

Parliament of Victoria
Legislative Assembly
Economy and Infrastructure Committee
Inquiry into Victorian universities' investment in skills

27 April 2022

To whom it may concern,

Submission to the Inquiry into Victorian universities' investment in skills, 2022

The Australian Centre for Career Education (ACCE) is pleased to provide feedback to the Inquiry into Victorian universities' investment in skills. ACCE is a national association, subject expert, and thought leader in career education and development. Established in 1975 by the Victorian Department of Education, we deliver over 35,000 career interventions across Victoria annually to year 9 students in government schools and equivalent settings. We are the sole provider of the Jobs Victoria Career Counsellors Service and an endorsed provider of career practitioner training by the peak industry body, the Career Industry Council of Australia.

A large part of our work includes advocacy for the profession and the community. We are committed to ensuring workforce capacity planning remains central to government planning so that Australia has thriving communities. With an increasing shortage of skilled and qualified labour, students (both here and overseas) continue to select careers based on an ever-narrowing range of career options¹. Notably, in Australia, there is a significant disconnect between student learning, career planning, and the world of work that continues from school through to tertiary education.²

Some of the best workplace development programs for university students have been university courses developed in conjunction with industry. The IBM and Swinburne University partnership has been running for thirty years and was established to develop information technology leaders of the future:

The course was developed in the 1980s in response to a call from the Australian Government, at IBM's request, to fund a course of study aimed at attracting high achieving school leavers who had the potential to become the information communication technology (ICT) leaders of the future.

¹ Mann, A., Denis, V., Shleicher, A., Ekhtiari, H., Forsyth, T., Lui, E., & Chambers, N. (2020). *Dream Jobs? Teenagers' Career Aspirations and the Future of Work*. OECD.

<https://www.oecd.org/education/dream-jobs-teenagers-career-aspirations-and-the-future-of-work.htm>

² National Youth Commission Australia. (2022). *Careers Education 'You can't be what you can't see': Careers Education in Secondary Schools*. <https://nycinquiry.org.au/wp-content/uploads/2022/04/120422-Careers-Education-Paper.pdf>

“Swinburne designed a brand new course incorporating a different educational philosophy to address industry needs,” says Professor Michael Gilding, Pro Vice Chancellor, Faculty of Business and Law.

“One of the things that differentiated this course was that students would receive a guaranteed scholarship funded through industry sponsorship.”

The unique design of the course embedded two industry placements (then known as Industry Based Learning, or IBL) with sponsoring organisations into the curriculum.³

This approach between industry and university is key to capacity building and the development of the Australian workforce. It can be articulated for student outcomes whether the aim is industry leadership development or meeting industry workforce requirements.

While there are pockets of these connections between industry and universities, most Australian universities have not prepared young people for the future world of work. The current system of university reward-based funding is not directed at quotas for teaching, only research.

Over the years, universities have increased their commercial income streams and a key pillar has been an increase in international onshore students. However, the impact of COVID has had significant economic consequences for the sector. Many universities have significantly reduced income due to the loss of international onshore students (an estimated \$1.8bn sector loss). During 2021 over 21,000 courses were cut and 40,000 people lost their jobs. By 2030, Ernst and Young estimates that sector revenue losses will amount to \$6bn⁴.

While some universities were already shutting or reducing their career development units, COVID has expedited this process.

- Without access to future career guidance or embedding career education in university courses, young people are unable to identify their skills or understand what skills they will need in the future.
- Without developing direct links from study to the world of work, the disconnect between government and industry priorities is likely to widen.

So, who is responsible for workforce development – governments, universities, or industry?

Future workforce development is everyone’s responsibility - governments, education providers and systems (including universities) and industry. The skills industry needs, labour market priorities, and student skill sets must be linked back to industry and delivered in conjunction with practicum experience. Despite this, most university courses do not link to industry internships or practicums, and Australian workplaces do not have the same training culture for young people as some other developed countries.

³ Swinburne University. (2018, October 25). *Business ICT leaders celebrate three decades of innovative IT program*. <https://www.swinburne.edu.au/news/2018/10/business-ict-leaders-celebrate-three-decades-of-innovative-it-program/>

⁴ Kelly, C. (2022, January 20). *Looking down the barrel: Australian universities face nervous future post-Covid*. The Guardian. <https://www.theguardian.com/australia-news/2022/jan/30/looking-down-the-barrel-australian-universities-face-nervous-future-post-covid>

Australian workplaces are also cherry-picking young jobseekers. ACCE was recently engaged to support a significant infrastructure project by promoting up to 30 job vacancies within its contractor services to young people. ACCE agreed to promote the opportunities through its school career practitioner membership and offered seminars about the opportunities to young people and their parents. The program targeted young people in years 11 and 12, VCAL students and parents.

The job opportunities were for upcoming apprenticeships, entry level roles, and job opportunities in 2022. 65 attendees including parents, students and career practitioners attended. Our career practitioners in schools worked hard to promote the opportunities, knowing that workplace experience is vital to help young people succeed. 20 young people made applications for 20 positions, yet only three applicants were offered employment:

- a student intending to study at university but planning a gap year
- a student who had completed a VET program
- a student intending to pursue an academic pathway.

If there were skill development needs for the other 17 applicants, there was no apparent preparedness to provide any training or development, despite some roles being entry level.

Australian industry is suffering from the John West Syndrome. If young people aren't shrink-wrapped and come fully cooked, there is no appetite to do any of the preparation. We have lost our links from the industries that created some of our workforce - those that were funded such as the gas fitters. They were public assets that trained. The shift to private enterprise has fragmented previous workforce development structures and is compounded by the changes in the focus of universities. This is systemic.

Today, many industries are more heavily engaged in sub-contracting employment and are reluctant to take on inexperienced people when insurances and paperwork are significant. Meaningful work has become less available and replaced by contract or gig work. Without apprenticeships and internships, there will be increasing competition for jobs, but accessing these will be more difficult for young people.

Universities have swung so far into research to get their funding that they have lost their ability to train. While VET has standardised training and qualifications nationally, and worked closely with industry, few university courses offer cadetships or practicums.

Governments have long pursued a skills agenda, but according to the AAGE Employer Survey⁵, industry has been asking for something other than qualifications, skills, and work experience for some time – yet Australia appears undecided on what this is, and who will deliver it. Operationalising career development and education from policy has proved difficult in many jurisdictions and educational settings, and this combined with these other factors has resulted in the current situation.

⁵ Australian Association of Graduate Employers. *The AAGE Employer Survey 2021*. AAGE.

Recommendations

ACCE recommends the following actions to remediate the current disconnection and provide options for universities to leverage their own funding in support of student employment in priority areas:

- Industry partnerships with university are vital and must include traineeships in higher education (cadetships). Higher education can restructure its courses to include career education or include practicums/internships by establishing these with industry using their own resources (the qualifications that offer the practicums are often the most prized by students).
- Universities alone cannot be expected to solve these systemic problems or the significant loss of non-funded income from commercial sources. Support for this process must be provided by industry. Partnerships with industry, and issues raised by industry, should be supported through policy and industry incentives to ensure industry engages with universities. Governments need to develop policies and frameworks that make industry responsible for collaborating with educational institutions. It is imperative Australia ensures that young people 'across the board' are provided with opportunities to engage in meaningful work and workplace training.
- State governments should respond to current funding methods in higher education and lobby the Federal Government to link funding to employment/training outcomes as well as research.

ACCE welcomes the opportunity to address any additional questions you might have.

Yours sincerely,



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CEO

The Australian Centre for Career Education