

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into the Closure of the Hazelwood and Yallourn Power Stations**

Traralgon—Wednesday, 2 March 2022

#### **MEMBERS**

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Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

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Mr Rodney Barton

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Ms Melina Bath

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Mr David Limbrick

Ms Kaushaliya Vaghela

Ms Wendy Lovell

Ms Sheena Watt

**WITNESSES**

Ms Carolyn Chong, Deputy Vice-Chancellor, Global and Engagement,

Professor Thomas Baumgartl, Director, Future Regions Research Centre,

Professor Andrew O'Loughlin, Professor, Management, Federation Business School, and

Mr Darren Brown, Senior Adviser, Government Relations, Federation University.

**The CHAIR:** The Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations continues.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome members of the public in the gallery today.

My name is Enver Erdogan, and I am the Chair of the committee. I would like to introduce my fellow committee members Mr Rod Barton and Ms Melina Bath.

To all witnesses giving evidence today, all evidence taken at this hearing is protected by parliamentary privilege as provided by the Victorian constitution and also under the Legislative Council standing orders. Therefore any comment you make is protected for defamation; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee could be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript, but ultimately transcripts will be made public and put on the committee's website.

We welcome your opening comments, but please keep them to a maximum of 10 minutes to allow plenty of time for discussion with the committee. Could you please start by stating your name for the record, for Hansard, and also the organisation. I guess I will say that everyone here today is from Federation University, for Hansard, but if you could just introduce yourselves. Over to you.

**Mr BROWN:** Thank you, Chair. Darren Brown, Senior Adviser, Government Relations, Federation University. I might just start off with an opening statement if I have the agreement of the committee.

Federation University is pleased to appear to follow up on our submission from last year. With me are my colleagues Ms Carolyn Chong, Deputy Vice-Chancellor, Global and Engagement; Professor Thomas Baumgartl, Director, Future Regions Research Centre; and Professor Andrew O'Loughlin, Professor of Management, Federation Business School. Questions relating to future research are probably best directed to Professor Baumgartl and issues around workforce to Professor O'Loughlin in general, but we will determine on the basis of the nature of the questions.

Federation University plays a key role in its regional communities, including the Latrobe Valley. In Gippsland we employ over 200 people, making us one of the region's largest employers. Our campus vision, which Vice-Chancellor Professor Duncan Bentley launched earlier this year, sets out Federation's intent to work in partnership with key stakeholders, including industry, government and community, to help develop a Traralgon university town through the establishment of a mixed education and employment facility in the heart of Gippsland's largest city. We plan to concentrate more of our activities into key population areas, bringing the classroom to the community, focusing on areas where there is demand for skilled workers.

Federation is focusing on research that we want to translate to benefit local communities, including in the areas of health transformation and innovation, artificial intelligence, future regions and societal impact, digital transformation and data-driven efficiency, and transition to new energy.

Our centre for new energy transition research, funded by the Australian government, is focusing on advancing enabling technologies for the net zero goal by 2050. The centre will focus on hydrogen, electric vehicle applications and utilisation of renewable energy and battery storage systems, including microgrid and

community power hubs. We are partnering with C4NET, AusNet, Equus, Gekko, Swinburne University and OTI Technologies USA in this project.

The Future Regions Research Centre is focusing on workforce transitions and new industries, and centre director Thomas Baumgartl, as I mentioned, can expound on the centre's work. Our research on machine learning and optimisation is already providing the local water industry with cheaper water and saving energy and helping to alleviate peak electricity demand, including through our work with Gippsland Water. Our work on food and fibre in Gippsland will help the agricultural sector realise greater returns through innovation and greater efficiencies.

Importantly, we know that 70 per cent of students who undertake higher education in the regions go on to live and work in the regions, highlighting the importance of a regional university like Federation in supporting economic transition in the Latrobe Valley and broader Gippsland region.

The *Good Universities Guide 2022* ranks Federation number one in Australia for first-generation student enrolments. In Victoria we are number one for social equity, number one for skills development, number one for undergraduate student support, number one for graduate full-time employment. The university is also committed to 70 per cent of our higher education programs having an industry learning component by 2023 and extending this to all programs by 2025, increasing employability and the potential for start-ups.

Last year we were pleased to build on our partnerships with local government, water authorities, professional services firms and energy sector organisations across Latrobe Valley to provide scholarships and work placements for local students. We will build on this model over coming years to ensure that we, in collaboration with industry, are preparing Gippslanders for the jobs of the future. We have science scholarship agreements with Latrobe City Council, Baw Baw Shire Council, Wellington Shire Council, East Gippsland Water, Australian Carbon Innovation and McMillans.

