

Submission: Employment White Paper

Introduction

UNSW Sydney is pleased to contribute to the development of the Australian Government's Employment White Paper.

Universities such as UNSW have a central role in contributing our expertise to important policy debates locally and globally. We also have an important contribution to make in supporting the government's key policy priorities where appropriate, including the development of the Employment White Paper.

There is certainly a role for universities working with the Government to build a bigger, better- trained and more productive workforce for Australia.

Key Recommendations

This paper focusses primarily on the "Labour force skills participation: education and training, upskilling and reskilling" topic.

Our messages and recommendations are:

Universities should be central to this policy process, given the significant role our sector will play in contributing to the jobs and skills agenda, through:

- Being a major contributor to Australia's economy;
- Educating the current and future work force in key areas of national priority such as IT, engineering, energy transition, health services and space/defence;
- Collaborating with industry by providing opportunities for continuing professional education ('life-long learning');
- Creating new technology, industries and jobs through basic and applied research, innovation and knowledge exchange; and
- Attracting international talent in identified areas of need.

The Government could continue to support universities in these areas by:

1. Continuing and expanding policies and programs to attract a diverse range of students to study at universities;
2. Extending income contingent loans (FEE-HELP) to cover short courses and microcredentials, especially in critical areas of skills shortages;
3. Government support for basic research and research commercialisation is needed to contribute to sovereign manufacturing capability and new jobs and industries in Australia;
4. Ensuring timely visa processing, attractive visa conditions and reasonable visa costs for target markets is essential to attract international academics and students; and
5. Further incentives (such as scholarships, fee reductions) may be required for areas where there are critical skills shortages.

About UNSW

UNSW is one of the world's leading research and teaching-intensive universities, known for innovative, pioneering research and high-quality education with a global impact. Since our foundation in 1949, our aim has been to improve and transform lives through excellence in research, outstanding learning and teaching and a commitment to advancing a just society.

UNSW is ranked in the top 50 universities globally with more than 65,000 students and a 7000 plus research community.

We are committed to making a difference by focusing on areas critical to the future. UNSW research informs policy and expert commentary on a wide range of issues facing society, as well as underpinning the development of new technologies, creating economic opportunity and the jobs of the future.

How universities can support the growth and development of Australia's workforce

Universities such as UNSW have a critical role to play in relation to developing and improving Australia's workforce by:

a) Contributing to the growth of Australia's economy

University research will be critical to Australia's economy over the coming years, playing a major role in upskilling the current workforce and generating the jobs of the future to drive economic growth. Universities make a significant contribution to Australia's economy and workforce in a number of ways:

- In 2019, international education was Australia's largest services export and third largest export, generating export revenue of \$41 billion and supporting almost 260,000 jobs.
- International students contribute to Australia's economy beyond universities, through income from housing, food, transport and tourism.
- Research can underpin the development of new industries and job-creation. A 2020 Deloitte Access Economics study commissioned by Universities Australia has found that over the last 30 years for every dollar spent on research, there is a \$5 return to GDP.¹
- According to Universities Australia, of the one million jobs expected to be created over the next five years, more than half will require a university degree. This includes jobs in healthcare, teaching and professional and science, tech and engineering.²
- Across OECD members there is 28 per cent wage premium associated with completing tertiary education.³

A 2016 report by Deloitte Access Economics found that university education provides both private and public benefits- with the public benefit outweighing the private 55 per cent to 45 per cent. Private benefits include higher rates of employment and higher wages for individuals. Public benefits include higher wages and higher rates of employment for non-graduates, increased productivity, more tax revenue for the government and overall economic growth.⁴



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¹ Deloitte Access Economics, The importance of universities to Australia's prosperity Universities Australia, 2020, <https://www.universitiesaustralia.edu.au/publication/the-importance-of-universities-to-australias-prosperity/> accessed 27 November 2022.

² Universities Australia (Catriona Jackson), Universities Accord – A Time Of Opportunity, 16 November 2022, <https://www.universitiesaustralia.edu.au/media-item/universities-accord-a-time-of-opportunity/> accessed 27 November 2022.

³ Rolf Van der Velden and Ineke Bijlsma, (2016), [College wage premiums and skills: a cross-country analysis](#), *Oxford Review of Economic Policy*, **32**, (4), 497-513

⁴ Deloitte Access Economics (2016), *Estimating the public and private benefits of education*, Report to DET, p.47, cited in Australian Government 2016, *The Higher Education Reform Package*, p.9-10

b) Educating and training the workforce of the future

In 2019, 52.48 per cent of 23-34 year olds in Australia had completed tertiary education, compared to 28.9 percent in 1999. This reflects the evolving role of higher education in the economy at both a macro/national level and micro/individual level.

According to the World Economic Forum's Future of Jobs Report (2020), as globalisation and technological advancement continue to transform the labour market, the skills most in demand across the labour market are critical thinking, creativity and problem-solving. These skills are developed through, and fundamental to, tertiary education. With the critical role that universities play in developing the skilled workforce of the future, it is important that our sector is included in policy debates relating to skills development and employment.

