanding of the diverse factors that are likely to affect graduates' short- and longer-term employment outcomes.
- For example, we know that the health 'industry' like many sectors of the economy, increasingly demands workers with skills gained from studying across the broad range of non-STEM fields. It also increasingly requires graduates of STEM+ and other professional disciplines who have acquired knowledge and skills from studies in 'non-health' disciplines. For example, we know that graduates of our Master of Nursing and other post-graduate health professional programs are highly sought after because of the combination of their

¹ <https://ahpa.com.au/allied-health-professions/>

professional training with the broader knowledge, skills and attributes they have gained through study in non-health fields, as well as prior work and life experiences. Relevantly, a 2016 Australian Council of Learned Academies (ACOLA) report concluded that while many innovative Australian enterprises are likely to need STEM graduates, they have a greater need for those graduates who possess broad knowledge bases, strong integrative skills (beyond a single discipline) and creative, design, interpersonal and entrepreneurial skills.

Architecture and operation

- The proposed implementation architecture for the NPILF is too complex for a discrete scheme that will deliver a relatively small amount of funding (much less than 1 per cent of annual operating revenue for many universities).
- The idea of setting annual goals in each of the three priority areas is reasonable and consistent with the requirements of the compacts. However, it would be preferable to give institutions the capacity to develop a single, or any combination of, initiatives, as long as they are aligned with one or more of the NPILF priorities. Insisting on the 3x3 approach for initiatives and indicators is likely to limit aspiration and innovation.
- The proposal for stand-alone NPILF agreements to be added to institutions' mission-based compacts (p.15) will add extra complexity to an already complex funding architecture that comprises the Commonwealth Grant Scheme funding agreements, the compacts, performance-based funding and the associated intervention plans.
- Using the compacts as the mechanism to implement the NPILF is strongly supported. However, the proposed annual NPILF plans should be agreed within the compacts, not through a separate process that requires distinct agreement documents that will be attached to the compacts. The current annual Performance-based funding intervention plans should also be brought into the compacts, with the design of the NPILF and Intervention plans aligned as much as possible.
- We also note the clarity, simplicity and flexibility of the framework adopted by the Department for the Performance-based funding intervention plans compared to the Consultation Paper's proposals for the operation of the NPILF.

Tier principles and indicators

- We strongly support the feedback Universities Australia has provided regarding the design of the tiers and supporting indicators. Further work is required to focus the definitions and conceptual basis of the metrics tier indicators. The ABS Data Quality Framework should also be included as part of the principles of indicator design.
- The conceptual framework for the indicators needs to be more clearly and simply communicated. Universities are being asked to identify existing national data ("base metrics"), additional mission-specific institutional data ("demonstrators") and a description of innovative institutional approaches ("innovators") related to each of the three core NPILF purposes and their chosen way of addressing them. This could be expressed in plain language in no more than a page or two. Perhaps more fundamentally, and as noted above, if this is to be part of the compact process, why not use that framework and agree each University's requirements through the compact process?

Examples of good WIL and graduate employability

- Our students complete many hundreds of thousands of WIL hours each year in thousands if not tens of thousands of employers. We know for example that our students complete more than 350,000 unique clinical placement days per year in the NSW public health system alone.
- See the links below for an overview of our Industry and Community Placements (ICPU), for our student placement and projects policy, and a link to information about our graduate employability ranking:
 - <https://www.sydney.edu.au/students/industry-and-community-projects.html>
 - <https://www.sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2015/405&RendNum=0>
 - <https://www.sydney.edu.au/study/why-choose-sydney/employability-and-careers.html>

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