We have launched new programs in direct response to what our industry partners are telling us they need. For example, we have a \$4.5 million new allied health and activity centre located at our campus in Churchill that now supports our three allied health programs, including occupational therapy, physiotherapy and speech pathology. These programs are in demand because local students recognise that during their degree they will also get practical work placements and on-the-job experience. Importantly students know that at the end of their degree they will have a career in an area of high demand in Gippsland. Federation launched an electrical engineering program late in 2021 in direct response to what our energy sector partners were asking for. We are also undertaking further work to launch new hybrid degrees in high-growth industry sectors like advanced manufacturing, renewables and agriculture for the 2023 academic year.

In addition to preparing young people of Gippsland for the jobs of the future through our strong industry connections, we believe we are well placed to support the re-skilling and upskilling of the existing workforce in the Latrobe Valley. This includes supporting the transition of the current energy workforce into new sectors. Through our new business accelerator we will bring to market new short courses, professional development and micro-credentials that industry wants. With a campus in Churchill, an innovation centre located in Morwell and a growing presence in Traralgon and more rural parts of Gippsland through the regional university centres, we are reaching out across the region, making education more accessible.

Through our partnership with Latrobe City Council and the Victorian government, Federation University has recently been awarded \$750 000 in funding to develop a student-led clinic at the wellness centre at the Gippsland Regional Aquatic Centre. The student-led clinic will cover a range of health disciplines and allow students to gain crucial on-the-job experience working directly with the community. It is our approach of being embedded within our communities, building partnerships with industry, and our role as Victoria's leading dual-sector regional university that makes Federation University a key player in driving the economic transformation of the Latrobe Valley. The challenges ahead for the region will not be insignificant, but Federation University is here to play its part in the transition. Thank you, Chair.

**The CHAIR:** Thank you very much for that, Mr Brown. It is very exciting to hear about your industry engagement but also your partnership with government, community and the broader businesses in the region. It is fantastic. I agree that you are a key player, especially in the future of work in this region but really probably across our nation. It is fantastic to hear Federation University's results in a number of sectors and in terms of

that transition to the workforce for its students and the pathways. It is very exciting. I will tell you I was very impressed. So on that note I might pass over to Ms Bath to ask the first question. Ms Bath—10 minutes.

**Ms BATH:** Thank you, Chair. Thank you very much. I will try to keep it to 10. And thank you for the work you do in our region. Gippsland is a very important region, I think, on the state stage with that historical context of powering our state and the nation but also the footprint that now Fed Uni has had in the region for over 40 years. My own son completed his bachelor of nursing and has now gone on to do a master of nursing, so it can be a pivotal point for many different and varied careers. And I really endorse the work that you have done around the allied health sector. It is a really tremendous facility out there. I went and had a look before Christmas. And the key thing that you said was that 70 per cent of students that go to university in the region, study in the region, stay in the region, and we are always crying out for those specialised staff, whether it be in the health sector and/or business, engineering and the like. That was an opening statement, not a question, but feel free to comment on it.

**Mr BARTON:** Can we ask you a question?

**Ms BATH:** No, these are the experts. And this is not about a gotcha moment; it is actually about unpacking what we need to hear from you. So we need to be brave in what we need to hear from you. In your submission you talk about Federation University and the—I am speaking to everyone, so whoever would like to answer—Smart Specialisation program, and you say Fed Uni has not had the opportunity to lead the program and that you feel that there are some lost opportunities there in terms of research funding over the past few years. Could you unpack that as a conversation for us to hear and what you see your role could be and how you can get there.

**Mr BROWN:** Well, I might start off, and then anyone can perhaps add to that. The point that we made in the submission really is that, yes, we are partnering with government, with industry organisations, with other academic institutions, and it is as much our role in terms of getting the message out there and, in terms of the areas of specialty that we have a comparative advantage in, ensuring that that is well understood out there, so that when there are local initiatives we ensure that we try and have local solutions, and where we have those regional networks, where we have the people who actually live in the community and understand the community, I guess there may be a propensity on occasion for us to be overlooked. And I think that is where we I think working together with industry and partner organisations need to make the case for the role and the impact that we can have locally, because often solutions brought in from outside do not necessarily work locally.

**Ms BATH:** Are best home grown?

**Mr BROWN:** Yes. I think in terms of organically growing those solutions and working those solutions up locally through the community, which is what we are very much doing at the moment through our campus vision process, including in Gippsland, is to work with the community, work with industry to try and work out what industry needs, what the community wants and what it is ultimately going to work. So whilst we have been partnering in a number of these programs, you know—a case in point that we referred to is timber, where that is being led by a metropolitan university—there are just opportunities I think that sometimes are missed to lead those local solutions.

