

# 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

#### **WITNESSES** (*via videoconference*)

Ms Lill Healy, Deputy Secretary, Higher Education and Skills, and

Ms Jane Ward, Executive Director, Higher Education and Workforce Development, Department of Education and Training.

**The CHAIR:** Thanks for attending. Firstly, can I start by acknowledging the traditional owners of the various lands on which we all gather today. I acknowledge that in this virtual environment we are gathering on many different lands, and I pay my respects to elders past, present and emerging.

I also advise that the sessions today are being broadcast live on Parliament's website and rebroadcast of the hearings is only permitted in accordance with Legislative Assembly standing order 234.

Now, before we start, 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, and could I please remind members and witnesses to mute their microphones when not speaking to minimise interference.

I invite you to make a brief opening statement to the Committee, which will be followed by some questions thereafter. Thank you very much both to Lill and Jane for being a part of this very important inquiry. We now pass it on to you, and we will ask questions as we go. Thank you.

### **Visual presentation.**

**Ms HEALY:** Thank you, and thanks for the opportunity to speak with the Committee about what is a really important topic, the Inquiry into universities' investment in skills. I am Lill Healy, and I am the Deputy Secretary in the Department of Education and Training responsible for the higher education and skills and training and workforce portfolios. My colleague Jane Ward is Executive Director of the Higher Education and Workforce Division.

To begin and perhaps to go to the slides, suffice to say the State Government recognises Victorian universities play such a crucial role to support productivity in metropolitan and regional Victoria through harnessing their strengths to deliver education, research output, employment opportunities and really close connection to local communities. This drives innovation. It generates economic activity and supports Victoria's skills needs.

The pandemic imposed really significant and acute challenges on our universities, and the Victorian Government responded directly to protect the sector through the Victorian universities support package, with \$350 million under the Victorian Higher Education State Investment Fund at the centre of that package. The fund provided substantial grants to universities, some worth more than \$50 million, to invest in capital works, research infrastructure and applied research projects, and these projects are estimated to support over 3,000 new jobs and attract investment in the hundreds of millions of dollars right across Victoria.

We are already starting to see the long-term benefits of some of these investments. For example, Monash University's safe and equal at work program builds on the lived experience of family violence survivors to develop better family violence responses and prevention measures in collaboration with industry and employers. Deakin's ManuFutures 2 is establishing an advanced manufacturing start-up incubator facility, and another example is La Trobe Uni's agriculture production platforms. These platforms are increasing research capabilities in agriculture and food, leading to really practical solutions and greater sustainability for agriculture and of course for regional communities. In addition to that direct investment the support package also provided a total of \$130 million in payroll tax deferral from July to December 2020 and a further expected \$135 million in the first half of 2022, and of course that provides much-needed cash flow during the period where revenues were severely impacted. Universities of course also undertook a range of initiatives themselves to ensure they remained world-class providers of education and research, and so it is actually really encouraging to see Victoria's higher education sector recognised so significantly in the recent release of the 2023 QS world university rankings.

I think as the Victorian Government and the university sector look beyond the immediate crisis of the pandemic it is clear that Victoria's universities will remain as having a critical role to play in supporting Victoria's economic recovery. I think, building on the collective strengths, universities are really well placed to support government in responding to future skills needs—transitioning to a clean economy and regional skills, for example in ag and health, as has been talked about today—and I think there are a number of opportunities for universities to consider that really build on their strengths to progress skills outcomes.

Next slide please. Universities can deepen their partnerships with TAFEs particularly, and between TAFEs and unis there are leaders in Victoria's skilling system to really ensure a much stronger, joined-up approach to addressing skills needs. Through pathways across the education and training ecosystem—so working together with schools, with training providers and with industry and business—universities and TAFEs can establish accessible pathways to employment in key priority areas for Victorians at any stage of the post-secondary system. I think strengthened partnerships—again, it is a building on; it is certainly not starting from scratch—can ensure that all learners with aspiration can access education and training that they need for the job they want. I think while dual-sector universities, for example, have a natural advantage in developing these integrated pathways that support learners across qualifications, there are great examples of partnerships between unis and TAFEs right now. For example, Deakin University and the Gordon TAFE in Geelong—a dedicated pathway program for students at the Gordon TAFE, co-located out at the Werribee Learning Centre and collaborating on programs such as Skilling the Bay, which supports the Geelong community and the region to prepare for future jobs.

