

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

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WITNESS (*via videoconference*)

Mr Dylan Broomfield, General Manager, Policy and Advocacy, Victorian Chamber of Commerce and Industry.

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.

I invite you to make a brief opening statement to the Committee. Thank you very much for being with us, Dylan.

Mr BROOMFIELD: Thank you, Chair—much appreciated. Of course I would first like to acknowledge the traditional owners of the lands that I am coming from, the Wurundjeri/Woiwurrung and Bunurong/Boon Wurrung peoples of the eastern Kulin nation, and pay my respects to their elders past, present and emerging.

Firstly, I would just like to thank the Committee again for reaching out to the Victorian Chamber of Commerce and Industry. It is much appreciated, and we really do applaud the work that the Committee is doing in undertaking this inquiry.

As we know, Victoria boasts a world-class reputation in the education sector. We have amazing universities, amazing TAFEs and amazing dual-sector universities as well. However, we cannot be complacent with that. We cannot rest on our laurels, and we need to make sure that we maintain our position as being the best. So we need to continuously improve and aim to hold the position as a world leader in education and educational outcomes.

The Victorian Chamber views the purpose of education and the training system, including university, as preparing learners for the real world and developing skills needed in the labour market, which will in turn drive prosperity, productivity and growth. What we need is critical thinkers, and that is what is required in an age of disruption where traditional skill development is evolving. Victoria needs to stay at the forefront of that in terms of understanding how it is that we can be the world leader in this space and what that looks like.

I think the key messages for us that have come through loud and clear from our members are that we need to identify what is best practice in industry and how universities can engage with that and how we are able to promote that, and what we have seen start to emerge now are some of the new trend words around micro-credentialing and the value of substantive internships, not internships where it is an unpaid internship. We think internships are those that should be paid and should actually lead to tangible skills that the graduate can then use once they get into the workplace so they are ready to go. And of course we also need to acknowledge that businesses are time poor, that they do not always speak the same language as universities and they do not know how to get in touch with them. So we need to work out what a collaborative relationship looks like moving forward so that greater gains can be had from those skills that are required by businesses and what universities are able to provide them.

We made 18 specific recommendations, and I will not take you through all of them because they are in our submission. But what I might do is just touch upon probably four of them, which we think are those of the higher order. The first would be recommendation 9, which is defining the role, accreditation requirements and funding mechanisms of the microcredentials to give the education sector and learners clarity over the qualifications they are providing and receiving when upskilling and re-skilling, and I think New Zealand provides a really good example of that. We want to shift away from the notion that micro-credentialing is a bad thing. No-one has really defined it yet, and we think that is part of the problem. But to our mind micro-credentialing is where you do a substantive period of study—be it six, eight, 10 weeks—but then it is also supplemented by on-the-job training through an internship, so that way the skill that you have got is ready to go and able to be used tangibly from day one.

Recommendation 1 is to establish an internship fund for year-round internships co-designed by industry and education institutions to ensure skills pipelines and address skills shortages for growth industries. Again, one of the biggest complaints that we get from some of our members is that we get these graduates who come out but do not have any industry experience; they do not know what it is that we actually do. So they end up spending the better part of six to 12 months giving them that context, and that is something we think should be rolled into the whole university process. Recommendation 2 is to enable the industry to collaborate more with universities by offering incentives to business which seek to reduce the time and cost burden associated with engaging in skills training to deliver practical skills-oriented courses. And then recommendation 3 is to establish a standard internship framework—a template of internships agreements, if you will—so that way no-one really feels like they are missing out, and this in turn will reduce the time and cost of developing internship partnerships between education institutions and industry.

I will leave my opening remarks there, Chair. I am happy to take any questions.

The CHAIR: Thanks, Dylan. I might kick it off with a question in relation to industry relevance tests. Your submission proposes an industry relevance test for university courses to ensure course content is useful and up to date. How should an industry relevance test be developed, and what would be its key components?

Mr BROOMFIELD: Thank you for the question, Chair. Internships could act as the industry relevance test, whereby the industry is able to rate the skills students have learned during their coursework when they carry out the internship. I mean, there is no better way than providing that tangible feedback straightaway to the university so they have a better understanding of what it is they are delivering and how effective that is. So that way, by the time the graduate has got those theoretical skills, how well are those theoretical skills able to be adopted in a practical sense during that internship period? So that is sort of point 1 that we would raise.

The next is that universities and TAFEs can engage more with industry in the classroom by inviting industry specialists to come and evaluate the skills and techniques being taught to the students. Similarly, you could have a lot of industry people actually going in and helping deliver some of those tutorials, lectures, things like that. For far too long there has been this gap between universities and industry—for some reason it is like a Berlin Wall, if you will, that has gone up. And we need to take that down so that that integration can be there from an early stage such that students not only get that good theoretical understanding but they also get a bit of an understanding of what the expectations are going to be like once they are out into the real world, because otherwise we are just, to some degree, setting them up—not completely for failure, but it may be the case that they are not quite sure that is the career path that they necessarily wanted to go down.