**Ms BATH:** It sounds counterproductive to me that we are in the heart of the timber region, and—not against any other university—Federation University should have been the primary focus. How can that be turned? So again, you are listening to a parliamentary inquiry that is going to make a recommendation to government. How can we change that? What needs to happen to change that?

**Mr BROWN:** Look, it is possibly true, in terms of some innate biases maybe built into other processes around research et cetera, that often there is a case of going to the usual players who have potentially got a track record. It is the same issue that comes up in relation to early career fellowships in relation to the research industry—that often it is difficult to get a look-in because they tend to go to sometimes particular institutions. So we obviously have a role in that, but I think working together with community, working together with business and industry, really getting across in a multiparty way the fact that there is expertise here which really should be brought to bear. It is very hard to impose, and often proposed solutions do not work where you are trying to impose something from outside, where you do not actually have people on the ground and you do not have the networks and those drivers that will ultimately deliver solutions on the ground. And I think that is true

of government or anything. You have got to have that local understanding and experience to be able to drive solutions that are ultimately going to be sustainable. There is no point flying in and putting something there if at the end of the day it is not going to work.

**Ms BATH:** Thank you. And indeed if you look at home-grown companies, and we will say Safetech are one of those who I think have got relationships with the university and the TAFE. You know, they are wanting to grow their industry and capabilities, and so it can be a really good partnership. That is just an example that came to mind.

The other one I have often spoken about is coal as a resource. We will put aside coal as a power source, and we will focus on it as a resource, or lignin or lignite. And with Omnia Specialities, or Omnia Nutriology, I think—anyway, Omnia, I am going with—my understanding is that some of the test-tube operations actually occurred at Federation University and the exploration of that, as coal as a fertiliser, started at Federation University, and now there is a company down the road from Fed Uni making fertilisers. Is this the sort of example that you want to see, and are there other areas that you can lead us to to understand that?

**Mr BROWN:** Absolutely. In terms of looking at different applications of products, looking at different uses and developing alternatives, absolutely that is where we have a role. We do not want to try and be all things to all people and be in every single discipline across the board, because it is not in the taxpayers interests and it is not in our interests to be trying to do that and spreading resources thinly. So we need to focus on what we do well and what we can really develop around particular communities and regions, and that includes transforming the distribution grid to the virtual power plant; hydrogen; industrial uses; mapping Gippsland's energy skills; strengthening forest and bioeconomy connections, which we have talked about, through timber; and even tropical climate modelling. But in relation to projects, for example, that demonstrate brown coal gasification and hydrogen refining in the Latrobe Valley and hydrogen liquefaction and storage of liquefied hydrogen at Hastings, where we are basically working in the Latrobe Valley with the Australian, Victorian and Japanese governments in terms of taking basically hydrogen to Japan, they are obviously a big export potential for us in this state. But absolutely—I do not know if anyone wants to add to any of that in terms of new areas.

**Prof. BAUMGARTL:** I might just add something. Thomas Baumgartl, Director, Future Regions Research Centre at the Gippsland campus of Fed Uni. That is exactly the model which we started to develop through the research centre, which we formed last year to build that research capacity, make it also more visible to the region and work together with various industry partners with the ideal aim that some of those collaborations with industry actually lead to an outsourcing of business—to the development of capacity—and in parts that is already happening. Omnia has been named; the carbon research centre is in very close research collaboration with them, likewise Opal. There are a number of areas, but of course they can be further advanced and further developed.

Part of where we face a challenge is that we are appropriately acknowledged by the region, and that works with probably the industry and individual industry partners, but sometimes, as has been mentioned, we are also overlooked, which is fine if we do not have the capacity, but it is always good to have it be a possibility.

**The CHAIR:** Sorry to cut in. Building on that, I think you touched on a good point, Professor. You are right; you might not have the capacity now, but how do you get the capacity if you are always overlooked—if people go back to the people with the track record? You are here, you are ready, even if you do not have the exact capacity. Now, you are saying you believe you do have the capability to build up to do that work. Is that what you are saying to us?

**Prof. BAUMGARTL:** Yes. I think the researchers at Fed Uni are all very good researchers who have their connections as well, so they can be a linkage and they can build through those linkages the capacity in the region. Because what is important is to build that critical mass over time so that we can actually support the region even better.

**The CHAIR:** That is right. Ms Bath, go ahead; one more.

**Ms BATH:** Thanks very much. One of the things that the COVID lockdowns have taught us is that we can work from home potentially or study from home. I do not think that there is anything that replaces a hands-on class in front of a lecturer and that interaction, but you can well have students who live in New South Wales

who study here and study online. Is that something that Fed Uni is investigating as, I guess, leverage to increase your student base, or is that something for the future?

