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Committee Secretariat
Parliament of Victoria
Legislative Assembly, Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Via email: Uniskillsinvestment@parliament.vic.gov.au

Dear Mr Eren,

Re: LAEIC INQUIRY INTO VICTORIAN UNIVERSITIES' INVESTMENT IN SKILLS

Thank you for the opportunity to respond to this Inquiry. The terms of reference of the Inquiry appear to relate more specifically to our member TAFE Institutes who are non-university providers of Higher Education and our Dual Sector University members than to the TAFE sector as a whole. Having said this, questions around the investment made by Victorian universities into supporting the pipeline of skilled workers in Victoria are of keen interest to our members.

This submission is made by the Victorian TAFE Association (VTA), on behalf of its members. The VTA is the peak employer body for Victoria's TAFE sector. VTA members comprise all the public Vocational Education and Training (VET) providers being the twelve stand-alone public TAFE providers, four dual sector universities, and an Associate member AMES (Adult Migrant Education Service).

We will focus our response to issues that 'fold' into the interests of our members and raises issues in respect of these. Our response takes the opportunity to provide views informed by VTA policy positions and more generally addresses other broader themes.

Given the current concerns around skilled worker shortages in many industries, the future demand for skilled workers in the priority areas for Government and as we transition to a net zero emissions economy, we support the efforts of universities to be part of the skilling solution.



Our response is more focused on *how* universities *could* direct their own investment to better support the pipeline of skilled workers rather than on *how* universities *are* directing their own investment.

We consider investing for impact should be the priority focus. This means investing in creating additional capacity and innovation capacity by learning from the example of dual sector universities and partnering with TAFEs for skill development and delivery, not in developing or recreating the same delivery capacity in universities that exists in TAFE.

A brief consideration of Victoria's TAFE institutes enables an understanding of our interest in relation to this Inquiry.

The breadth and diversity, of the Victorian TAFE network delivers a diverse educational and training profile, over large geographical areas, to a highly mixed student cohort, and a large range of industry sectors.

Victoria's 12 TAFE institutes and four dual sector universities:

- offer training across the Australian Qualification Framework, with many TAFEs registered as non-university higher education providers, and others holding partnerships/agreements with universities and other higher education providers that create pathways between institutions or that include the delivery of higher education courses (at least in part) by TAFE institutes
- operate over 90 campuses covering every corner of the state
- provide education and training to over 200,000 Victorian students
- deliver in excess of 2 million units of training
- employ around 10,000 staff
- manage over \$2 billion of state-owned assets.

In relation to this Inquiry, we draw particular attention to the first dot point. The Victorian TAFE Association considers that the Inquiry should look broadly at the ways Victorian universities can invest in skills development through collaboration with TAFEs – the value of which is demonstrated by the many and growing examples that exist of TAFE/Higher Education partnerships; and in the way dual sector universities maximise their investment in skills through their inherent organisational and strategic relationships.

Skills development is a shared responsibility and should be looked at from the perspective of who is doing what in the in the skills space, what sort of learning is needed and where it should be acquired and by building off a shared base rather than duplicating skills development in separate sectors.

As the Victorian economy evolves and transforms it is evident that its competitive advantage will increasingly be based on a highly knowledgeable, educated and highly skilled workforce. The prosperity of the State will come from a workforce that can continually adapt and develop skills and apply their newly required abilities in the workplace.



The Victorian TAFE Association considers that investment in skills should have a dual aim: to increase participation in education and training; and to increase the depth and diversity of a skilled workforce.

By looking at university investment from the perspective of collaboration *and* impact we see that there is real potential for that investment to provide a greater return in terms of the pipeline of skilled workers through complementarity of planning between universities and TAFEs leading to additionality in the development and delivery of higher education and training. We can see ways to minimise duplication; identify successful strategies and policies that are transferable; and to determine the interconnectedness of existing programs and possibilities for leverage.

Meeting current and future skill needs efficiently and effectively means looking at the universities and TAFE (and VET) as one tertiary system where traditional perceptions around the types of skills gained in either are increasingly blurred or have ceased to exist. This does not mean that diversity in the tertiary sector should be abandoned, diversity remains necessary to meet the shifting demands of learners, communities, and industry but better connections could lead to better investment.

The Victorian TAFE Association considers that the Inquiry should consider university investment in skilling in this broader context of a collaborative tertiary education system.

Indeed, we would suggest that a critical investment that Victorian universities can make in determining how they direct their own investment to support the pipeline of skilled workers is not only a financial one, but is one of time and purpose in collaboration with TAFEs to plan how they can work together as a tertiary education system to:

- align higher education courses with TAFE courses and with industry needs to provide a skilled workforce that drives a growing economy
- support pathways from TAFE to university and vice versa that enable learners to move freely between VET and higher education to gain the skills and knowledge they need at different times in their lives
- ensure duplication of effort between TAFEs and universities in areas of skill development is avoided and that additional capacity and innovation is created by partnering with TAFEs for skill development and delivery, not in developing or recreating the same delivery capacity in universities that exists in TAFE
- create smoother pathways between TAFE and Higher Education through for example, dual sector courses where skills development takes place in both settings and/or in the most appropriate setting
- undertake higher education courses at TAFE that can lead on to further skill development and qualifications at higher education institutions such as pathways to further study e.g. masters or other post graduate study
- avoid credential 'creep' whereby workers are undertaking qualifications beyond those immediately (or ever) needed in their industries or for their current job, but that where



appropriate, lead back into learning as and when workers may need skill deepening, upskilling or reskilling to progress or transition through their careers

- encourage the parity of funding treatment between the sectors to remove the market distortion effects that see learners choose their educational pathway on the basis of funding availability rather than appropriateness for their employment or learning goal.¹
- unravel the level of delivery of qualifications such as degrees, diplomas, and Certificate level qualifications between the sectors to ensure each sector is doing what it does best
- make their financial investment as efficient and effective as possible
- strengthen and expand partnerships and co-location activities to access state of the art and industrial scale facilities and co-location opportunities.

