



Secretariat  
Review of Australian Higher Education  
GPO Box 9880  
Canberra ACT 2601

## **Business Industry Higher Education Collaboration Council Submission to the Bradley Review of Australian Higher Education**

This submission deals with the following:

- the Business Industry Higher Education Collaboration Council (BIHECC); background information; reports, submissions and recommendations; current work program; future role; and
- general comments about collaboration concerning business, industry and higher education.

### ***Business, Industry Higher Education Collaboration Council (BIHECC)***

The Business, Industry and Higher Education Collaboration Council (BIHECC) was established in 2004 by the then Minister for Education, Science and Training. BIHECC's role is to advise the Minister on ways to increase collaboration between the higher education sector and other public and private business, industry, community and educational organisations. In particular:

- developing strategies to encourage greater business/industry involvement in the higher education sector;
- facilitating collaboration between Australian universities; and
- improving the interface between higher education and vocational and technical education.

The Council is chaired by Mr David Murray, who is also Chair of the Board of Guardians of the Future Fund and former Chief Executive Officer of the Commonwealth Bank. Other members have included high level representatives from universities and business, industry and employer groups.

### **Overview of BIHECC Reports, Submissions<sup>1</sup> and Recommendations**

BIHECC has provided a useful source of ministerial level advice on a range of cross-sectoral policy issues. This section gives an overview of the advice provided.

The *Knowledge Exchange Networks in Australia's Innovation System* (2005) report concluded that the most effective knowledge exchange networks are sponsored and supported by industry through industry associations. It recommended that future work in the area of university-business-government relations should give priority to building practical, efficient and effective institutions of engagement as a foundation for the networks that are needed to underpin Australia's national innovation system.

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<sup>1</sup> All BIHECC reports and selected submissions are available on the BIHECC page of the Department of Education, Employment and Workplace Relations website ([www.dest.gov.au/highered/BIHECC](http://www.dest.gov.au/highered/BIHECC)).

In 2006, BIHECC made a submission to the Productivity Commission's *Review of Public Support for Science and Innovation*. The Submission identified opportunities for improving the efficiency and effectiveness of the science and innovation system including: improving support and incentives for engagement, knowledge transfer and research commercialisation activities; monitoring productivity (versus production); and developing human capital. In particular, the Submission emphasised the benefits that knowledge transfer can provide to Australia's future.

From a request for advice made in 2006, the *Graduate Employability Skills* (2007) report examined how universities currently integrate, develop, and teach employability skills to undergraduates; and how graduate employability skills might be assessed and reported upon.

Based on the report, BIHECC recommended that an Employability Strategy Fund (worth \$10 million over three years) be established to support higher education providers in developing more focussed and diverse strategies to address employability skills in higher education. A further \$2.4 million, with an additional \$5 to \$10 million of university funding, was suggested to support detailed recommendations in areas such as access to Work Integrated Learning and the integration of employability skills into curricula. BIHECC noted that the recommendations were best considered as a whole and interpreted flexibly, rather than restrictively, to reflect the diversity of the Australian higher education sector.

In response, the Minister for Education announced that proposals that will enhance outcomes in graduate employability skills are particularly invited under teaching and learning performance (*priority b*) for the 2008 competitive round of the Diversity and Structural Adjustment Fund (Diversity Fund)<sup>2</sup>.

BIHECC was also invited in 2006 to provide advice to the former Minister regarding indications that future demand for science, engineering and technology skills would outstrip supply. In May 2007, BIHECC recommended that the Australian Government focus on a strategy that concentrates on:

- retaining maths, science and engineering students as skilled graduates employed in their areas of qualification;
- increasing the number of students completing the necessary maths and science prerequisites in secondary school through the implementation of a graduate teaching program; and
- increasing community understanding, awareness and attitudes to maths, science and engineering to encourage participation in science, engineering and technology careers.

BIHECC provided advice to the Minister for Education, Science and Training on the *Review of the National Governance Protocols* in 2007. The Submission recommended: limiting of the size and term of university governance boards; the inclusion of at least two members with significant financial background; and that

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<sup>2</sup> Further information on the Diversity and Structural Adjustment Fund is available from the Department's website ([www.dest.gov.au/highered/dss](http://www.dest.gov.au/highered/dss)).

consideration be given to allowing universities to become corporations limited by guarantee under the *Corporations Act 2001*, noting that this arrangement would not suit all universities.

In 2007, the former Minister requested that the Council provide advice regarding the development of a best practice approach to philanthropy in the higher education sector. On the basis of the *Philanthropy in Australia's Higher Education System* (2008) report, the Council recommended that the Australian Government consider funding in the order of \$80 million to increase development capacity and infrastructure, and a matching funding scheme estimated to cost \$250 million across three years to match philanthropic donations.

In response, the Minister for Education announced that, under *priority d* of the 2008 round of the Diversity and Structural Adjustment Fund, community service projects to meet community needs could include proposals which facilitate, develop or enhance philanthropic effort.

The *Business Case for Knowledge Transfer* report<sup>3</sup> was prepared in response to the House of Representatives Standing Committee on Science and Innovation *Pathways to Technological Innovation Report* recommendation that BIHECC “examine and develop the business case for third stream funding to universities”. BIHECC recommended: changing incentives for researchers and research institutions, improving support for small and medium sized enterprises to increase their innovation capability; streamlining information flows; and improving intellectual property commercialisation practice. These recommendations were made as the basis from which to reprioritise Australian government investment in the national innovation system.