**Mr BROWN:** Shall I start off on that one too, Andrew, and then you can come in?

**Ms BATH:** In our vision to make, you know, Fed Uni Gippsland Victoria's number one.

**Mr BROWN:** Thanks for the question. I think both in terms of expanding capacity for numbers but also improving the teaching experience what we are very much focused on is not moving away from the face-to-face learning, because I think so many of our domestic and international students over the last two years have really missed that interaction with their colleagues and with staff. But we are looking at hybrid models and making sure that we use technology effectively so that it actually improves the student experience. This is not to move away from face-to-face teaching but to improve the student experience, whether that be for school leavers or whether that be for those looking to upskill in the workplace, so that it actually suits them rather than us timetabling things that suit us. And that is where we are going to have an issue in relation to the transition in the Latrobe Valley. We simply cannot do it at the times that traditional higher education institutions have provided particular courses. So we are looking to be more flexible on that.

We also want to use our network effectively, from the Wimmera in Horsham in the west out to Sale and Bairnsdale in the east, so that we can build economies of scale as well so that rather than having two students in a class in a regional university centre or a study hub we can actually have teaching into tutorials and interaction going across the state that gives a much richer experience and so that we do not need to have a particular academic or a lecturer in every single campus or at every single study hub on tap but by virtue of innovatively working our staff arrangements and timetabling we can ensure that everybody has access to the best possible teaching no matter where they are across the state and that geographic isolation in another sense is not a barrier to a good education and a good opportunity. So it is very much through what we are calling connected classrooms, but it is effectively using technology in our various centres to connect up the various expertise and teaching resources right across the state. So that is something that we will be focusing on more. I do not know if anyone wants to add to that.

**Prof. O'LOUGHLIN:** It sort of falls partly to me anyway because I am actually teaching at the moment. It is clear that a lot of students have missed the interaction in the classroom. That is quite evident. But what I would point out is also the consumption of education is a personal choice as well, because online education does suit particular groups, particularly busy people who do not have the opportunity to be able to go into a classroom. We have tried to manage that in a number of different ways. We have a campus in Brisbane, for example, and the students come into the same classrooms as do the students in Churchill and also in Ballarat, and it is through a connected classroom approach. So we will teach big groups from across different geographic areas. But we also have partners in some of the bigger centres as well, because we do recognise that a lot of students still want that personalised approach to education. So we try very hard to ensure that students get what I would classify as a bespoke educational process where we deal specifically with their needs rather than making it a very standard product. And we work hard, particularly with some of the subjects that we do teach, because they can be quite complex, and trying to make complexity understandable is really my job. But it is an accommodation factor, and we do try and work with students as opposed to dictating to students what their specific needs are at any given point in time.

**Ms BATH:** And how important are industry connections in some of those, whether it be in business—you know, in commercial business—or law or hands-on engineering or the like? How important is that?

**Prof. O'LOUGHLIN:** Crucial, absolutely. I teach into the MBA, and we set up the MBA in Gippsland, which is to support the community here. We set up a program which we have got 62 students on at the present moment in time. They are involved. I am managing their projects going forward at the moment. I have to say I am very excited by the number of projects that I am seeing, because it is all contributing back into the Gippsland community. Some of it will deal with the power industry, some of it will deal with coal, some of it will deal with the broader industry sector as a whole. But we cannot get away from the fact that we have to have industry in there to contextualise what we do. And certainly when I ran the course on leadership I had as many professionals as we possibly could get to come and talk to them about how they are leading in different areas. We also split the genders, between two ladies and two men, so that they got two different perspectives and at different levels—different roles, different levels. Experience is really important, because otherwise it

remains a fairly sterile environment for the students and MBAs in particular, but even undergraduates are looking for that experiential process which actually contextualises it for them.

**Ms BATH:** Thank you. Thanks, Chair.

**The CHAIR:** Thank you. I might hand over to Mr Barton.

**Mr BARTON:** Thank you, Chair. We have got some opportunities and some challenges in the renewable sector. What kinds of tertiary courses are available or do we need to do moving forward, and if we are not doing them, what do we need to do to help there?

**The CHAIR:** Maybe we link it to what the emerging labour shortages are that you can see in the region, and what courses could kind of—

**Prof. O'LOUGHLIN:** I am actually in the middle of a project with the LVA which is looking at participation rates.

**The CHAIR:** That is fantastic. So you are working with them.

**Prof. O'LOUGHLIN:** Yes.

**The CHAIR:** Good.

**Prof. O'LOUGHLIN:** It is research that we are conducting with the LVA. We are looking at participation rates within the region at the moment, and we are in the process of collecting information on a broader—we have got questionnaires and we have also got interviews. The interviews we have just conducted, so we have just finished that stage of it. Without giving too much away, and I have got to be a little bit careful about how I word this—

**The CHAIR:** Sure, yes.

**Prof. O'LOUGHLIN:** But it is a fairly mixed picture, if I am being brutally honest, in terms of how employment works within Gippsland as a whole. Certainly I sat on the bushfire recovery committee, and I note that that is back to the same levels in terms of employment and unemployment as it was in 2019, so we are back to about the same levels. As I say, RDV have completed a report on that, and I think it is in the public domain already. But it is back to the same levels. When you look across the region you see that there are very different employment strategies and employment structures, and certainly within the different shires there are very different industry sectors as well.