We think businesses and industry need to be supported and clearly sold the value proposition by universities of getting universities involved. Again, I go back to that point that businesses are time poor, and the relationship between industry and, more broadly, university really needs to be elevated so that there is a capacity through which, where skills are required, the businesses are able to just go to a university and say, ‘We need to try and do something around this. How can that process be kicked off?’. Or maybe it is the case that there is some extra element that is there—or extra authority or something of that description that is there—whereby businesses are able to report in, ‘We’re missing skills in this’, then over time that gets collaborated together and then where there are themes coming through there can be a discussion with universities. We know that some of the bigger businesses are able to more directly engage with universities, but the ones that are missing out are the ones that can really drive our growth, and they are small, medium and family-sized businesses. They are the ones that have huge skills shortages, and we need to try and work out: how can we be more inclusive so that we can bring them into the fold and let them have an avenue through which they can discuss with universities some of those skills that they most greatly need?

And then of course the final point is to make sure that the best practice for universities is emulating what is needed in industry, because when we get into that position we are going to have much greater tangible outcomes, not just in terms of economic development for Victoria but, more importantly, tangible outcomes for the students.

The CHAIR: Thank you. Deputy Chair? Gary, a question?

Mr BLACKWOOD: Thanks, John, and thanks, Dylan, for your presentation. Your submission calls for a new national skills agenda to respond to the current skills crisis. What would be the key elements of a national

skills agenda, and how would that interact with the new national skills agreement that will replace the 2012 agreement? And also what role should universities and the Victorian government play in developing and implementing this agenda?

Mr BROOMFIELD: This is something that we have looked at in a bit of minutiae, because sometimes when you start talking about national it just becomes so holistic that there is no real bite to it when it comes to actually being implemented. So we started thinking about, 'Well, what are some of the things that we can address to sort of target that?'. And the first element that we would suggest is funding aligned to growth and skills shortage areas in the labour market. Far too often that funding comes two to three years late, by the point in time at which those skills are no longer the new emerging skills that are required. So whether the tail is wagging the dog, so to speak, or whether we try and get in front and start getting that skills identification early on and get substantive funding into it so that then we can be a market leader, not just in Australia but worldwide as well. And then of course the next point is ensuring the continuation of skills and competency standards as part of the training package development. There is no point in just providing skills if there is no competency or accreditation going behind it. That is not going to achieve anything, and it is just really doing a disservice not only to the universities and to the industry but also to the students themselves.

I think we also need to bear in mind that Victoria is still the largest manufacturing state. We have got a huge, huge first-mover advantage in that space, but we also have the capacity to be the largest producer of renewable energy too moving forward, hydrogen as well. So what are the thoughts that we are starting to have around what those skills are that are required in terms of university? That is really where we should be, or should have been maybe even two or three years ago—thinking about what the identification of skills is that we need to be doing in this process such that we are able to give our children now, who might be in years 8, 9, 10, so on and so forth, those formative years, when they start thinking about, 'What's the career for me? What is that pathway? What's the opportunity once I get to university, and what are those courses that I'm going to be offered?'. I think once we sort of get to that point in time, we can then encourage the commonwealth to see the skills and training system more as a tool that develops skills that are needed to perform jobs that currently exist, including jobs in transitions and those jobs that are identified as likely to exist in modern workplaces. I think that is the sort of position that we need to be in, where we are not just providing qualifications for qualifications' sake. Dare I say, does the world need more lawyers? I will leave that up to others to argue, but we also need to think more tangibly around what those opportunities are moving forward and how we as a state help the university sector—and of course there is spillover for this into the TAFE sector as well—identify those skills that are most needed now so that we can continue to be the leader in the nation.

Mr BLACKWOOD: Excellent. Thanks, Dylan.

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

Ms COUZENS: Yes. Thanks, Chair. Thanks, Dylan, for your time today. Unfortunately I dropped out for most of your presentation, so my apologies if I am asking this question and you have already answered it. In your submission you highlight the lack of workforce development strategies for emerging industries such as the green economy. The Victorian government is currently working on a clean economy workforce development strategy. What other industries require workforce development strategies, and what should be covered in these strategies?

Mr BROOMFIELD: Thank you for the question. I do not blame people for dropping out to not have to hear my monotone for just a little bit longer than is necessary, so no hard feelings whatsoever. I think we need to be more sophisticated. I think we need to get to a point in time where the government takes the time to actually invest in workforce development strategies across all industries, especially those industries that the government is targeting as emerging. What are we really good at? Where is it that Victoria has the cutting edge, and how do we maintain that position? What we need to understand is that it is not just developing the industries in terms of providing that economic value overall, but it is also the ability that we have in terms of providing the skills and then selling those skills.

