

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Victorian universities' investment in skills

Melbourne—Thursday, 16 June 2022

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Christine Couzens

Ms Steph Ryan

Ms Kat Theophanous

Mr Nick Wakeling

WITNESSES (*via videoconference*)

Ms Sarah Roberts, Assistant Division Secretary for Victoria, and

Mr Timothy Franklin, Victorian Division Industrial Officer, National Tertiary Education Union.

The CHAIR: Welcome to the public hearing 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, which will be followed by some questions from us. Thank you both for being with us this afternoon.

Ms ROBERTS: Thank you, Chair. Thank you for the opportunity to be able to speak to the Committee and to speak to our submission. I want to just draw out briefly a few themes that we went to in our submission. The first is the job losses in higher education and the re-hiring in the sector of many insecurely employed staff; how insecure work in turn, we say, greases the wheels for wage theft and underpayment of those staff; and how those two factors and the Job-ready Graduates package has led to threats to Victoria's capacity to produce skilled graduates.

I do not wish to go to it in too much detail, but first of all there is the financial impact of COVID-19, which you will have all seen has had a massive impact in the higher education sector. The job losses have been in the thousands, and opinions differ about exactly how many there have been. But in Victoria I think Frank Larkins and Ian Marshman have estimated that there were at least 20,000 headcount jobs lost in Victoria by the end of 2020. We know that where universities have been re-hiring, they have been preferencing insecure employment, so casual and fixed-term employment, to fill the gaps left by COVID-19. So now we are in a situation where we know from university annual reports that more than 50 per cent of Victorian university workers are now in insecure employment, a third of all employees are in casual employment and one in three employees is now a woman in insecure work. Of course as it is across the sector and across the economy, young people are over-represented in forms of insecure work. That sets the scene, I suppose, for what we say is a big problem in higher education, which is underpayment of particularly casual employees and the problem of wage theft, which, in our view, goes hand in hand with insecure work.

As you may know, the university management model in Victoria usually is such that budgets are set centrally, but then the central administration allocates local funding envelopes to schools and faculties, which then have to manage their budget themselves. Those budgets in many cases, if not most cases, are often woefully inadequate to actually pay staff properly or in accordance with the collective agreement, so there is a compliance problem in that schools and faculties engage casual academic staff to do a lot of the work because they know that that work, if it is done by casuals, is cheap and flexible. This is a further downstream consequence: casuals themselves have contracts which set the hours to be paid for their work, which do not in fact resemble the number of hours it takes them to do the work. So there is a big underpayment gap there. The reason why we say this is a problem, of course going further than the fact of it, is that casuals of course do not speak up about underpayments because they do not want to put up their hand as being the person who is complaining, because they know that puts them in danger of non-renewal of their contracts and losing their jobs. So it is a self-perpetuating cycle that exists in our universities and is part of the university business model. The business model effectively relies on underpayment and insecure work in order to survive.

Obviously this is a problem for the people who are in insecure work. They cannot get home loans, they cannot plan for a family and they often have to get other jobs over the non-teaching period, whether it is working in a cafe or whatever it might be when they are not actually teaching staff. We know that this is a problem because the NTEU in Victoria has managed to claw back more than \$30 million in underpayments to casuals so far from The University of Melbourne, from Monash, from RMIT and La Trobe, but we assume that because it is a systemic problem there is much more out there, and so our work is not done in that space. But for you as committee members, you will be asking, 'Well, why is this relevant to the Inquiry and for Victoria's skill base?'. And it is simply this: because insecure work also risks the integrity of the sector because of a flight risk

from our PhD-trained people. We have PhD-trained people who are in insecure work who cannot stay consistently in the sector because they know they cannot access a proper career, so there is a brain drain that is going on there. I have had multiple conversations with multiple members who have stayed in the sector for 10, 15 years on consistent casual or fixed-term contracts and who finally have had to leave to pursue other careers because they just have not been able to have a proper life within the higher education sector.

A further concomitant problem there is that for academic casual staff, maintaining engagement with their field often occurs outside paid time—so they are not paid to do this work; often they do it in any case. But we say in the union that that is an unsustainable business model as a reliable quality control. These insecure staff are now the ones that are performing most of the face-to-face teaching in our universities and the first point of contact for students, but those staff are in a situation where they are not paid to do much of the work that they are doing. So it relies on their goodwill for that work to be done, and they could stop doing that unpaid labour at any time. So again, that is unreliable and unsustainable in terms of the guaranteed quality of education, which we need to improve the skills base of Victoria.

I suppose we would say that the reliance on insecure work has got three key effects which are relevant to the Inquiry. First of all, it degrades quality through the brain drain; it sends a big signal that careers in the higher education sector are no longer viable; and ultimately it threatens teaching quality. So there is a lot of room for more engagement of staff on a continuing basis, and we would say that continuing work is vital for higher education quality teaching and the research necessary to support the post-COVID recovery. Just quickly, I want to touch on also the Job-ready Graduates package—

The CHAIR: Sorry, Sarah, they are pertinent points. We have got a few questions that we want to ask. It may be covered through those questions. So if it is pertinent, please go ahead, but if it is not—we are just limited on time, that's all.

Ms ROBERTS: No, I will throw to you, and we will deal with it in questions.

The CHAIR: Thank you very much. Chris, did you want to ask a question?

Ms COUZENS: Thanks, Chair. Thank you for your contribution today. We really appreciate it. In terms of attracting students to priority areas, how can universities improve their outreach and student services to attract students, including students from disadvantaged groups, to study in priority skills areas? And I take on board what you have just said about insecure work. I just wondered whether you have got any views about those sorts of issues.

