

National Priorities and Industry Linkages Fund – Response to Discussion Paper

Flexibility and self-selection

Science & Technology Australia (STA) endorses the flexibility and self-selection approach outlined in the National Priorities and Industry Linkage Fund (NPILF) Consultation Paper. Enabling universities to select their own metrics, demonstrators, and innovators will allow them to focus on priority needs in their own local industries and communities – and build on their strengths. The opportunity for universities to change their indicators each year is also welcomed.

STA has identified some areas for clarification and consideration as follows.

Value proposition

Careful evaluation of the value of the NPILF is required. The Government's Job Ready Graduates package FAQs note NPILF funding could potentially be as little as \$3 million a year for some universities. Considering the effort in time and resources required to collect data and report on it extensively, the costs of this administration and new reporting mechanisms could potentially cancel out the funding income meant to enable deeper industry connection.

For example, in 2016 the Government announced \$19.1 million over 5 years to the Australian Mathematical Sciences Institute to deliver the National Research Internships Program. This is just under \$4 million a year to implement a work integrated program for higher-degree research students. Given the cost of one such program is high, spreading resources from the NPILF too thinly across an organisation would dilute impact.

Ambitious grand challenges are a massive opportunity for this program. Encouraging focus on select innovations that capitalise on a university's strengths, aligned to existing metrics such as the Excellence in Research for Australia assessment (without data duplication), might represent best value for both universities and the NPILF.

STA's major concern is that by requiring universities to cover 12 indicators every year – noting that these indicators can also change from year to year – could cost the universities more money than they receive under the program. For metrics that are already gathered by Government and universities, this may not be an issue – but for demonstrators and innovations, the cost of developing, running, and properly evaluating some programs may outpace the overall benefit.

Interactions with performance funding framework

From 2021, the Performance-Based Funding (PBF) scheme will include \$80 million of growth funding per year. From that point forward, it was planned that performance funding will grow to be 7.5% of funding for domestic bachelor places (not including medicine).

While performance funding is tied to the Commonwealth Grant Scheme (CGS), STA is concerned that there is still potential for unexpected interaction with the Job-Ready Graduates Package. This is particularly relevant to the NPILF as the largest single core measure for the PBF is overall graduate employment at 40% of the weighting. This ties a single measure, graduate employment, to two different streams of funding: the PBF at \$80 million and the NPILF at \$225 million per year.

This interaction is of particular concern given employment rates are most strongly due to prevailing economic conditions – over which universities don't have control. As we have seen during the deep 2020 recession, graduate employment – even in the higher education sector – is a function of economic and international forces and not the quality of a university education.

Metrics

Some of the proposed metrics mentioned in Table 1 of the consultation paper require greater clarity. We reference here the new metrics put forward, rather than the types of data already collected by the Government such as “Improvement in graduate employment outcomes overall”.

Proportion of final year students rated as ‘job ready’ – It is unclear what measurement would be used to determine whether a graduate is deemed “job ready”. Is this intended to be a measure of students who have graduated from one of the ‘national priority’ areas designated in the Job Ready Graduates package – such as STEM – or is it intended as a broader measure of all students’ preparedness to enter the workforce?

Increase the proportion of the academic workforce actively from industry – While it is a worthy goal to encourage stronger porousness of employment between industry and universities, the current acute stresses on the university workforce and job insecurity need to be taken into account. Given the large-scale job losses and hiring freezes in place, the new hiring capacity of universities is likely to be very limited in coming years. In this context, it may be more prudent to just focus on levels of industry engagement among existing staff.

Increase the proportion of HDR students doing internships/placement in the first 18 months – One of the requirements of the APR Intern Program is that students must have completed their confirmation milestone. This milestone does not occur until 12 months after enrolment for most universities (e.g. Deakin University). Most initiatives use this as a requirement to ensure the candidate has developed basic competency and demonstrated aptitude, before diversifying their training. While the value of a ‘T’-shaped researcher who balances depth and breadth is recognised, HDR candidates are facing increasing requirements of mandatory coursework and work-integrated programs that dilute their specialisation. In rapidly advancing STEM disciplines, a few months away from core research programs might mean a candidate’s cutting-edge research has been superseded and they need to start anew. Moreover, it should be noted all requirements need to fit within the framework of the Research Training Program, which limits completion times.