One example that I will use, which is actually not a university, is Bendigo Kangan Institute and what they are doing with their automotive manufacturing down there. People fly in from all over the country to attend that one course. That is the sort of thing that we need to be thinking about moving forward, and that is why we need

to really have those workforce development strategies. Again it comes back to highlighting to try and identify what those things are that we need to already be looking at now so that we are better placed in the future.

In terms of those areas that we think should be of greater focus, it would be the industries that are experiencing current skill and labour shortages. That just happens to be all industries at the moment, so that is perhaps not the best definition going round. But in terms of growth industries which we have identified as future industries for business in Victoria, we would look to things like medical technology and pharmaceuticals. Look at the work that has been done in the Parkville precinct—phenomenal. How can we better leverage that? How can we use that as the blueprint moving forward as well? New energy technologies, food and fibre—we are really well placed. We have a great reputation in that space, and we also have huge capacity to have growth in that agri sector. We just need to work out what the skills are that are actually needed there. I think people are understanding that agriculture is not just putting a plough on the ground and turning some soil but is now a very, very sophisticated industry and as a consequence it needs to have the relevant skills that are available in order to be able to grow it. That is where we need to look to—and similarly with transport technologies, defence technologies, construction technologies and also professional services. I think if we do not have workforce development strategies for these target areas or, if not, try to identify them, then all we are doing is just demonstrating how poorly planned we are moving forward. It really demonstrates that there is a lack of a joined-up approach between the Commonwealth Government and the states as well as industry and universities, and I think that sort of highlights to a degree some of the key points that we would like to make. What is really needed in this space is better collaboration. No-one really knows where to go or what to do per se, and that to my mind, and I think to the minds of our members, is, ‘Well, why is that so difficult? What can we do around that?’. To give credit where credit is due, the Victorian Skills Authority is working on that, but I think we can be bolder and better than that and perhaps even a bit more extensive.

Ms COUZENS: Thanks, Dylan.

The CHAIR: Thanks, Dylan. Juliana, questions?

Ms ADDISON: Thank you, Chair, and thank you, Dylan, for being with us today. In your opening remarks you did make mention of microcredentials, and I was just wondering whether we could dive a bit deeper into your submission regarding the clarity, definition and role of microcredentials and other short courses, including funding mechanisms and accreditation. There are a couple of things I am really keen to learn about. To what extent has the National Microcredentials Framework and microcredentials marketplace platform addressed these issues? What else is required to increase the role of microcredentials in upskilling and re-skilling? And how can we help as the Victorian Government in promoting these?

Mr BROOMFIELD: This is one of the big areas that I think we are about to see a huge evolution in, and it is not just going to be in the university sector; I think there is also a huge role for TAFEs, especially as TAFEs modernise and evolve in the 21st century and continue to be those important pillars of the community in providing that vocational and educational pathway.

Before we get into the framework I just want to highlight and emphasise that micro-credentialing, because it has not been properly defined, has a bit of a bad name, and people just think, ‘Oh, it’s just a way of doing some sort of small training course that’s not really that relevant’. People are always familiar with logging on to LinkedIn and someone has got a badge for this or a badge for that. It is like Scouts, but for professionals. Instead we sort of need to shift past that point—do you know what I mean?—and start getting to, I guess, the notion that sometimes you will be doing a job and you just need a small value-added skill that will allow you to go to the next level. What does that look like? How is it done? At the moment I think micro-credentialing already exists, it is just that it exists in an informal sense, so why don’t we try and change that and make it so that it is a more formal qualification that exists whereby you might have to do six, eight, 10—it really does depend—weeks of theoretical work so that you can understand the premise from which this is coming and then subsequent to that actually get a little bit of tangible experience by going into the workplace and understanding how it works in practice. That in turn will make people far more qualified over time.

Importantly what micro-credentialing also provides is that stackable opportunity for qualifications such that you can do this micro-credential and then the next and so on and so forth, and you can actually see it leading to a more substantive outcome over time. That is not what you get at the moment with bachelors, it is not what you get with masters, and that is something that we think really needs to be addressed. If it is not addressed, then

you are going to find that industry will disrupt the universities, they will disrupt the TAFEs. Although some industries and some businesses do it really well, I think having the universities as the backbone and the pillar of this process is key in order to make sure that they maintain accreditation, because we all know that an accredited framework is one of the essential pieces that we need in this piece.

