



# OECD Reviews of Higher Education in Regional and City Development:

## **Key conclusions for the State of Victoria**

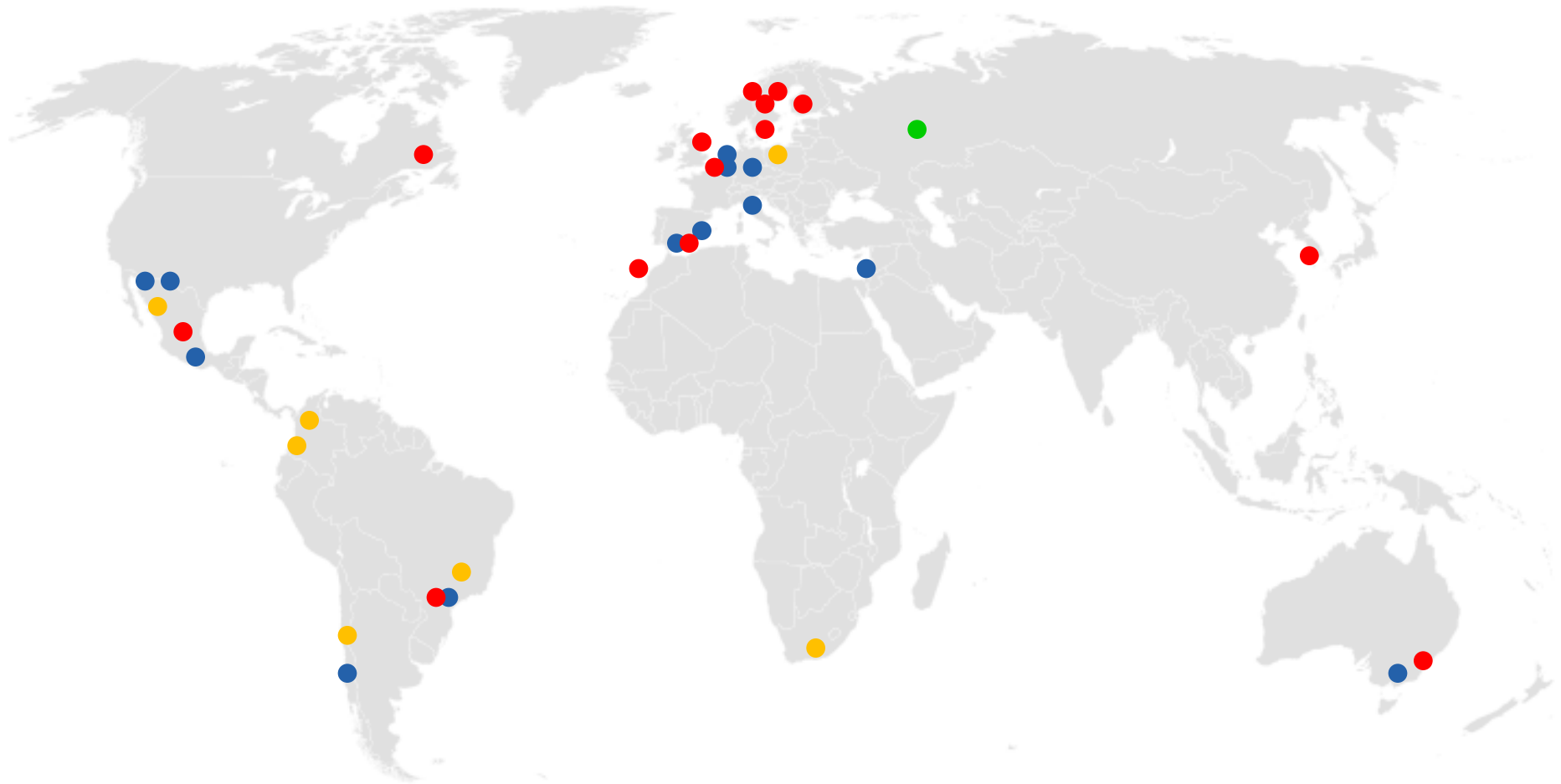
Barbara Ischinger  
Director for Education  
Melbourne, 19 April 2011