In addition to those strengthened pathways, strengthening upskilling and re-skilling I think is a really great opportunity for universities, again bringing together the academic and vocational expertise. University and TAFE collaboration can develop short courses and lifelong learning that is industry recognised, accredited and provides genuine opportunities to retrain and upskill in line with workforce demands, responding to industry and business needs through tailored learning and training programs for existing workforces in addition to those new entrants. Again, dual-sector universities continue to demonstrate this capability, and a recent example is how the partnership between the Department of Jobs, Precincts and Regions and RMIT University under the digital jobs program has really done a lot to upskill mid-career Victorians through industry-relevant education, internships and providing connections to industry mentors. That is a really important opportunity to continue.

Next slide, please. I think there is an opportunity for Victoria's universities to really bolster the industry collaboration as well as the partnerships across education providers, deepening ties to industry that really translate outputs of research capabilities to the benefit of both local industry and communities. Research output not only generates invention in new technologies but also outlines the way communities and workforces need to adapt and respond to these challenges. Universities can proactively engage with industry to drive innovation and knowledge transfer. They can be leaders in local communities, drawing on partnerships to build capacity and things like community services, workforces and of course industry transformation. Again, a great example, I think, of this is Federation University's Morwell Innovation Centre, located in the high-tech precinct in Morwell. Again, great opportunities there to use their commercial tenancy—the co-working spaces—and terrific innovative programs with partner organisations to build capability, innovation and entrepreneurship. An example of that is the Young Change Agents program. It gets school students together looking at a food for futures program with Indigenous women—a really eclectic mix. Again, it is TAFE Gippsland along with the local employment network and the university. So those cohesive industry partnerships can be deepened. I think also research and development and innovation are other areas for deepening, and this is really where we can leverage universities' global connections and research collaborations to drive productivity. And of course it works to attract investment right across Victoria. Again, a great example, I think, is the Woodside Monash Energy Partnership, which brings together the university's pioneering research, really, and design capabilities with the energy sector—cutting-edge technology, exceptional expertise in both engineering research and design. It is a globally connected innovation hub that rapidly accelerates advance in materials engineering and also data science. So these are opportunities to strengthen and to build on.

I go to the next slide and add to that that universities have the opportunity to deepen their role as a real engine room of local economies and communities. By deepening partnerships with education providers, businesses, services and industries in local communities, they can really act as a conduit to establishing the connections between these organisations as well, responding to local community education needs and also, really importantly, enabling equity and access to education for a whole range of cohorts of people. Again, an example, I think, between La Trobe University and Sunraysia Community Health Services in Mildura is a good

one because they are working together to improve community health outcomes and really increase access to students right across that northern region. It enables dental student placements and training facilities within the community at the dental clinic, a really practical partnership. The university and health service collaborate on research projects that look to improving local health outcomes but also translating that to broader research across the state and, again, really supporting how people from low socio-economic backgrounds can actually manage chronic pain illnesses, so a really practical example there.

Finally, I think sector-wide collaboration is really critical here. There is an opportunity for really deepening the collective advocacy and engagement with the Commonwealth Government to ensure policy settings reflect workforce needs in Victoria. Cohesively leveraging that higher education sector's strengths to respond to the disruption that has been and continues with us is an important opportunity, and I think about what we are facing now and what we are doing together to look at the clean economy and, through the workforce development strategy, work together with universities, with business and with State Government departments but also that advocacy to the Commonwealth Government to look at this clean economy workforce development strategy and see what initiatives there are to embed clean economy thinking into existing courses and what opportunities there might be for greater research and development—again, greater partnerships with industry et cetera.

