

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Victorian universities' investment in skills

Melbourne—Tuesday, 14 June 2022

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Christine Couzens

Ms Steph Ryan

Ms Kat Theophanous

Mr Nick Wakeling

WITNESS (*via videoconference*)

Mr Craig Robertson, Chief Executive Officer, Victorian Skills Authority.

The CHAIR: Welcome to the public hearings for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into Victorian universities' investment in skills. All mobile telephones should now be turned to silent.

All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this hearing, including on social media, those comments may not be protected by this privilege.

All evidence given today is being recorded by Hansard. You will be provided with a proof version of the transcript for you to check. Verified transcripts, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible. Could I please remind members and witnesses to mute their microphones when not speaking to minimise interference.

Thank you, Craig, for being here. I invite you to make a brief opening statement to the Committee, which will be followed by questions from the Committee. Thanks, Craig.

Mr ROBERTSON: Thank you, Chair. If I knew I could put football paraphernalia in the background, I would have brought my own, but nevertheless.

Good morning, everybody. My name is Craig Robertson, and I am the Chief Executive Officer of the Victorian Skills Authority, a very new entity that was created out of the review conducted by Jenny Macklin, which was really around future skills. So our function as an agency of the government is to look at future skills planning. In that we are cross-sectoral in terms of higher education, community education and schooling of course as well as higher education. It is also future focused, and we produce that future focus through the request for and requirement of an annual Victorian Skills Plan, and the first one is under development at this particular point in time. I wish to, knowing I have got my time limit of 10 minutes, give you a quick run-through on some data but also to give you a quick introduction to the Victorian Skills Plan, so if that presentation could be shown, please, I will take you through that now.

Visual presentation.

Mr ROBERTSON: Thank you. If we go to the slide—next slide, please, and the next slide—thank you, what this slide shows is that in our occupational forecasting work from between 2022 and 2025 you can see that just on half of Victoria's forecast employment growth will be met by university-qualified workers. On the right-hand side of this graph you can see that the majority of those new occupations will be filled from training within higher education for professionals and managers, so we can see clearly that higher education and particularly Victorian universities have just a crucial role to fill in the future jobs that are coming down the pipeline for Victoria.

If we could go to the next slide, please, this is to give you a bit of a sense of some of the key occupations that are supported by higher education. Firstly, on the left-hand side are those professional occupations with the highest forecast employment growth between 2022 and 2025, and if you scan through that list it does give a pointer that the real priorities are in health and also in digital and ICT. So you can see there the software and application programmers, registered nurses and the like, and we come down the bottom then to primary school teachers, early childhood teachers and secondary school teachers, who are also in high demand. On the right-hand side are what we call manager occupations. These are probably a mix of occupations where you may well be prepared through university but also through vocational education and training. The ones where you would be prepared through university, for example, are the human resource managers, ICT managers and specialist managers, but others like cafe and restaurant managers and construction managers may well be vocationally educated and prepared workers who have graduated or been promoted within their industry to take on those particular roles. Nevertheless across professional and manager occupations the majority of those occupations rely upon higher education to be able to provide preparation to enter those occupations, so clearly the demand for higher education presently and into the future is high for Victoria.

If we can go to the next slide, please, again I do not intend to go through these in detail, but you can see for these particular occupations we can give you a sense of the quantity expected of employment growth between 2022 and 2025. That is in respect of those that would normally be prepared through higher education—they are the ones that are highlighted in pink—and the others are principally prepared through vocational education and training. In essence, wherever we look there is still a need for a high rate of post-school education and training.

If we go on to the next slide, please, I will give you a little bit of a sense of what have been some trends particularly in higher education in the last little while. If we go on to the next slide, in essence what has happened over the last few years, principally since the federal government introduced the results of the Bradley reforms which opened up enrolment opportunities for more Australians into higher education, as you have seen that higher education has grown, primarily up to about 2020, and you can see the dip in higher education or educational attainment in the last few years has probably been the result of COVID. And you can see that as a result there has been a gradual decline in vocational education and training qualified workers, but more importantly what is very good for Victoria is that the proportion of workers in the labour market who do not have any post-school qualification is declining. In other words, there are more Victorians that are in the labour market who have chosen to make sure they are prepared through higher education and vocational education and training for their future, and as we expect economic change and our adaptation to clean economy outcomes and as we expect digitisation to play out, we expect this trend to continue.

If we go to the next slide, please. This shows you the domestic higher education student enrolments between 2016 and 2020. As you can see, there has been a gradual increase in those enrolments, commencing from 2016. So there is a large proportion of Victorians that are choosing university as their pathway as preparation for work. A lot of this is due to the really healthy higher education and university providers in Victoria as well as opportunities through commonwealth funding, commonwealth-supported places and the like.