OECD's tool to mobilise Higher Education  
for Economic, Social and Cultural Development  
of their Cities and Regions and to enhance  
regional partnership building:

**... the Reviews of Higher  
Education in Regional and City  
Development**

# Regions under review



- 2005 - 2007
- 2008 - 2011
- 2010 - 2012
- Kazan 2007 with World Bank

# What is under review?

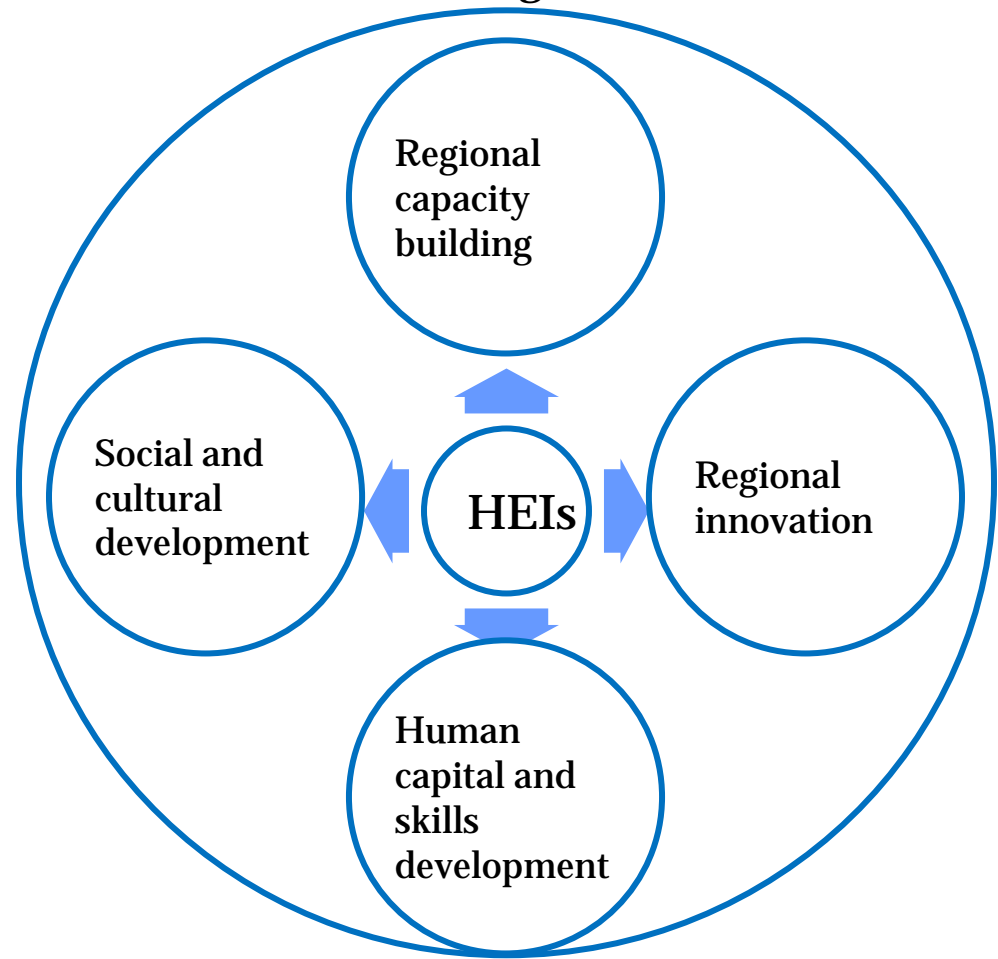
## Partnership building

The OECD reviews draw together HEIs and public and private agencies to identify strategic goals and to work towards them.

## Importance of context

The reviews take account of different national and regional contexts within which the HEIs operate.

