

SPEECH

Business
Council of
Australia

A BUSINESS PARTNERSHIP



Address to **BHERT HIGHER EDUCATION SYMPOSIUM**
WEDNESDAY 26 NOVEMBER 2003

ACKNOWLEDGMENTS

Thank you for this opportunity to participate in this Higher Education Symposium organised by the Business Higher Education Round Table.

When I was asked to talk to day about business partnerships I was reminded of some of the reasons for the creation of BHERT (as it is often referred to) namely to build partnerships and a improved mutual understanding between business and the Higher Education sector.

Much has been achieved by the members of BHERT in this regard.

OVERVIEW OF SPEECH

Today I would like to talk about the importance of such partnerships between business and the tertiary sector - that is both vocational education and training providers and universities;

And in particular discuss:

- progress of a partnership between universities, their careers services and employers which has been supported by the Department of Education, Science and Technology; and
- the potential of two new partnerships - the joint work the Business Council of Australia and the Australian Vice Chancellors' Committee is about to embark on looking at commercialisation of research and - the Business Industry Higher Education Collaboration Council, an important initiative announced in the Higher Education Reform Package which has the potential to provide significant opportunities for VET, universities and business.

Before embarking on this discussion let me introduce the Business Council of Australia.

The BCA is made up of the chief executives of the 100 largest companies trading in Australia.

The focus of the BCA is the national policy framework business operates within and the changes required to ensure Australia is the best place to live, learn, work and do business.

WHY BUSINESS IS INTERESTED IN EDUCATION AND TRAINING AND COLLABORATION

The BCA's policy agenda reflects the emerging economic, political, and social drivers that will impact on Australia over the medium term.

A vigorous and competitive economic environment capable of supporting national social and environmental objectives is critical.

Australia has demonstrated its ability to live in a changing world and adapt its new parameters to our advantage.

The past twenty years have seen productivity growth resulting from structural and microeconomic reform as well as cost reduction.

However the low hanging fruit supporting change has now been harvested.

And as was suggested here, yesterday morning, Australia must decide how it will support economic growth for the next twenty years.

Sustaining strong economic growth will require a fundamental interest in sustaining a high level of productivity.

The BCA argues that such productivity will require a commitment to putting the principle of innovation into practice, along with maintaining a focus on efficient development and delivery of products and services.

A recent BCA survey found many of Australia's largest companies continue to focus on competitiveness and improving firm performance.

Companies are responding to competition through a range of initiatives. Over \$16 billion was invested last year in research and development, new capital investment and skills development. Over half a billion alone was spent on training.

Hence, the BCAs interest in education and training policy.

This interest can not be simplistically described as ensuring work ready graduates.

There are a number of important education and training related policy issues the BCA is involved in including:

- reducing early exits from education and training, that is ensuring all young people can access twelve years of initial education and training through schools, VET or other pathways;

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- ensuring a high quality Higher Education sector positioned for long term sustainability;
 - better understanding the skills and capabilities required for future economic growth and how to support the development of them;
 - ensuring relevant education and training opportunities are available for mature aged learners; and
 - the roles of business and the education and training system in supporting innovation.

The development and implementation of the policy solutions in these areas require partnerships between a range of players including business, Government and the tertiary sector.

The BCA recognises the importance of all sectors of the education and training system in supporting economic growth and social cohesion.

Specifically the BCA has sought to participate in the discussion with regard to the future of Australia's universities in light of their critical role in creating our future leaders and the research and development that will underpin new ideas and innovation.

The BCA contributed to the discussion about the future financing and governance of the sector as these matters will underpin how the sector meets future demands, maintains the quality of its activities and ensures the relevance of the sector.

The BCA submissions to the Higher Education Review identified frameworks for financing and governance and made a series of specific recommendations in light of these frameworks.

And, as was indicated yesterday, there is much in common in the thinking of the Australian Vice Chancellors Committee and the BCA.