On the right you can see the growth in higher education student enrolments by field of education, and as you would expect, there has been good growth in health and good growth across essentially all areas bar education and the agricultural environment. That may well be more a reflection of the changing nature of the work that is required and automation, for example, that may well be playing out in the agricultural sector and the like. So you can see that it is still a very healthy higher education sector.

If I could just quickly shoot through a couple of extra slides here. This slide here—there has always been a question about: do people who are participating in vocational education and training also move on to higher education and training? The table on the right shows that for those particular courses there are students who commence in vocational education and training and then continue on into higher education and training. I think that shows a positive sign for the way that we can help people prepare through vocational education and training and then moving on to higher education. You will see here that this is a particularly strong attribute within our dual-sector universities.

I am just wanting to go to two more slides so I can finish up. If we can move on.

The CHAIR: Craig, just quickly, because we have not got much time for questions. If you think it is pertinent to the presentation, go ahead.

Mr ROBERTSON: I am just going to go through things. Skip two slides, please; if we go to the next slide after this. This just shows you the regional skills profile work that we are doing across regional Victoria, which the previous presenters discussed. What we are doing is engaging with the community, industry and education providers to look at what the education and training requirements are in those particular areas. That will generate a plan, from which we will then work with education and industry to look at how we can bring education and training to those regions to help fill those job roles. I will finish there. Thank you.

The CHAIR: Excellent. Thank you. I might kick it off. I was going to ask you to outline the consultation process, but you have done that. What I will ask is: what stage is the Victorian Skills Authority at in developing the Victorian Skills Plan, and is it possible for the Committee to access an advance copy of the plan?

Mr ROBERTSON: Okay. We have undertaken the consultation process, as you have indicated. We are in the final stages of wrapping up that feedback. We have an expectation on behalf of the government that we would be releasing the skills plan midyear, and we are still on track for that release. I notice that it is June. It may well be July or August by the time that is released. And, Chair, I will just need to take it on notice if we could share an advanced copy, but I think what we certainly can do is share with you the data that is particularly important and relevant to this inquiry. So I will take that on notice if that is okay.

The CHAIR: Thanks, Craig. Gary, did you want ask a question?

Mr BLACKWOOD: Yes. Thanks, John, and thanks, Craig. Craig, your submission acknowledges that workers need to be adaptable and be prepared to re-skill to keep up with changing workforce needs. What is the role of universities in re-skilling workers, how can the Victorian Skills Authority support universities in this role and how could the Victorian Government also contribute to clearer rules for micro-credential courses?

Mr ROBERTSON: I think you will find that with the change in the economy that is heading our way and is really here anyway, you are right, we will need lots of upskilling. Lots of professional associations already have that upskilling arrangement either in conjunction with a university or through their own professional association. Sometimes that can be accredited. We also know that last year there was the higher education certificate that was developed as a result of the last policy announcement by the previous federal government. So there have been a range of those small courses done. My expectation is it will continue to grow. Where we can help out is to give data and advice to universities to show where those new skills are emerging from, and that may well be in conjunction with where an industry is growing and what those new levels of skills are that will be required, and we will do that through some detailed data analysis.

Mr BLACKWOOD: Great. Thanks, Craig.

The CHAIR: Thank you. Chris, did you have a question?

Ms COUZENS: Yes. Thank you, Chair. Thanks, Craig, for that presentation. We really appreciate your time today. In terms of skills shortages in regional and rural Victoria, I notice in your presentation the drop in enrolment in education and agriculture in particular. How can we start to address some of those shortages in the rural and regional areas? How can we collaborate, I suppose, in addressing those skills? What are your thoughts on that?

Mr ROBERTSON: I notice Lill Healy talked earlier on about the reforms that are taking place in senior secondary schooling. Two points I would like to make on that. Our engagement with regional communities is showing that in fact students who would normally leave the region and go for their big university experience in the metro regions are not doing that to the same extent they have in the past, so there is a bit of a propensity to stay in the region. So that is number one. Secondly, we think it is important—and this is part of the work that we will do post our work with communities—to be able to enliven more secondary school students in the regions to the opportunities that exist in the regions. I think what has happened is—and we get this feedback from many industries with whom we engage—there is a lot of misperception that there are limited opportunities in some industries, and indeed they can tend to be considered as sort of dirty or temporary work. But if you take, for example, agriculture, if you think about the role that technology is playing in that area and in most areas of industry, there is an opportunity to have quite a substantial career in those industries. I think it is that exposure to what the opportunities are and creating those stronger pathways so that a student can say, ‘Hey, I can stay here. I can train locally, and I can then continue to live locally and make my life locally’. I think that is something that we need to be able to do, and I think it is to be able to show what the linkages are from when you leave school to what you can do in your local region, and that may well be that it is a combination of vocational learning or higher education learning that is made available in new ways in those regions.

Ms COUZENS: Right. Thank you.

The CHAIR: Thank you, Craig. Juliana, do you have a question?