## National and regional context



Focus of analysis of the OECD review

# State of Victoria, Australia



## **Review visit 6-12 December 2009**

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## **ASSETS**

- Magnet for immigration: education is Victoria's strongest export worth AUD 5 billion
- Investments in leading-edge science and research infrastructure
- Diverse TE sector: 9 universities and TAFE colleges

## **CHALLENGES**

- Rapid population growth (2%), ageing population and skills shortage
- Climate change
- Externally controlled manufacturing firms and limited innovation in many sectors
- Lack of system coherence in tertiary education (no real Victoria system) and limited collaboration btw TEIs

# Human capital and skills

- Australia is facing a skill shortage that will last beyond 2020. **National targets** have been set to **increase participation in tertiary education and to widen access of low SES groups**: by 2020, 40% of 25-34 year olds will complete an undergraduate degree and 20% of undergraduate students will be from low SES background.
- While **Melbourne** has almost reached the 40% tertiary education attainment rate and **would benefit from higher targets**. At the same time, regional Victoria will still need to improve its performance. Furthermore, as only 19.8% of Victoria's population has low SES status, the goal of 20% will be a challenge.
- *The Victorian Training Guarantee (2011) provides a universal entitlement to transfer from vocational education and training (VET) to universities but no transfer from universities to VET.*

# Widening access

- **Australian tertiary education** is in the process of moving to an **increasingly competitive phase with the introduction of demand-driven funding**: From 2012, the Australian Government funding will follow students wherever they choose to enrol.
- All Victorian universities are making steps to widen participation. But **positive outcomes in widening access require long-term action by TEIs to reach out to schools** in order to raise aspirations and improve the quality of teaching **and improvements in the support services for first generation students** in universities.
- ***Victoria University**, whose catchment area is one of poorest areas of Melbourne, has a **broad equity and diversity strategy**. For example, its **Access and Success programme** aims to improve access to and successful participation in post compulsory education through collaborative partnerships with schools in the west of Melbourne.*

# Life Long Learning

- **OECD review of vocational education and training** has shown only limited success in channelling students with VET backgrounds to TE in most OECD countries. **Australia, however, has made strong progress in developing pathways in education.** *Victoria features good practice examples that other OECD countries can learn from, e.g. Gippsland Education Precinct.*
- In general, **articulation** between TAFE institutes and universities **remains a challenge.** Only 11% of commencing university students were offered study places on the basis of TAFE award (2007). Dual-sector universities tend to have higher rates (27% in Swinburn University).
  - Need to improve co-ordination between TAFE institutes and universities, e.g. through multi-provider and multi-level learning and extension centres.
- Due to the ageing population, **Victoria must also rely on adult population as suppliers on new workforce skills.** This calls for
  - Skills upgrading of adult population
  - Flexible modes of learning for those who combine work and study

# How to link with the region through learning? PBL in Aalborg DK

In Aalborg University, Denmark, **up to 50% of the study work consists of problem-oriented project work:** students work in teams to solve problems which have been identified in co-operation with firms, public organisations and other institutions.

At any one time there are **2000-3000 ongoing projects** that **ensure the university's engagement with the surrounding society.**



# Implications

- **Establish a state-wide Human Capital Development System, with region-wide goals, policies and priorities:**
  - Embed Life Long Learning across the entire Tertiary education system
  - Extend the training entitlement to facilitate reverse articulation
  - Recognise prior learning and publish a clear guide to the pathways
  - Provide targeted funding for collaborative programmes at all levels
  - Develop reskilling, upskilling and continuing professional development in collaboration between VET and universities.
- **Establish multi-provider and multi-level learning and extension centres or clusters** to ensure regional delivery.
- **Develop a tracking database** to monitor the progress of students and graduates in the labour market at the institutional and state level.
- **Strengthen the labour market relevance of tertiary education** to ensure Victorian universities teach the skills and competencies relevant for Victoria.

# Innovation in Victoria

- Australian Government's research and innovation agenda has a focus on science outputs, international excellence and commercialisation of university research results. **A ten-year reform addresses Australia's long-term weaknesses in business innovation and university-industry collaboration.**
- **Victoria is one of the prime locations for science and research in Australia.** The state government aims to make innovation a pillar of its "healthy, sustainable and productive" future.
- While strong investments have been made in leading-edge science and research infrastructure, there is a **need to ensure returns on public investment in terms of job creation and business formation.**

# Opportunities & challenges

## Opportunities

- **Strong research base** with areas of strength that can support development in Victoria.
- **International** research partnerships that can be connected into state activity.
- **Growing commitment to building partnerships with business.**
- Emerging technology precincts and parks.
- **VET (TAFE) institutions** well positioned to help upgrade and diversify industries and to engage with SMEs.