Meetings between university leaders and members of the BCA Education and Training Task Force have paved the way for a number of joint activities over the next twelve months - one of which I will outline today.

So I will use the rest of this speech to discuss three specific partnerships designed to support Australia's economic growth.

HEWSO

The Higher Education Work Skills Olympiad, which last night won a BHERT award.

HEWSO has provided a unique opportunity for universities, their Careers and Employment Services and employers to work together to support the development of future graduates.

The project has been financially supported by the Federal Government.

Teams of university students are provided with the opportunity to work on an issue in a real workplace.

The student teams act in some ways like a special project team within a company and develop possible solutions to an emerging issue.

The teams are assessed by the employer and then a final judging panel.

Members of the teams provide evidence of their subject knowledge and a range of their skills including communication, team working, problem solving and self management - attributes and capabilities many university are seeking to foster in their graduates so as to help them be effective members of the community .

These skills are also increasingly being sort by employers.

These generic skills and capabilities, are also now identified as employability skills and are important for individuals and enterprises as they anticipate and respond to the needs of the knowledge economy.

This collaboration brings with it many rewards for the students, employers and careers services whilst at the same time allowing for the assessment of the relevancy of the employability skills framework.

I might also add that the employability skills framework itself resulted from strong collaboration between the Australian National Training Authority, the Department of Education, Science and Training, the National Farmers Federation, the Australian Industry Group, the Australian Chamber of Commerce and Industry, the BCA and over 250 companies who contributed their thinking and experience.

The HEWSO collaboration has successfully supported applied learning and information sharing in a manner that would not have been possible without all the partners and in building strong relationships between enterprises and universities.

INNOVATION AND AVCC PARTNERSHIP

Let me now turn to an important new example of partnership between the business community and the higher education

sector which has the potential to support greater success in innovation.

We must continue to promote an ideas culture in Australia which encourages innovation and supports risk taking.

With regard to innovation – Australia does continue to make progress, but there must be a heightened focus on, and more resources for, the commercialisation and application of the outcomes of research and development be that within companies or universities or other research institutions.

Private sector investment in R and D presents one of the major immediate and longer term challenges for business.

The BCA will be surveying its members to better understand the nature and drivers of research and development issues within the companies.

The BCA also recognises that extending the partnerships between universities and business will provide greater economic benefit for Australia.

However a better understanding of what makes for effective relationships is required.

It is for this reason the BCA is delighted to join with the AVCC to partner in a project to identify and promote models

of excellence in intellectual property policy and commercialisation management systems.

Such a project will provide business with a better understanding of how to work effectively with universities in commercialisation endeavors.

It will also build a stronger understanding of the expertise within Australia's universities.

And it will also bring with it a realistic understanding of what is the potential for growth in university commercialisation efforts.

COLLABORATION AND BIHECC

The Business Council in its submissions to the Higher education Review has supported greater collaboration between industry, the Higher Education sector and the VET sector.

Such collaboration has the potential to improve sector outcomes and extend the opportunities for sustainable and mutually beneficial partnerships.

The BCA was pleased to read of the proposal to establish a Business Higher Education Collaboration Council and a fund

to support collaboration between universities, between universities and VET and between industry and universities.

In recent discussions with the Department of Education, science and Technology, the BCA has advised it would be pleased to have one of its members participate on the Council.

Again in informal talks the BCA has suggested that BIHECC could:

- evaluate the usefulness of the Graduate Skills Assessment to employers and university students;
- investigate ways opportunities for resource sharing and access to technology; and
- contribute to the development of the next stages of Backing Australia's Ability.

The BCA is looking forward to participating in BIHECC in 2004.

CONCLUSION

The last eighteen months has seen an increased understanding of the Higher Education sector and the challenges it faces by big business.

Hopefully the next eighteen months sees the development of a number of long term partnerships that are mutually beneficial and contribute to Australia's economic growth.

Thank you for the opportunity to be part of this conference.