Finally, the last thing I would like to say to the Committee here is to present the opportunity for universities to really deepen and outline their role in responding to Victoria's workforce planning. Next slide, please. There is a really great opportunity coming now when the State Government in Victoria brings forward, through the Victorian Skills Authority, the first Victorian Skills Plan. There is a great chance here for universities to dig in, to analyse that plan, to say, 'How do we respond proactively to that?', to understand the key findings of the plan and to see how they relate to universities' own planning and the alignment with key course capabilities, skills needs and the cohorts of students needing to come through, working with industry to inform continuous course development and design learning content. I think universities have got a chance here to not just be looking at the national data but be digging in in Victoria and seeing what is relevant to them. And you can see that really coming through in a practical way, an example being Victoria University's paramedic skills hub out there in Sunshine. This is a great example of really looking at the very local needs and conditions of a sector that is really in demand in Victoria and of course nationally. In this area its paramedics training space offers really world-class simulated workplace learning and courses that are co-designed with industry, and a successful completion of the diploma of emergency health care provides entry into a bachelor of paramedicine—a practical example of really applied looking at local needs and bringing that into courses. So the universities have the opportunity to do that now through the Victorian Skills Plan.

Similarly, in thinking about really looking at regional needs and deepening the understanding of regional data, and again I know you will be hearing from the VSA shortly, but I just want to point out the opportunity here that it is not just about statewide and it is not just about metro but it is about working with the regional skills profiles that are being done across the state, universities bringing to bear some analysis of what that means for them and their strengths that they bring to regional communities and again building on those and deepening those. The University of Melbourne's rural medical pathway in Shepparton is again a good example of this, where students from rural backgrounds are committed to undertaking their medical education wholly in a rural setting and therefore becoming part of rural and regional Victoria's medical workforce. These are things that can be deepened and further built upon.

In summary, I think it is about a mindset and a commitment to an integrated learning ecosystem—universities, vocational education and training, schools, local learning providers even in the pre-accredited area—seeing those connections, strengthening those connections and recognising that there are no linear pathways, that there are no single solutions here. It is making the best use of the resources and talents that universities and other players bring to the table, playing to the strengths, being deeply industry and business connected and community-centred and making sure that all aspects of the ecosystem work well together, including the role that government has to play within that.

**The CHAIR:** Thank you. Thanks, Lill. I might kick it off. Obviously with the economy having some issues with the inflation rate going up and interest rates going up this is having an impact on disadvantaged communities, entrenching in some ways some of those disadvantaged communities to be further disadvantaged and having a different growing cohort of disadvantage in relation to some of the economic activity that is going on. In your submission you state that the Job-ready Graduates reforms may disproportionately impact

disadvantage in under-represented groups. Can you outline what trends you have observed to date and how you intend to monitor the impacts of the Job-ready Graduates program on these groups going forward?

**Ms HEALY:** Thank you. I think we have a really good opportunity to build on the work of the new commonwealth minister in reviewing the Job-ready Graduates commonwealth policy, recognising that that is a Commonwealth Government policy and recognising that Victoria, along with the Victorian universities, have been watching the implications of that policy as it plays out and have observed a couple of things. I will make a point and I will also hand to my colleague Jane. One of the things that we have seen is that the policy sort of expresses that if you do not complete or pass through about half of your course you end up having to make payments and have real impediments to that. I think if you look at the barriers that play out in students heading into university, if you are a student that experiences, for example, a mental health issue and you cannot complete 50 per cent of your course, then you have a structured issue coming right at you with that policy—much less if you are a student who is coming from a regional area with a lot more travel or requirements for cost and again you cannot complete some of your course there at that 50 per cent level you have that barrier hitting right at you. So that is something we have observed and I am looking forward to continue working with our university colleagues to monitor. But importantly I would say that with the Job-ready Graduates policy we would welcome the opportunity for that to be reviewed. I will hand to my colleague Jane Ward now to perhaps make a couple of deeper comments on that.

**Ms WARD:** Thank you, Lill. And good morning to the Committee. Thank you for the opportunity. I think just to build on what Lill said, it is early days with the Job-ready Graduates reforms in terms of being able to actually gather meaningful data about the impacts. I think in the Department's submission we laid out the potentially perverse outcomes of that policy, so I will not revisit that. But Job-ready Graduates only began from January of last year, so what we are waiting for is to be able to correlate enrolment data, completion data and the like for the last two years, and that will give us a more detailed understanding of the impact of the Job-ready Graduates policy settings. I think one of the concerns that plays out for students from a low socio-economic background is that, while the price signals around how the commonwealth contribution versus the student contribution play out, those price signals are in some cases weakened because students do not repay until they are earning and repay their higher education loan through the tax system. However, students might be influenced in making even subject-level choices around what will result in the lowest level of debt, and of course that is a particular issue potentially for students from a low socio-economic background, so you can end up with a scenario where students are choosing courses based on the price, not necessarily aligned to their interests, their career aspirations or their own personal strengths. So those are the types of issues that we want to watch and monitor very closely, and over the course of this year and into early next year the universities will have a much more granular understanding themselves of how two years of Job-ready Graduates has played out, and we will also absolutely, as Lill said, take the opportunity of engaging with the new Commonwealth Government, who has committed to a review of the Job-ready Graduates program.