Now, in terms of the National Microcredentials Framework we think it has a huge capacity to deliver outcomes over time. I think one of the things is that it is only new, so we have not really had a chance to see how it is going to work. The big issue, again, comes down to: how can we rapidly accredit some of these microcredentials? That all counts on qualifying through the Australian Qualifications Framework, and at the moment that—currently—takes two years. Now, if I am creating a micro-credential today, in two years time when it is finally accredited it might not be relevant. It might not be fit for purpose anymore. So we need to work out what ways we can try and encourage and help facilitate the national microcredentials framework such that it is able to be a more proactive, malleable and responsive instrument so that businesses and industry are able to get those credentials done and established as quickly as possible, which in turn is better for not just the employer but also the employee.

I think one of the things that we have sort of seen, and probably what really needs to happen, is: what is the definition of ‘micro-credential’? Someone at some point in time has to be bold enough to try and define it. We would happily have a go, but I think one of the things that we need to look at is: how do we make it so that people have greater trust and belief in what a micro-credential is and what a micro-credential does, and how does it value-add to the overall tangible career development over time? We have done some work in that and we are actually establishing at the moment a skills alliance, which was funded as part of a skills solution partnership in this year’s state budget, and that is going to be a joint venture between us, RMIT and DJPR. One of the big things that we are doing in that space is we are having industry come and tell us what it is that they need right now. It is not just going to be exclusively RMIT; over time we will invite others to come in—other universities, likewise other TAFEs as well—because at the end of the day all we are about is making sure people are learning the right skills at the right time to value-add to the job that they are doing. That is something that we think will be a really great pilot as we start to do it. Then, hopefully, the success will be clear and from that we will be able to build it up to be even greater and larger again.

The CHAIR: Thank you, Dylan. I know we are out of time, but I think it is important to ask another question. Kat, did you want to ask a question?

Ms THEOPHANOUS: Thank you, Chair. And thank you, Dylan, for your input today. My question relates to your submission which calls for a standard internship framework to reduce the time and cost of developing internship partnerships between educational institutions and industry. I just want you to dive a little deeper on that and give us insight into what you think might be the key components of a framework of that nature and what the roles of industry, universities and the Victorian government would be in developing a framework like that.

Mr BROOMFIELD: Again, micro-credentialing and internships have been maligned by poor reputations in the past and we need to change that. That is the first starting point I would have with this. Then when we talk internships, we are not talking about making a graduate or a student work for free for six months doing those horrible tasks—we want them to be getting tangible skills so that they are job ready when they get out there. That is the key thing. I just want to start from that point, because sometimes when people think industry is talking about internships it is ‘We just want a bit of free labour’, and that is really not what we want to try.

What we think should be stood up is a standardised internship agreement form for industry and education institutes to use to establish internship partnerships. Then the next step after that is that we think there should be wrap-around and support services provided for all parties involved in internships—that is the interns, business, education institutions—to answer any queries and help solve issues that may arise. Importantly, maybe some of those who have come from a lower socio-economic background or those who have come from substantive challenges actually get the genuine support that they need throughout that whole process, because that is one of the things that will break down the barrier and actually get them into that long-term job. We think that there is an opportunity for funding from the Victorian government in that space.

We think businesses and education institutions need to appoint an internship manager to take charge of the internship programs so that way there is actually a point of contact between the two, and that makes people a bit

more accountable instead of it just being the responsibility, say, of a lecturer, a professor or a head of department. We think the Victorian Government should develop a job description template for industry to use and advertise internship positions, including role, responsibilities and the goal of the internship position. Again coming back to that point that I was saying, let us not just have people think internships are just that free labour opportunity. Let us have it as something that will actually value-add to their qualification over time and allow them to be a far more productive employee once they come out. The Victorian Government should develop an internship orientation package for industry to implement when welcoming interns into their businesses, including key policies and procedures in businesses, but also providing an overview of what it is that the government is doing in order to help facilitate and provide these. We think the Victorian Government should also create a standardised internship framework detailing how the entire internship process should run, including interviews with intern candidates, regular performance reviews of interns, exit interviews at the conclusion of internships, reports written by interns on their work experience and some degree of reporting by the university after engaging with the employee to understand how that has developed over time. Again, these are the tangible things that will actually lead to substantial outcomes in terms of making internships far more valuable than they previously have been.

And then the final thing is that we think that the Victorian Government should create a compensation package, or something of that nature, for businesses. Now, it does not have to be large; it does not have to be huge. It could even be something as simple as a payroll tax reduction if you are taking on an intern or something like that—just something to give the business a little bit of payback for going through and providing a genuine internship that has tangible gains and provides that ability for students to get that job-ready skill base or that work-based learning experience that they really need so that they are far more useful and effective to the organisation once they get out there and, more importantly, they are more empowered and they are more confident in the job that they have.

The CHAIR: Excellent. Thank you very much for that comprehensive contribution, Dylan. We really appreciate it. Thank you.

Mr BROOMFIELD: Thank you very much, Chair. I always appreciate the opportunity to appear before you.

The CHAIR: Thank you.

Witness withdrew.