I was talking to the commonwealth about this and we were looking at the actual figures around unemployment in the Latrobe Valley, and it was, as I recall, at around about 8.7 per cent. But when we compared it to Dandenong, Dandenong sat at 8.9 per cent—it has a higher unemployment rate—which I think was a bit of a surprise to everybody as well. And again, these numbers are verifiable.

But to go back to your question about the sorts of courses that we need, the smart specialisation strategy moves us in a particular direction in terms of skill sets, and of the sorts of skill sets that are required, some of them may be technical, some of them may be managerial. Certainly it is probably more challenging to be able to identify where industry is heading post COVID—and I am not hedging my bets with that one either. I do not think they are 100 per cent clear either, because we hear there are massive shortages in terms of the number of people who could be employed within the region, but it is quite difficult to know where that transitioning process is going. We have got the courses, both technical and non-technical, to be able to support that, but we need to be able to identify where industry thinks it is going. It goes back to points that I made earlier on about how important industry is in the involvement in teaching—critical, and it is critical in defining what we do with courses as well.

**Mr BARTON:** Yes.

**Mr BROWN:** And just to add to that, very much that industry experience from a fairly early point, even going into the schools and giving students a bit of a taste of the programs and getting a bit of a taste of what the opportunities are, is really important, because at the end of the day the reason that we do so well in terms of

full-time employment is that students have had that industry experience throughout their study, which we are looking to really try and give all students over the next few years, that experience. The other point in relation to the industry experience is designing and co-designing the curriculum with industry, and that is the other point that very much we are working towards. So this is not something that we are presenting as a *fait accompli* to industry and to students, this is something that we were actually making sure that across the board we are co-designing with industry. And just to come back to your earlier question, Mr Barton, we in 2023 will have a new Bachelor of Engineering Practice (renewable energy). So we went through a process at the end of last year where we looked at all of our programs pretty stringently right across the board across all of our campuses and fairly ruthlessly looked at really what we should be in the business of, what we should not, what the new programs are that we should be looking to add, and that is one program that we are looking to add next year.

**The CHAIR:** Excellent. It is great to hear all this positive stuff about what is happening. And we heard from previous witnesses about potential growth sectors, because what is going to replace the jobs in the region? We heard about health, and you informed us there are a lot of actually allied health specialist courses that the university is providing. Maybe one for the Deputy Vice-Chancellor: do you believe that education is a growth industry in the Latrobe Valley? Is there the potential to grow Federation University? That is what I am really asking.

**Ms CHONG:** Thank you, Chair. Carolyn Chong, Deputy Vice-Chancellor for Global and Engagement. Absolutely. I guess one of the challenges, and I know we have been talking a lot with our industry colleagues, with people in local government, is: how do we educate the young and keep them in the region? We also know that people leave and come back. And education is highly important, but we need to do it in partnership; we cannot do it alone. For us, I guess, for the university and its predecessors, we have been a stable, permanent fixture in Gippsland for a long time, starting from the Yallourn Technical College way back in 1928. So we have been educating people for almost 100 years, and we are here to stay. Education is definitely a priority for us and a priority for this region, and we are just here to play a part.

**The CHAIR:** Yes, that is one of my concerns, because I do believe wherever we travel—and on previous inquiries we have travelled across the regions in Victoria—education is a great training pathway but also wherever you have a campus there is a local economic impact. You can talk about the stable jobs as well—you know, the people that work in the university—and obviously directly and indirectly. That is why I am always worried that if we move to a more digital education system, does that translate to local job losses? Or, no, they are not necessarily incompatible, they actually can complement each other. What is your view on that?

**Ms CHONG:** I guess we see education as lifelong learning as well, so we are not looking just at education for school leavers coming out. So there are definitely opportunities for retraining. We have been talking a lot with industry, and again they are telling us, ‘We’re not just looking at people coming in with TAFE qualifications. We’re not looking at people coming in with higher ed qualifications’. We need shorter courses. We need industry-designed certifications. So again, we cannot do it alone; we do it in partnership. And I guess for us the more we can actually engage with the key employers in the region, with the key partners, the better we will do as a community and as a region in the economic development of this region.