At UNSW we are committed to ensuring that we are educating people in areas of high demand by the Australian workforce, including in engineering, teaching, health professionals, defence and space.

We are also eager to support the Government's efforts to expand access to university education for Australians from a broader demographic background. We support the Government's policy to offer 20,000 new university places to people from underrepresented and low SES backgrounds, and welcome the share of those places that we have received.

UNSW has recently announced our goal to have 25 per cent of domestic undergraduate enrolments from low SES and under-represented backgrounds over the next five years. Making university education accessible to a wider range of people will increase their employability and their chances to earn higher wages, which will benefit individuals and the Australian economy overall. In 2023, we will launch the UNSW TAFE Pathways program aimed at increasing university pathways and transition success for VET graduates thus broadening post-school options for students and fostering lifelong learning.

UNSW is proud of our distinctive model of education which is based on building in practical and applied experiences so students graduate with 'real world' skills. This is enshrined in our founding mission and is a critical element of our 2025 Strategy. Many of our courses have work integrated learning components so that students are graduating with experience in the work force, including experience solving real world challenges.

UNSW also has extensive partnerships with industry through co-location on our major campuses and through our various specialist health precincts where study and research is undertaken alongside commercial partners to help solve real world problems. As a result of these measures, UNSW has been named Australia's 'Most Employable University' by the Australian Financial Review for the third consecutive year.

Government recognition of, and support for these initiatives to ensure that more students have access to university education is welcomed. Recognition of, and support for university initiatives that support students to develop skills that enable them to make a positive contribution to the workforce is welcome.

c) Contributing to skills development of the current workforce

Universities are critical to not only training the workforce of the future, but to ensuring the current workforce continues to develop their skills and knowledge so they can adapt and grow in an ever-evolving environment.

Universities have long been critical to providing foundational tertiary education for many professions. However, we recognise the pace of knowledge generation in the current era means that most people will need to continue to refresh their skills and knowledge throughout their professional life. The importance of 'lifelong learning' and shorter, flexible microcredentials is gaining traction in the education sector.

UNSW has developed an innovative venture, *Mentem by UNSW*, aimed at advising businesses and government on where and how their workforce can and should upskill, and then working with the business or agency to deliver curated courses and imbed a culture of life-long learning.

Microcredentials, purposefully design coursework programs, and work integrated learning initiatives are also embedded within UNSW's Trailblazer University Programs - for defence (in collaboration with the University of



Adelaide) and recycling and clean energy (in collaboration with the University of Newcastle). These initiatives are aimed at building capacity and capability in the current and future workforce of these respective industries.

This is a real opportunity for businesses and for government agencies to rethink the way they train and develop staff – and to continually up-skill Australia’s workforce.

A current impediment to the growth of this important piece of workforce development is the fact that there is limited government support for short courses or microcredentials, compared to traditional undergraduate and post graduate study.

The Government should consider extending income contingent loans (FEE-HELP) to cover short courses and microcredentials, especially in critical areas of skills shortages.

d) Creating new technology and industries

Research can underpin the development of new industries and job-creation. Australia’s total investment in R&D at 1.79 per cent of GDP has declined in recent years, and is well below the OECD average of 2.48 per cent. Other countries invest comparatively more on R&D. For example, Israel invests 5.1 percent of GDP; and South Korea invests 4.6 percent of GDP on R&D.

We strongly support measures to incentivise the commercialisation of research, however it is important that foundational research continues to be well-funded and encouraged by the Government as well to ensure Australia is internationally competitive and continues to develop the technology to underpin new industries and jobs.

e) Attracting highly skilled people to Australia

We have already noted the contribution that international students make to the Australian economy. In addition to contributing to the Australian economy as students, they can also contribute to the Australian workforce as graduates in areas of high need and skills shortages such as engineering, IT, energy transition and the health workforce.

However, the international student market is highly competitive and Australia’s attractiveness as a destination for international students was impacted by our closed borders during the height of the COVID-19 pandemic. Our competitor markets such as the United Kingdom, USA and Canada also offer more favourable post study work rights.

According to Universities Australia, currently only 16 per cent of international students stay in Australia after completing their studies. Australia should ensure visa conditions attract and retain international talent. This includes extending post-study work rights for international students and making it easier for international students to achieve permanent residency when they graduate- especially in areas of critical workforce need such as health, engineering and technology.

International Education Association of Australia suggests that Australia should also look at reducing the cost of visas given they are more expensive for Australia than for other competitor markets.

Further incentives (such as scholarships, fee reductions) may be required for areas where there are existing and future skills shortages such as engineering, teaching, nursing.

Conclusion

Universities have a central role to play in educating Australia’s current and future workforce. UNSW is keen to support the Government’s Jobs and Skills Agenda to ensure that Australia has a well-educated, adaptable workforce and to ensure that university led research is contributing to the development of new technology, new industries and creating jobs in Australia.

Please do not hesitate to contact Mr Robin Schuck, Head of Government and Diplomatic Relations at r.schuck@unsw.edu.au should you wish to discuss any issue raised in this submission.