**The CHAIR:** Thank you, Jane. I might go to the Deputy Chair next. Gary, did you have a question?

**Mr BLACKWOOD:** Yes, thanks, John. Good morning, Lill. Good to see you again and great submission. In terms of microcredentials, some of the submissions have called for a greater role for microcredentials and other short courses but have highlighted the need for more clarity on issues such as funding and accreditation. So what is the role of micro-credential courses in developing the workforce skills that Victoria needs, and what can the Victorian Government do to help that?

**Ms HEALY:** Thanks for the question. It is a really contemporary and important question, and I will perhaps begin by answering that accredited qualifications are the bedrock of our learning system, and building on those and recognising the changes in the way the labour force is moving around and what our economy needs means that some flexibility through short courses is really critical, both for new entrants into the labour market as well as for people upskilling or re-skilling across their careers. Micro-credentials can play a really important role in both of those.

In Victoria, for example, you see that both universities and some employers—particularly IT firms, for example—as well as the State Government have invested in bringing together small packages of skills, and in the Victorian Government's policy for VET these are called accredited skill sets. We have done two things there. One is to introduce funded skill sets that will enable people to get that step up into the labour market pretty quickly. That was through the pandemic environment and was a really important response to the

conditions at the time. In addition to that we have invested in what are called workforce skill sets, where we are looking at how we can bring people directly into the workforce, things like construction, through small packages of accredited, industry-relevant and quality learning.

So one of the really critical things I would say here is that it is not about just short, stackable, speed-to-market content; it is where industry has been co-designed, because then they respect it. It is where it is quality and can be linked to an ongoing qualification and where it can be delivered in a flexible way that enables workforces to really maximise the use. So microcredentials have a role to play both in, again, upskilling and re-skilling for people moving between careers, but only with those criteria. What we cannot do is lose quality, and we cannot have credentials out there—because they are credentials, they are not just mini certificates—that are not respected by industry, because then they will not be taken up, they will not hold stead.

I think there is a good example where some of the universities of course have self-accredited microcredentials. Deakin University I call out, where they have collaborated with a range of healthcare organisations including Portland District Health and Kimberley Aboriginal Medical Services to co-create these stackable short courses for degree-qualified healthcare workers transitioning into management roles, as an example, and that improves patient flow management and outcomes in health services. So you have got an industry in high demand. You have got people who are already in the industry looking to move across and around, so that is where something like a micro-credential can be of real use. We think there is a really important role for Victorian universities to continue to play here, along with other parts of the ecosystem, noting that the Commonwealth Government's review of microcredentials, which has possibly been a bit slow because of the pandemic to get through, is still underway, and we want to make sure that anything that is happening in this area is connected into that review and again builds on particularly where the Victorian Government has already signalled that it is interested to go to support this greater flexibility, and also just noting that there are live examples already of universities working with industry and State Government through building these microcredentials to give us the flexibility we need for the changing workforce requirements that we have and again, just in summary, to make sure that we have got industry-relevant accredited and flexible microcredentials, not things that are just professional development or that do not have that quality. I think they would be the really critical parts to that.

**Mr BLACKWOOD:** Thanks, Lill.

**The CHAIR:** Thank you. Chris Couzens next.

**Ms COUZENS:** Thank you, Chair. Thank you both for your time today. It is greatly appreciated. You made reference to a number of regional universities and TAFEs and partnerships there. I am interested in your thoughts on how universities and the Victorian Government could collaborate to address the skill shortages, particularly in rural and regional Victoria and in particular in allied health, teaching and agriculture.