**The CHAIR:** That is right. I agree with you on that perspective as well. I think it is important that partnership is key, and I know you touched on—I think it was Professor O’Loughlin—exactly that. It was great to hear about the work that you are doing together with the Latrobe Valley Authority and Regional Development Victoria and those partnerships. Have they been assisting? Have you been working collaboratively? What other projects are you working on together with the LVA and RDV? If you could disclose them without obviously breaching anything commercial in confidence.

**Prof. O’LOUGHLIN:** We had some funding towards the MBA from Regional Development Australia as well.

**The CHAIR:** Great.

**Prof. O’LOUGHLIN:** It certainly was at a reduced fee at the time, but again it was to work with the broader community, because they had been through bushfires, floods and drought, and COVID hit as well. So this was to try to instil some leadership into the region. So we had some funding there.

I am also on another project with the LVA which is also looking at sustainability and how we—in an ideal world, I might just add—move the entire region onto a completely sustainable footing. The LVA are starting this process themselves. We are working with them to manage that process using the UNSDGs as the framework. We have had quite a number of focus groups with industry, which is very keen to move in that direction as well, so I would see that expanding into the broader community as well. There is a lot of work going on certainly with my colleagues as well in this space, but those are just three that I have been involved with just recently.

**The CHAIR:** Yes. That is fantastic to hear. People are asking us about the role of the Latrobe Valley Authority, and it is great that you are sharing that with us.

There is one thing that I did research before your appearance today; it was about the Federation University's part in the Gippsland Hi-Tech Precinct, which is an innovative model for collaboration, I guess, between training providers, government and industry—so some of the work that you have been talking about, I guess. What have we learned, and what opportunities are there in the future in that space? I am not sure who could answer that, who is best placed. Have any of you directly been working—

**Mr BROWN:** Well, I might just start off, and then others potentially can add. I have not been working directly in that space, but Morwell Innovation Centre, as well as our Ballarat tech park, basically produce probably economic activity of getting towards \$1 billion a year. The Morwell Innovation Centre has basically brought on industry partners. It is generating economic activity in itself, and it is also a big employer of around 200 people as well. Carolyn, did you want to add to—

**Ms CHONG:** Yes. So the Morwell Innovation Centre is part of the Hi-Tech Precinct, together with TAFE Gippsland and Gippsland Tech School as well. It has been in operation for just under a year, so it is still fairly new, but obviously we are already kicking a few goals. It is a very collaborative environment. We have a few companies in there as we speak, but they are running innovation programs as well. I guess where the model is quite interesting is that, going back to an earlier point that I think Professor Baumgartl made, we have a lot of capability within the university and capacity but where we do not we are actually very open to bringing other people in as well, and that is exactly what we have done at the Morwell Innovation Centre, where we have innovation programs. We have brought GippsTech in, for example, to run a couple of programs there. We have been running the Food and Fibre Challenge Gippsland out of the Morwell Innovation Centre as well, so again that is a good example of where several groups and several people can partner together for regional development.

**The CHAIR:** Fantastic. I might go back to Ms Bath. I know she had a couple more questions.

**Ms BATH:** Thank you. Thanks very much for that. Industry-specific courses and short courses I think are a really important element in a transitional economy. We have been listening to Star of the South et cetera, and others, where there are emerging technologies. How does Federation University keep abreast of the requirements for either short courses or more in-depth courses about these new and emerging technologies? How can you keep ahead of the wave?

**Mr BROWN:** I might ask Ms Chong to say something about this, but very much again it comes back to talking to industry about what they actually need and what they actually want. Our new accelerator is designed to basically bring particular programs to market very quickly so that we try to sort of short-circuit some of the processes in terms of academic approvals and other things and so that industry can tell us what they want, we can go back pretty quickly and try to develop the course and then it gets passed to the relevant area to take it through. So that sort of process about looking at what industry wants is something we are in the process of. I know there have been various discussions that Ms Chong and our head of campus in Gippsland have been involved in with local authorities, local industry and local businesses to develop those courses. So that is what we are really in the thick of at the moment.

**Ms CHONG:** Yes. We have recently set up a regional skills committee together with TAFE Gippsland, so that is again a good, collaborative partnership where we have invited industry in and we have invited local councils in as well to have a discussion around what the skills needs of the region are. But it goes back to your question too: how do you keep ahead of what is coming up, so what are the new, I guess, interesting—and for us that is the research side of things and being able to identify what is coming up. So, for example, we have the

new centre for new energy transition research that we will be launching later this month. For us as a university, keeping abreast of what is out there, there are two ways: industry telling us what they see they need, but for us too to keep track with a lot of our academics and researchers doing research here and also with colleagues overseas to be able to identify some of these new industries and new, interesting I guess research and ideas that come up.