Ms ADDISON: I do. Thank you very much, Chair. And thank you very much, Craig. It is really great to hear from you, particularly about the good stuff that is going on in the regions, which is welcomed by, I am sure, a number of committee members. This Committee is dominated by regional and rural MPs, so it is great to hear from you on that. I was just wondering if we could go back to the issue of consultation for the Victorian Skills Plan and if you could just explain to us what the role of university and industry has been in developing the Victorian Skills Plan.

Mr ROBERTSON: Yes, okay. We have sought to engage far and wide. Within the Victorian Skills Authority we work with 10 formal industry advisory groups. They have been in existence for quite some time, including under the previous Victorian Skills Commission structure, and we have worked closely with them, sharing our data with them to get a sense of their views about where the future of skills is. It is fair to say that the focus has tended to be on vocational and higher education in that construct. However, in regional areas we

have sought to work with the universities and the like. We also have university representation on our advisory board so that we make sure that we can take those views into account. This is the first time we have done the skills plan, and I think we would—and we are going to do a review on this—approach it slightly differently next time, where we had stronger engagement with the universities, would be my sense on that. Because as you can see from the data that I have shown you, 50 per cent of the solution as far as skills are concerned is coming from our universities. So we will set up more deliberative structures with them for the next year.

The CHAIR: Thank you, Craig. Kat, did you have a question?

Ms THEOPHANOUS: I do. Thank you, Craig, for your input. It is clear that the work of the Victorian Skills Authority is pretty fundamental to this inquiry. My question relates to the implementation of the Victorian Skills Plan and specifically how the skills plan will interact with the sector-specific workforce development strategies like the clean energy or the clean economy strategies and the community services sectors. Can you give us a bit of insight into how it interacts?

Mr ROBERTSON: Yes, okay. Our work is to show what the skills demand across the whole economy is and then doing some deep dives. Talking about skills demand across the whole economy, it will be the case that when the clean economy agenda ramps up, and it is already ramping up, there will be skills demand across most aspects of the economy, because the built economy we expect to be fundamentally changed as we look for climate adaptation—the circular economy as we try to grow that to reduce our waste and carbon consumption and then of course as we think about renewables and in fact how we will repower most aspects of Victoria. So that will have quite a fundamental effect. The government has set up the task force for clean economy skills and workforce, and so that will seek to have a cross-sector, cross-industry, whole-of-Victoria perspective about how we make sure we get the right number of people with the right skills in place. That work is still underway and is expected to be released towards the end of the year. That will set up a broader strategic approach.

If we come to an area, for example, like health services, we are working closely across government to get a sense of where those demands are coming and forecasting where we need to be able to create and have more people coming through in those areas. Again, it will be showing the demand right across Victoria for that particular industry, but we will be trying to show where that has been triggered by new government priorities and the like. I probably do need to point out that this has been the first time that we have gone through this planning process, and it has focused primarily on what we need to do in vocational education and training. But as I said with the previous answer, we need to work closely with the university sector to try to make sure that we marry up the graduates out of universities as well as the graduates out of vocational education that support those industries to grow.

The CHAIR: Excellent. Any further questions? I might actually ask a question, Craig, if that is all right, just in relation to university and TAFE collaboration. How could the Victorian Skills Authority support increased collaboration between universities and TAFEs, including to provide clearer pathways across vocational education and higher education? I noticed in the previous graph—as a former minister for tourism it is quite concerning to see that hospitality and food in terms of seeking qualifications has gone down when it is a huge part of our economy. There are certain situations at the moment where there are so many shortages in skills, particularly in that area. How do we collaborate better and how do we encourage the State Government regarding some uptake of those very important roles?

Mr ROBERTSON: It is a very good question. I suspect after these last two years, where particularly universities have gone through quite a bit of disruption due to COVID and the loss of international students and the like, they are probably recovering in terms of what are their program offerings. It has probably been the same in vocational education and training as well. So I think what we are showing is—and you would have seen this in one of the graphs—here is the profile of skills that are required across occupations and what is traditionally supported through higher education and traditionally through vocational education and training. I think what we need to be able to do is say, ‘What could we do for somebody who starts in vocational education and training and really incentivise them to keep going into higher education?’, because for a lot of people going straight into higher education can be a daunting process and they could fail. Whereas if we start them in vocational education and training, they can actually start work, and then we can encourage them to go into higher education. That has been a long-held aspiration across the two sectors for quite a while. There has been a review of the Australian Qualifications Framework conducted by the late Peter Noonan, and that provides clues or taxonomy, really, about how we can start to promote that. I think what we need to be able to do is make sure

that the learning in vocational education and training is almost automatically recognised as credit to let you go into higher education. That is not quite the case at the moment, so what we will be doing is working through that qualifications framework and even on how we think about qualifications that promote that transition and success for people to go from VET into higher education.

The CHAIR: Excellent. Thank you very much for that. Are there any further questions or comments? Craig, thank you so much. That was a very valuable contribution today.

Mr ROBERTSON: Thank you.

Witness withdrew.