



Pearson

# Parliamentary Inquiry Into Innovation and Creativity: Workforce for the New Economy

**Submission by Pearson Australia: Friday 13 January, 2017**

## Executive Summary

Pearson is the world's leading learning company, with about 35,000 employees in over 70 countries, including about 400 people in Australia.

We work to help people of all ages make measurable progress in their lives through learning. Pearson provides learning materials, technologies, assessments and services to teachers and students in order to help people everywhere aim higher and fulfil their potential. We aim to put the learner at the centre of everything we do.

Working with governments can be rewarding and sometimes challenging. We are closely working with teachers, academics and other educators to prepare students for the new economy based on innovation, disruption, technology and service.

As one of the leading education companies in Australia, we offer expert insight on how we can work together to prepare people of all ages to participate in the workforce of the new economy. Our own products and services are rapidly evolving to meet these changing needs, yet we recommend more can be done in the areas of regulatory certainty, investment in education and the promotion of the right skills to support the workforce of the future.

## Recommendations

We would like this Parliamentary Inquiry and all members of parliament to:

- Support partnerships between organisations such as Pearson and educational institutions to provide products and services that support educators and improve learner outcomes.

- Continue to support Pearson and other education companies that create jobs and investment in Australia. They do this by researching and developing new and innovative products and services that increase the skills and employability of many Australians.

## Terms of Reference

Pearson is best placed to submit to the first four terms of reference for this inquiry.

1. the extent to which students are graduating with the skills needed for the jobs of today and of the future;

I refer the committee to Pearson's response to this question in our earlier submission made on Friday 18th March, 2016.

In addition, Pearson looks forward to presenting the commission and the wider public [results of an ongoing research project](#) with Nesta and University of Oxford later this year.

The project will build on previous, [much referenced](#), work from Oxford University that predicts the threat of automation to today's jobs.

The new research will look beyond computerisation and determine the skills needed for the labour market of the future. The UK and US results are due for release in the first quarter of this year, with plans for Australia to be included in the study in late 2017.

### Case study: Teenage Entrepreneur Taj Pabari

The committee may have heard of this 17 year old Chief Executive of technology start up FiftySix Creations, who won the 2016 Queensland Young Australian of the Year Award.

Less well known is that Taj says he did not learn any of his skills at school, nor does he have plans to go to university as he thinks it's a waste of his time. While Taj is a remarkable person, he is not a total outlier. He says:

*“Knowledge in today's innovation economy, is worthless... The world really no longer cares about what you know, but more importantly, what you do with what you know. .... At school and University, we're manufacturing walking, talking textbooks. Not 21st century learners who have the skills to tackle the problems in the 21st century.”*

Taj has participated in conversations with Pearson about the need for schools and tertiary institutions to better prepare young people for the jobs of the future by teaching them the right skills. Taj is passionate about this cause, and will continue to champion the education sector in Australia from his new home in New York in 2017 – his company is expanding under his brilliant leadership.

2. matters relating to laws and regulations that may act as a barrier to education providers being able to offer qualifications that meet the needs of the new economy and fastest growing sectors;

We refer the committee to Pearson's response to this question in our earlier submission.

In addition, we welcome the Federal Department of Immigration and Border Protection's commitment to keep open their skilled migrant worker English language testing program to include the Pearson Test of English for two more years.

3. factors that discourage closer partnerships between industry; in particular small and medium enterprises, the research sector and education providers; including but not limited to: intellectual property; technology transfer; doctoral training practices; and rapid commercialisation;

We refer the committee to Pearson's response to this question in our earlier submission.

In addition we have identified two barriers to closer partnerships with industry with regards to technology transfer.

#### I. Skills

Institutions lack the right combination of specialist skills for effective collaborate with industry. They need people with a background in analytics, machine learning, evolutionary algorithms and neural networks. Many of these technically skilled Australians have moved to in Silicon Valley or other centres of technical excellence. Universities also need people with the willingness to try and fail – a trait not as commonly found in education because the stakes are perceived to be so much higher than in the corporate sector.

#### II. Data

Unfortunately, the current state of educational data is mixed – a point highlighted on a global level by a report we launched last month with the University of Newcastle, entitled [Charting Equity in Higher Education: Drawing the Global Access Map](#).

At a more granular level - data sets at universities rarely talk to each other. And Universities struggle with what to do with their data when they can make sense of it or link it together.

4. opportunities for generating increased economic activity, including further investment and jobs, through greater synergies among publicly funded research agencies, universities and other Australian research institutions with businesses and industry; including but not limited to: co-location, cluster formation and development of precincts between universities and industry;

We refer the committee to recommendation nine; “Industry collaboration with universities must be encouraged” in the McKell Institute Report, [No Mind Left Behind](#), commissioned by Pearson in November 2016.

This is not just about research. Nor does it mean ‘industry funding.’

It is essential for institutions to better partner with industry so that they supply relevant and adaptable education to students whose ultimate goal is getting a job.

They can do this in many ways such as collaborations, skill sharing and joint ventures. Many universities already collaborate well, but the picture is mixed.

## **Case study: Pearson University Partnerships**

Pearson has online program management partnerships with universities in Australia, the US and the UK. While relatively new, they are producing positive student retention and engagement outcomes.

Through our partnerships with Griffith and Monash Universities, we graduated hundreds of students in 2016. These students range from professionals, to stay-at-home mothers to tradespeople. Many of them had access to such high quality institutions, through the power of online education, for the first time in their lives.

One student, by way of example, lives in far remote Western Australia. She was working as a counsellor and wanted to become a psychologist in the corrections sector. She was on the verge of dropping out because she was having difficulty with the statistics section of the course, as well as having technical difficulties.

One of our student retention specialists helped identify and solve her problem. She continued on to complete the course, giving her the skills she needed to improve her job prospects.

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