**Ms BATH:** And drive it too, because I guess things often have to start off in a test tube, and you have to challenge things. They have to be assessed on merit and commercialisation et cetera, so you need that partnership sometimes. Not harping particularly, but it just reminds me of when Brian Davey was talking about how HESC started off. If I can go back to the test tube, some of the think tank around that started off in Federation University, or probably Monash back then. But it is also about—not overwhelmingly—getting government to listen to and support those seed fundings to have the jump start. Is that a fair statement?

**Prof. O'LOUGHLIN:** If I might add, I have been involved with particular short courses for the food industry. This was with Food and Fibre Gippsland, and we put together a whole package of training from basically the shop floor up to senior management. They were short courses, they were bite-sized courses that people could take and there was a certificate at the end of it to ensure completion. That was done in conjunction with TAFE, so we sat down and we worked through the various levels and the requirements. That involved not just management but it involved the scientific parts of the university as well, and it also involved some of the vocational elements from TAFE. But you are absolutely right. In many instances a lot of students are looking for, 'I need that information now' as opposed to 'I need that information in two or three years time when I finish my degree', so it is building that capacity on the ground.

And we have also I think taken another step. We offer work-integrated learning, and we have almost reversed that process with industry in that we are looking at learning that is integrated with work. So what we have done is we have looked at what they need and their requirements and when they need them, and we are delivering with industry on short, soundbite courses that work for their benefit. So it is trying to rethink the traditional model in a way that makes sense to industry, because having a student who is locked away for three years and maybe comes out occasionally into industry and does an integrated process with a business is challenging, and businesses cannot afford to lose workers from the workplace at the moment, because there is a shortage. So we are looking at how education works in that workspace with them.

**Ms BATH:** One final one, Chair. Thank you very much, Professor. Longitudinally, how do you know if this is working? We run these. It is a great idea; we run it. What do you need to know about whether your programs are working?

**Prof. O'LOUGHLIN:** I can only speak really for the MBA, which is my passion. I have got 62 students, who have come from all the sectors of industry within the region. My success is measured on how much change they are going to make in the first instance with their projects that will be delivered at the end of August this year, and there are 62 of them that are all focused on Gippsland. So that is my first one. The second one is there has been a belief that certainly Gippsland runs a little bit shy of education, and if I can get 62 students through and completed, that is one hell of a record really to be able to show that we have actually engaged with the leaders of businesses and we have pushed them out back into the community. It is wonderful just to work with them, because I am from industry, so this is a passion that you actually get to see an applied learning process in action, which is just wonderful.

**Ms BATH:** And excellence is investment in the region at the end of the day.

**Prof. O'LOUGHLIN:** Absolutely.

**Ms BATH:** Thanks, Chair.

**Prof. BAUMGARTL:** I think what plays an important role again in what has just been mentioned before is an institution like the Morwell Innovation Centre, because they are the cross point between industry and researchers. They are a physical meeting point, and that is meant to be like a physical meeting point. And in addition we have just been awarded by the federal government five masters and PhD Destination Australia scholarships, which need to be linked to the Morwell Innovation Centre, and the purpose is to link that student research to the demand of industry and engage industry with that. And through that process and our understanding of the needs of the industry, this is something where we draw a lot of information from, which is

leading them to develop really educational programs. I think that is really critical to understand industry. There needs to be industry.

**Ms BATH:** How could it be improved? Because if I take the Hi-Tech Precinct, you know, it certainly had a vision. At the moment it has got Alinta there as a tenant, which is fine. It is a call centre; there is nothing wrong with a call centre. But if we wanted to expand that to a really large model that we see overseas, where there are innovation hubs and people sourcing the piece of information that they need to expand their business, how could it be expanded?

**Mr BROWN:** Well, I think, again, that is where we want to bring industry in. We want to work with them the same way we have through the Ballarat Technology Park, where we have IBM and a number of other players that are there, and in the case of IBM it has been there for 25 years. So there is also a bit of a challenge around us building up that capacity locally, and to some degree that requires a little bit of support, encouragement—

**Ms BATH:** From governments?

**Mr BROWN:** Yes, look, I think across the board. And we are working very well with the Department of Jobs, Precincts and Regions, and we are having some good dialogue with them and RDV around how we can partner at the local level—and obviously RDV is at the local level, and we are looking forward to working with them on some particular projects as part of the campus vision in the near future. But it is about organically building up that sort of capacity and building up I guess the scale of businesses that can be there.