A look at TAFE and dual sector university annual reports reveals numerous ways that universities and TAFEs are working together to invest time, energy and funding into supporting the pipeline of skilled workers needed for Government priorities to ensure a growing economy. Many relate to the areas of interest to the Inquiry - future skills, working towards a clean economy, and regional skills analysis in health, agriculture and community service.

In addition, the following are just some examples that are indicative of TAFEs working in partnership with universities and vice versa to increase the impact of university investment in skills development.

1. Deakin University Warrnambool is investing in the Hycel Technology Hub. Hycel is helping to develop unique training opportunities in growing industries. In partnership with South West TAFE, HYCEL is developing an education pipeline; connecting industry to vocational and tertiary providers so that workers are ready for the hydrogen jobs of the future.² Through this increased investment in education, Victoria's south-west is set to become a destination for renewable energy skills training.
2. Chisholm Institute of TAFE has developed a psychology degree and a business degree that includes management, leadership and accounting streams. These adopt an innovative structure, incrementally awarding students a qualification with the option of a vocational diploma or progression through to an associate or bachelor's degree. Each Chisholm degree will adopt this pathway model into the future. The model is a unique innovation in the sector and will identify Chisholm as a leader of higher education in TAFE.³

¹ For example, Commonwealth Supported Places (CSP) are not available to TAFE/VET students, creating a price disadvantage for domestic students who avoid TAFEs to choose a potentially inappropriate course of study in a (subsidised) higher education institution. This problem is compounded by the VET Student Loans program, which levies an administrative loan fee of up to 20 per cent on VET students that is not imposed on university students using the equivalent program.

² <https://www.deakin.edu.au/hycel>

³ Chisholm Institute 2021 Annual Report, p. 14



3. In an Australian first, Federation University has launched Australia's first hybrid TAFE and university degree. The new Bachelor of Sustainable Food Systems has been designed with significant industry consultation to equip students with the skills to improve food production and tackle food sustainability issues in Australia and internationally
4. Australia's first wind turbine training tower has been built in Ballarat to simulate working at heights in a wind turbine. A partnership between Federation TAFE and the renewable energy industry, the tower is the first stage of the Asia Pacific Renewable Energy Training Centre (APRETC). The \$1.8 million project is funded by Vestas, ACCIONA, GPG and Tilt Renewables to allow the renewable energy companies to train workers locally to work on Victoria's major windfarm projects. Federation TAFE will be the only training provider in Australia able to deliver the Global Wind Organisation (GWO) basic safety training and refresher training courses from a simulated wind turbine tower.⁴ The first short course for tradespeople to train as wind turbine technicians, will be delivered by Federation TAFE from 2023.
5. A new memorandum of understanding (MoU) to boost training and job opportunities in Gippsland has been signed between Federation University, Wellington Shire Council and TAFE Gippsland. The MoU provides more opportunities for people in Gippsland to train for skilled jobs that are in demand with local employers. The organisations are working together to boost skills and education, research, innovation and entrepreneurship opportunities in Gippsland, as well as the region's culture, liveability and wellbeing.
6. Deakin University's Recycling and Renewable Energy Commercialisation Hub (REACH) is the latest Trailblazer university to be announced as part of a prestigious national program to address Australia's national manufacturing priorities. The budgeted federal government funding will be matched with support from industry and university partners for a total value of \$380 million. Through REACH, Deakin will work with governments, industry, and education partners to establish a multi-billion-dollar bioeconomy in Victoria, focused on clean energy, recycling and greener supply chains.

REACH will capitalise on Deakin's strengths in battery technology, carbon fibre, recycling and hydrogen, and those of Australia's national science agency CSIRO, as well as industry, university and TAFE partners, accelerating ideas into smart, sustainable manufacturing solutions.

Collaboration with universities and TAFE institutes will create a job-ready workforce qualified in emerging technologies, and a high number of graduates will feed into companies associated with REACH. REACH will engage researchers from Federation University, RMIT University, Swinburne University of Technology and the University of Southern Queensland, alongside CSIRO, The Gordon Institute of TAFE, Bendigo Kangan Institute, South West TAFE, Holmesglen Institute of TAFE, Wodonga TAFE and Swinburne TAFE.⁵

⁴ The GWO accreditation is required to work on wind turbines in Australia and around the world.

⁵ www.deakin.edu.au/reach



In conclusion, the Victorian TAFE Association respectfully considers that the Committee asks through this Inquiry *how* Victorian universities are directing their own investment to create the best impact on the pipeline of skilled workers; and *if* they are making their investment decisions in isolation or based on a broader conversation and collaboration with their TAFE counterparts.

The VTA would be happy to meet with the Committee to discuss the views and ideas expressed in this submission.

For further information related to this submission please contact:

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