**Ms HEALY:** Thank you. Again, it is a build-on story here because there is no shortage of really constructive collaboration that does exist, and there are plenty of practical examples. But as you point out, we have got so much of a deep skill shortage right now, and how that plays out in regional communities is quite specific and challenging. So I would frame the answer by saying between the State Government and the universities group we have a structured set of partnership agreements that have a really clear shared intent. We have a regular collaboration with the vice-chancellors which of course then complements and builds on the regular collaborations that the chief scientist has with the researchers across universities, so there is a really deep architecture to build upon here to go much further.

What the partnership agreements do is that they call out the objectives that we are driving at and then really try and invest our time and effort toward that. The Higher Education State Investment Fund is a good example of where we have gone hard with universities in regional areas to address skills shortages. There are things like the recent agriculture review that has been underway this year, and the government is considering the findings of that, where particularly universities like La Trobe and Melbourne that are deeply embedded in regional communities around agriculture have been at the forefront. In the end we also work hard to partner up with organisations like the Victorian Farmers Federation, as an example, around agriculture to make sure that our efforts and investments are driving to where the gaps are.

Again, Jane, I will hand to you in a second to add to this, but I think part of the real solution here is for each of us to be going deeper into our partnerships with businesses in regional Victoria in those particular areas,

whether they are health services or agriculture, to use the two examples, because that is really where the solutions are. It is when those areas are coming together to say, 'How do we actually solve local problems or try and drive to local needs? How do we retain younger people staying in our areas?'. So again there are great examples of where we know that if young people can study in rural and regional Victoria, they are more likely to stay and work there. It is how we get our placements more deeply embedded in regional and rural communities to bring that to life.

It is also really important, just before I hand to you, Jane, to acknowledge again the role of the commonwealth policy settings here, and I know that we have a national regional and rural framework to work within because again I do not need to tell this Committee the barriers that students do face in those areas are quite specific and do need to be supported through equity and access support and particular investments that enable that. Jane, could I hand to you just to add to that?

**Ms WARD:** Yes, of course. Thanks, Lill. It is an incredibly important aspect of the role that universities can play as genuine contributors to their local economies and communities. I think there will be some really rich data to tap into when we have the regional demand profiles from the Victorian Skills Plan, so that will provide even more direction and a real evidence base for deeper conversations with universities about how they can meet the skills needs in their particular areas.

Lill has already touched on some terrific examples. Another one that springs to mind is Federation University, which of course has Federation TAFE, so as a dual sector it is a great example of how a university can work across different components of the Australian qualifications framework. They have established a wind turbine training centre at Ballarat to create the next generation of renewable energy technicians and engineers, so there is a great example of a university that also has a TAFE component sort of really looking over the horizon and being ahead of the needs.

Specific to teaching and our health, which I think were part of the question, there are some very specific initiatives that have come from the Department of Education and Training, particularly around supporting the development of the teaching workforce. So there are memoranda of understanding with all teaching degree providers, including the universities, of course, who offer teaching programs. A lot of that is just about generally improving and sort of streamlining processes around preservice teaching placements, but equally there is a student teacher rural practicum placement program that was in the last budget. Also, for example, there is access to quality teaching, so there is a stipend to support high-performing teachers to undertake targeted teaching placements in disadvantaged regional and rural areas. So there are some very specific interventions in the teaching space.

Where it comes to health, there is really quite strong representation in allied health, nursing and medical programs across several universities. Federation University, Deakin, La Trobe, Australian Catholic University, Monash and University of Melbourne all have either campuses or delivery centres and relationships in regional areas. So I think we do not need to wait for the Victorian Skills Plan to know that there is enormous demand in those professions in regional areas, and I think via the partnership agreements, as Lill said, we have the opportunity to really build on some existing strong initiatives.

**Ms COUZENS:** Thank you, both.

**The CHAIR:** Thank you. Juliana, did you want to ask a question?

**Ms ADDISON:** Thank you, John, and thank you, Lill and Jane. As a former schoolteacher who did my rounds in regional Victoria back in 2006 when I was at the University of Melbourne, it is really great to hear that there is that focus on giving teachers the opportunity to teach in rural and regional Victoria. I would really like to continue on with this idea of preservice teaching arrangements and really talk about support for teachers supervising student placements. Many of our submissions highlight the lack of support and incentives for teachers to supervise student placements and suggest solutions, such as counting the time in supervision towards professional development and recognising supervision as a part of teaching loads. As someone who has had many, many preservice teachers, it is a huge amount of extra time and load. Yes, they teach your classes, but there is a lot of mentoring and support that you need to give them. So my question really is: how can the Department better recognise and support teachers who supervise student placements?