There are two issues around all this. One is the issue around the student, about building up aspiration, which we have been talking about in terms of: how do we bring more students in, how do we get them to see the opportunities? And that is with a hybrid model, working with TAFE Gippsland, being a dual-sector provider, that we offer these pathways from an entry point right through, and you can go in and come out and do a short course and micro-credential. That comes back to industry, making the case as to why industry should partner with us, why they should be there, and the feedback that we are getting from industry across the board in relation to our community and stakeholder consultation on our campus vision is that industry just does not want to be co-located with us; it actually wants to be embedded with us, it actually wants to be part of the solution and it wants to have access to the students. And that is the other reason why it works much better if industry is there, because, as Professor O'Loughlin said, often industry wants to look at something for a two-, three-, five-week period. They do not want to be releasing their staff for weeks and months on end. So it is also making industry aware of the opportunities that we can offer, because hitherto it has always been the case that the twain shall never meet, and industry has always looked at academia and higher education institutions as, 'Why would we bother?'. And, you know, everyone from banks to other industries, probably in the power sector and elsewhere, did their things in-house, and they actually developed them in-house. They thought, 'Well, no. Universities and other institutions take too long to gear up. They can't give us what we want'. Well, we are going the other way around and we are actually asking industry what it wants and what it needs, because at the end of the day that is our *raison d'être* in the community.

**The CHAIR:** I have got one final question, knowing that Federation University has obviously a large regional network, because I remember the days when I visited friends at Ballarat University and so on, so it has a large network across our state. We did hear earlier on about some of the opportunities in the region. Obviously we care about the whole state economy in this committee, but the remit of this inquiry is more focused on the Latrobe Valley region. It was highlighted to us that this region does have some disadvantages too—proximity to ports, proximity to linkage with, I guess, Melbourne. Obviously Ballarat, if you go westward, is probably an easier V/Line link. It has proximity obviously towards South Australia as well and highways. So what are some of, I guess, the disadvantages, do you think, of the region? Because in the end we can look at all the positives but there have got to be some disadvantages too, and obviously it is important because as a committee we want to get to what we think is the best outcome for the state but also the region. What are some of the disadvantages of this campus from some of your other regional campuses? Every campus has got an advantage and a disadvantage. For example, compared to other campuses does this have less international students than, say, some of your other locations? I know it is probably a tough question, because we want to reflect on the positives, but I think as a committee it is important that we also are realistic on what is achievable.

**Prof. O'LOUGHLIN:** I will try and keep it shorter. I mean, it could be argued in reverse as well—there are advantages of not being connected to Melbourne as well. So it has that view that actually being here is purposeful, in its process anyway. I mean, I love coming here. I live in Tynong, and it is just wonderful to come down here. I have worked here for a long time. But, yes, international students would be good. We would like to be able to educate international students and keep some of them here but also send them off into other parts of the world and other parts of Australia where they can take the message from the region—not just from the university but from the region as a whole. So having more international students would be good.

But I think first and foremost it would be nice if we were always at the forefront of everybody's mind whenever there was a problem within the region. When I was with Monash it was exactly the same issues. People would drive up the freeway to Deloitte, and Deloitte would phone me and say, 'Andrew, can you tell me or do this piece of research?', so it would be nice if people would just stop and say, 'We do have the skills within the region. We've got a very good university here'. The people have not necessarily changed. Maybe the brand has changed, but the people here are still world class, and they are capable of working with the community to be able to solve their problems jointly with them. So in a roundabout way I think it is just a recognition issue. I think we would like to be recognised as being there to support the community, and we are transitioning and changing what we do to be able to accommodate those changes with the community, so we are working very hard in that space.

**Prof. BAUMGARTL:** I think that concept, that idea to develop a university town in Traralgon, is something very important. It may sound trivial, but that extra bit for students to travel from Morwell to Churchill—I think currently busses run once an hour—is not very attractive. You want to go over the weekend if you live here—and there are a lot of benefits to living here of course—and you want to go into town to be connected. The connectedness I think is very important, and I believe that concept of developing a university town in Traralgon will cover a lot of those points which may currently create some hesitancy amongst potential students.

**The CHAIR:** Thank you, Professor Baumgartl. And that is quite common. You touched on a good point, because I remember looking at other inquiries as well—one other on European cities—and you do have a lot of university cities and university towns. I remember many years ago I went to Groningen in the northern Netherlands, which is known for its famous university. Its student population was very dense. I think there are opportunities in Australia—that we can still grow the sector. I think this region definitely has an opportunity, especially with people like yourselves leading the way. Definitely I have been very impressed by all of your presentations today.

On behalf of the committee I think our time is up. I know people have other engagements to attend to, so on behalf of the whole committee I wish to say thank you for your submission and presentations today. It has been very informative. Not all of our committee members could join us today, so if you are happy, through the secretariat, if we have any questions on notice to answer those and respond, that would be very helpful.

**Prof. O'LOUGHLIN:** Yes, certainly. Thank you very much.

**Mr BROWN:** Thank you.

**The CHAIR:** That concludes our hearing today.

**Committee adjourned.**