#### BIHECC Work Priorities for 2007 to 2009

As part of the current Terms of Reference, BIHECC identified a number of work priorities for the period 2007 to 2009. The table below provides a list of these priorities and the progress that has been made to-date.

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<sup>3</sup> As the report's recommendations relate to the Innovation, Industry, Science and Research portfolio, publication of this report is pending consideration by Minister for Industry, Innovation, Science and Research, Senator the Hon Kim Carr.

Work Priority	Progress / Status
develop advice to the Minister on ways in which the Australian Government could respond to the changing demographics and the education and training needs of the workforce	This project was redefined by Council to focus on pathways to higher education. On investigation it became apparent that significant work had been undertaken both within the Department and in the sector. Many higher education providers have existing pathway/articulation arrangements with VET providers based on location, discipline or other commonalities.
identify best practice models of effective interaction, collaboration and engagement between universities and business	Greater responsiveness to labour market needs through structural reform by universities is a priority under the Diversity Fund. This includes models to reflect universities' distinct and diverse missions.
propose ways in which business and the higher education sector can contribute to international undergraduate and post graduate education	The <i>2007 Follow-up International Student Surveys – Higher Education</i> project has been completed by DEEWR, with the results released mid-2008.
engage the higher education and business sectors in the development of a best practice framework for the development, teaching, assessment and reporting of generic and employability skills of graduates	<i>Graduate Employability Skills</i> reports released in 2007. Projects related to graduate employability skills are supported in the 2008 round of the Diversity Fund.
develop advice to the government on engagement, knowledge transfer and third stream funding	<i>The Business Case for Knowledge Transfer</i> report is under consideration by the Department of Innovation, Industry, Science and Research pending release.
develop advice to the Minister on initiatives to further facilitate private and business philanthropy to universities	<i>Philanthropy in Australia's higher education system</i> report released in May 2008. This work will be progressed by the Higher Education Endowment Fund Advisory Board and will ultimately be picked up by the Education Investment Fund advisory body.
propose ways in which business and the higher education sector can contribute to the issues identified in the science, engineering and technology skills audit	Advice was provided by BIHECC to the Minister for Science, Education and Training in 2007.

#### Future Role of BIHECC

While the niche occupied by BIHECC is an important one, the Council in its current form has run its course and other models for formal interaction between the sectors should be considered. Some of the key issues relevant to the future of BIHECC are:

- the relative effectiveness of smaller versus larger bodies;
- the relative merits of individual versus representational membership;
- that the terms of reference include issues which now sit in the portfolio of the Minister for Innovation, Industry, Science and Research;
- the location of the secretariat within DEEWR; and
- that high level advice is being provided by Skills Australia with potential duplication of results.

Different models which might replace BIHECC include:

- a committee broadly based on the current model of BIHECC but with new membership and revised Terms of Reference; and
- a model structured around strategic industry forums held in response to emerging issues.

The first option could involve business/industry membership from professional bodies for specific professions rather than peak industry groups. Membership from higher education could include representatives of specific disciplines (e.g. Deans of Education). Membership and term could vary depending on emerging issues, thus affording greater agility and specificity. This model would allow a focus on professional skills but would require vigilance to ensure the contributions of non-professional graduates are adequately represented.

Industry forums would provide a mechanism for the government to be directly involved with industry and higher education sectors. However, the forums would need to be well planned and targeted with a steering committee of some kind being necessary to manage the process, including determining priorities. The forums would require champions in senior positions in government, business/industry, and in the higher education sector to encourage buy-in. Finally, the formulation of the forums may risk excluding some disciplines of higher education that do not overtly feed into professions or particular industry groups.

In considering a replacement to BIHECC, it is noteworthy that most universities have well established links with industry representatives, businesses and a range of social and cultural institutions that fit with their mission and focus. Many higher education disciplines also have dedicated professional bodies that seek to promote and enhance the contribution of their skills. As a result, the formulation for a replacement to BIHECC is best driven by an underlying need for a structure to increase collaboration between business, industry and higher education sectors that is not being filled by current state and market mechanisms.

Ultimately, collaboration between higher education providers and business and industry sectors is vital to developing human capital and Australia's needs for highly skilled and capable workers in an increasingly knowledge driven economy.

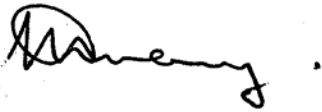
### ***General comments concerning collaboration between business, industry and higher education***

Drawing on the work of BIHECC, the Review may wish to consider the following:

- using the level of active engagement between universities and industry across the sector as one benchmark for measuring a “world class university system”;
- a balance of funding and regulatory mechanisms to strengthen the capacity for universities and industry to collaborate around key issues such as national competitiveness, workforce development and research and innovation;
- the merits of an integrated system of post-compulsory education which recognises the different roles played by higher education, vocational education and training and the adult education sector;

- the development of a policy framework to support increased work-integrated learning opportunities for students needs;
- funding and regulatory mechanisms to support collaboration around innovative approaches to the development and delivery of new qualifications;
- the development of policy initiatives to encourage industry to invest in research training and the research workforce; and
- strategies for industry collaboration to build the knowledge infrastructure which support the contribution of universities.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Murray', with a small dot at the end.

David Murray AO  
Chair  
Business, Industry and Higher Education Collaboration Council  
29 July 2008