**Ms HEALY:** Thanks for the question there. This is a really important area, and the Department is undertaking a whole suite of reforms to increase the supply of preservice teacher placements across Victoria and to better support host schools and supervising teachers. Gee, in the last couple of years and even right now, has there ever been a harder time for teachers? So it is really, really critical. I remember in 2021 the Department developed, and I think Jane mentioned this, a memorandum of understanding with all Victorian teaching degree providers to provide a more streamlined and strategic approach to arranging preservice teacher placements in government schools. And it is designed to try and make it easier for schools to host placements and to support a focus on the qualitative aspects of each placement via both streamlining and standardising the placement process for teaching degree providers, the schools and of course the teaching students.

The department works with universities pretty closely, and teaching providers also, on things like the teaching academies of professional practice and the partnerships between clusters of schools and teaching degree providers in particular areas that are designed to actually facilitate supported preservice teacher placements. I think the other thing I would point out here is the Access Quality Teaching program, which provides stipends to support participating high-performing preservice teachers to undertake targeted teaching practice placements and particularly in disadvantaged rural, regional and remote settings. Jane, I think, already mentioned before the student teacher rural practicum placement. That program provides a financial incentive for preservice teachers to undertake placements in rural or regional Victorian Government schools, and again the reference to the recent investment through the state budget is—I think it is—\$2.7 million for those initiatives. You see the partnerships also with places like the country education partnership to make sure that we get preservice teachers to undertake those placements in rural schools. We would not want to forget the Victorian Institute of Teaching developing that preservice teacher mentoring program. So it is a critical issue, a really important opportunity to build on and something that the Department continues to work strongly on.

**Ms ADDISON:** So, Lill, just to be clear, would the recognition of the supervision towards PD be a VIT issue as opposed to your part?

**Ms HEALY:** There is certainly a VIT issue in there. But if there is a technical element to that that I might not understand, I would probably want to take that on notice, if it is okay, and come back to you with a written response—

**Ms ADDISON:** Sure. Great.

**Ms HEALY:** if that would be all right. There may be something technical in there that, as a non-teacher, I do not understand. But, Jane, help me out there if that is clear.

**Ms WARD:** Yes. I think we would be wise to take that one on notice, Lill. The only other one that I would add, and it is not specifically regional but it is also an area of great need, is around early childhood and the range of again innovative approaches to ensuring the pipeline of degree-qualified early childhood educators. There is a partnership with Deakin University, Victoria University and the Australian Catholic University that supports eligible Victorian educators to upskill to become qualified early childhood teachers. That is an accelerated Bachelor of Childhood Education, so it is a compressed time frame—18 to 24 months—and students undertake that study while they are actually still employed in the workforce. It means they do not have to step away and become full-time students again, and the Victorian Government offers a range of financial supports to that for paid study and paid placement leave and the like. There is also quite a generous scholarship program, with \$25,000 scholarships available for particular recipients as well. There is a particular angle on that, with a higher incentive offered to teachers in regional Victoria. Again, looking across the whole system from early childhood all the way through, there is a range of interventions underway already.

**The CHAIR:** Thank you very much for that comprehensive answer. Kat, did you want to ask a question?

**Ms THEOPHANOUS:** Thank you, Chair. And thank you both for your input into this Inquiry. It is very much appreciated. My question relates to research funding. It is something that your submission raises as well in terms of opportunities to engage with Victorian universities to better understand the impacts of research funding and promote that closer alignment with state priorities. I just wanted you, if you could, to elaborate on how the Department could work with universities to better align that research funding with our state's priorities.

**Ms HEALY:** Thanks again. I will make an opening comment and ask Jane to build on that. We have the benefit of having a long history in Victorian Government with the role of our Chief Scientist and the network



that she has of research leads right across the university system and the value that brings into Victoria. I think it is terrific, and there are so many partnerships you could talk about there. So I just want to pitch that as a bit of a framing piece, because it is something we proactively work on, with a long-term view through not just this department but through many other portfolios, such as the medical research portfolio, as well. But, Jane, could I ask you to just add a comment there?