## Challenges

- **Limited return on investments in science and research** in terms of job and business formation
- **No clear sense of a regional innovation system** (competition, duplication of centres and initiatives)
- **Weak innovation culture in SMEs**, and a lack of tradition of collaboration – poor articulation of demand
- **Lack of information and data on innovation performance**
- **Limited student/graduate entrepreneurship**, low rate of spin off formation – less than one company per university per year

# Research-based human capital development: URV chemical industry collaboration

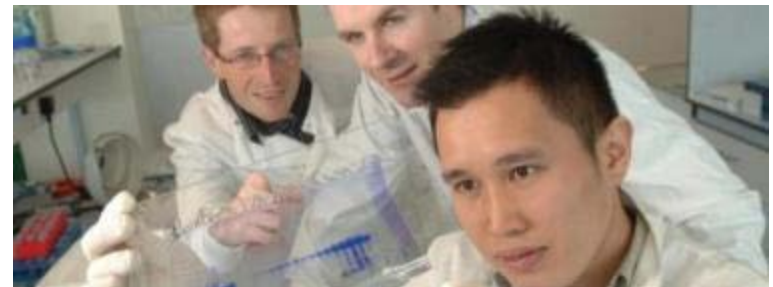
- The University Rovira i Virgili (URV) has established a **long-term co-operative relationship** with the chemical industry in Tarragona (Spain) that incorporates both research and human capital development programmes.
  - Faculty are allowed to spend time **working in local firms during their leaves** and have on-going relationships with the firms.
  - There are strong alumni connections and students participate in **internships and co-op programmes** within the local firms.
  - Both advanced technical vocational skills and higher degree based skills such as in engineering are **designed in co-operation with the local industry** representatives.
- Most important to the success of this integrated initiative is the **strong support from the University leadership**, including the Rector.

# Creating a one-stop-shop for industry: Knowledge House, NE of England, UK

**5 universities and Open University** have a one-stop-shop that offers expert solutions for developing ideas and solving problems through collaboration, consultancy, training and R&D.

Since 1996, Knowledge House has generated GBP 13 million for universities, and GBP 76 million in the last 4 years. In 2007, it generated GBP 4.7 million by delivering 364 completed projects from over 800 business enquiries. Business growth is 25%.

More and more academics are engaging with the Knowledge House activities.



Map credits: Google Maps™  
Images credits: Knowledge House, Durham University, University of Teesside

# Implications

## **Australian Government should**

- **Review the impact of its research policies on business engagement**, especially the Excellence in Research for Australia (ERA) research assessment process.
- **Consider core funding for university-industry engagement** to promote knowledge transfer and interests of industry and **develop efficiency/performance indicators for HEIs** involved in innovation.

## **Victorian Government should**

- **Commission a comprehensive review of the innovation system** to better understand the levers and demands within the private sector.
- **Ensure the research on clusters and the demands of industry** extend to service sector and tourism and those cutting across manufacturing divide (e.g. Agribusiness).
- **Encourage greater collaboration between universities**, e.g. through investments in research facilities.

## **HEIs should**

- **Provide a hands-on engagement with business and a collaborative way of referring enquiries from industry** by developing the Unigateway project
- **Match global levels of excellence in supporting entrepreneurship in the curriculum and develop comprehensive support programmes** (entrepreneurship training, practical experience of creating student businesses, incubation and hatchery facilities, seed funds for graduate ventures)
- **[for TAFE institutes] Provide sectorally and locally focused comprehensive support for SMEs, connecting business improvement with training**

# In summary

- **Building a stronger Victorian Tertiary Education System calls for**
  - Stronger role for the Victorian government in tertiary education
  - Strategy platform or forum for universities and TAFE institutes, regional stakeholders and the Victorian government to encourage engagement in the regional strategic planning process in economic, social, cultural and environmental development
  - Greater alignment of TEIs' activities with state-wide and local priorities
  - New pattern of provision of tertiary education in regional Victoria
  - Enhanced incentives for collaboration and regional engagement

**thank you for your  
attention**

[www.oecd.org/edu/imhe/regionaldevelopment](http://www.oecd.org/edu/imhe/regionaldevelopment)