**Ms WARD:** Yes, certainly, Lill. It is a really important topic in consideration of the universities. The first point probably to make is that research funding is obviously a commonwealth policy setting, and as such it is somewhat in a state where it is likely to be reviewed, with a new Commonwealth Government having just begun. But the sector has certainly raised concerns about the level and the sustainability—or they would argue lack of sustainability—of the way research is currently funded. So there is a sense of concern amongst the universities that research is not sustainably funded. There has always in the past been cross-subsidisation from student fees actually supporting research. The current commonwealth settings are in place to try to create greater transparency over how funding is directed, but as I mentioned, the sector would suggest that the policy has not been fully thought through yet.

I think, in terms of alignment to State Government priorities, if we take the recent example of the Victorian Higher Education State Investment Fund, the projects that were funded under that program were co-designed between the universities and government. So DET led that work but engaged very strongly across portfolio agencies to ensure that Victorian Government interests were represented there. So we have great confidence that the applied research and research infrastructure that were funded through that program are strongly aligned to Victorian Government interests, and that includes clean economy, health and medical research, the example that Lill gave earlier around family violence and improved responses there. So a whole range of social and sector impacts were considered in those programs. Another design element of the Victorian Higher Education State Investment Fund was that research infrastructure that was funded needed to have an explicit outreach or engagement program plan with industry. That was designed to ensure that there was genuine access to that research infrastructure that was supported by the Victorian Government so small businesses and others could benefit from accessing that as well.

I think universities also play a very key and very active role in economic development and investment attraction, and Invest Victoria has its own memorandum of understanding with certain universities to ensure that they play a really active role in attracting international investment. And we have seen recent examples play out in that, with IDT, for example, being attracted to set up medical manufacturing in Victoria, working with Monash University.

**The CHAIR:** Very good. Any further questions? If not, I will ask one more. Just in relation to university and industry collaboration, what opportunities are there for improved collaboration between universities and industry, how can the Victorian Government support increased collaboration between universities and industry and what can universities learn from TAFEs about collaborating effectively with industry?

**Ms HEALY:** Thank you. There is always room for deeper collaboration with industry, and I would say industry and business if I could, because I think one of the things that we have a real strength in in our vocational education and training sector is planning with industry sectors, through our industry advisory group structure, as an example. Often it is down at the medium-size business level that you have got a really direct engagement in a regional community where some research and innovation is going on, and it is down at a firm of 200 people. So both industry and business are critical, and there is no success without deeper engagement with industry and business.

I think the opportunity is there for universities and TAFEs together to leverage those relationships better, rather than individually trying to go out and sustain those, and I think government can play a role in facilitating and brokering that, both through things like the Office of TAFE Coordination and Delivery for TAFEs and, again, through our collaborative ventures with universities. So there are deep, even to a global level, business and industry relationships that can be brought to the table to complement quite local relationships. When that is done in a way that is coordinated and we are looking for opportunities right across the system, we are just going to get better outcomes, rather than everyone individually trying to engage, not including of course as we deepen our VET in schools opportunities through 2023 and the new vocational major.

Again, working directly with business and industry is a priority, so if you sit with everybody in a business and you have got a whole lot of different levels of education providers coming at you, it does not necessarily get the best outcome. So I think there is a really important opportunity for us to better coordinate and be much more integrated in the way that we do work with business and industry. And dare I say—and I think the response from the VCCI pointed this out—it is also incumbent upon business and industry to engage the other way; this is not a one-way street. So everybody in the community has an absolute vested interest in getting, through our learning and education systems, the best people in and out and everybody having an opportunity to be in and out and give their best. So I just say it is an absolute 360, and from the point of view of government's role, we have got to be right there at the table, and everyone else does as well. So deepen that wherever you can would be I think the way we are looking at it.

**The CHAIR:** Very good. Thank you, Lill, and thank you, Jane, for your very valuable contribution this morning. Thanks very much.

**Ms HEALY:** Thank you.

**Witnesses withdrew.**