Ms ROBERTS: Like you said, we think that fixing the insecure work problem is kind of the key lever to fixing a lot of these problems. There are opportunities there, I suppose, for the government to directly—there is always a funding crisis—pump funds into those areas through subsidies and grants. But we would say that the big opportunity really for the Victorian Government is to have a direct conversation with the incoming Labor government federally, to talk with them about the worst effects of the defunding of humanities and the gap that we have now got in these priority areas, because I think you have seen from our submission how those priority areas have, bizarrely through the Job-ready Graduates package, actually been defunded—how some of that can be ameliorated and reversed. So we think that there is an opportunity for the State Government to have a direct conversation with the Federal Government about how some of those gaps can be fixed, because in fact the Job-ready Graduates package does not deliver on its own terms in terms of building capacity in the priority skills areas, which I think everybody is on board to deliver on. The funding measures are not there; in fact they reversed the capacity of that package to deliver. So it is more about the conversation that you can have, and then also there are the direct investments through subsidies and grants in those particular priority areas, I would say as well.

Ms COUZENS: Great. Thanks, Sarah.

The CHAIR: Thank you. Gary, did you have a question?

Mr BLACKWOOD: Thank you, John, and thank you, Sarah. Touching back on the Job-ready Graduates program, your submission calls for the Victorian Government to research the impacts of the Job-ready Graduates reforms and provide feedback to the Australian government. But how could the Victorian

Government work with universities to understand the impacts of the reforms on university enrolments and the long-term implications for workforce supply?

Ms ROBERTS: Because of the work done by the state Labor government in requiring that universities disclose more about what their workforce and workforce planning looks like in their annual reports, we now have a better picture of the terrain in universities in terms of insecure work and how all of these things fit together. So I think, again, there are opportunities there for the government to be seeking better data from our universities about what the impact of the Job-ready Graduates package looks like. Do not just take our word for it. We know these areas have not delivered on their own terms in terms of the way the package has been put forward on a funding basis, but what does that look like in terms of outcomes? So we would be saying to you you could be requiring universities to give detailed reports about the total funding per student in practice in the priority areas, the changes to enrolments over time by course—what that looks like—and the overall changes in security of employment in the sector to see if any of these levers are working. It is our view that that is likely to be the effect of the Job-ready Graduates package and that the priority skills areas are actually not going to be lifted in the way that was expected, but I think it is absolutely open to the State Government to require universities to give us more data about that and to disclose to the state the impact of it, not just to the feds but to the Victorian Government.

Mr BLACKWOOD: Thanks, Sarah.

The CHAIR: Thank you. Juliana, a question?

Ms ADDISON: Thank you. It is nice to see you, Sarah. It has been a long time.

Ms ROBERTS: Hi.

Ms ADDISON: I was wondering if we could talk about the effect of Job-ready Graduates reforms on disadvantaged groups, particularly women and First Nations people. I know you have just said in your previous answer that you really do require a lot more data to be able to get a full picture, but can you outline any trends you have observed to date and how you intend to monitor the impacts of Job-ready Graduates programs on these groups going forward? Is that available? I do not want to ask you something if you have just told me the datasets are not giving you what you need, but have you picked up some trends or observed those?

Ms ROBERTS: Thank you for the question. It is our contention that the Job-ready Graduates package incentivises that behaviour. We know that it is, in real terms, defunding areas in which people with a disability, Indigenous people, women are concentrated, so it is our view that the settings are likely to deliver in the way that we expect. In terms of raw data that shows that though, we are not yet at the point of being able to access that. Like you have said, we are kind of hoping that you can help on that front. I would point you, though—we talk about this in our submission—to the Centre for Future Work and the NTEU project that we did, which was the *At the Crossroads* report, which does dive into this a little bit and sort of sets up the argument, with some allocated data, about how that actually would likely play out in practice.

But in answer to your question, we rely on our members telling us what is happening and on the data that is disclosed in annual reports and on getting it from any other area that we can. I would note that The University of Melbourne's annual report still has not been published, so we are a year behind on the annual reports and we are still waiting for The University of Melbourne as well. So the real impact through that sector will not be known for another year at least. So I am just falling on your mercy really to say any assistance we can get from the Victorian Government to require more transparency and disclosure around how these reforms have impacted students would be very welcome.

Ms ADDISON: Thanks, Sarah.

The CHAIR: Thank you for that. I might just ask a question about some research funding. The submission from the Victorian Department of Education and Training states that there are opportunities for government to engage with Victorian universities to better understand the impacts of research funding and promote closer alignment with state priorities. How can the Victorian Government work with universities to better align research funding with Victoria's workforce priorities? For example, there was the Trailblazer funding that was recently announced, and I think Deakin was successful in that federal application they made and they are

looking at environmentally friendly projects obviously and they have been successful in that. How could we add value to that as a State Government?

Ms ROBERTS: It is our strong contention that there is a big potential lever there in the research funding space for the State Government to work with universities. I sound like a broken record, but I will go back to it, which is what the State Government could be doing around procurement in relation to insecure work. It is our view that State Government grants, of which there are many in the higher education space, could be requiring that the research that is to be done pursuant to those grants needs to be done by people in secure employment. I mean, a lot of our research, especially in the medical research area—a lot of our people are on one-year fixed-term contracts, which is the term of the funding grant that they are allocated, and they will spend three months at the end of each year invested in trying to apply for further funding grants and then they will get another funding grant. I have met people who have worked in the sector on that one-year fixed-term contract cycle doing research for 26 years. There is absolutely no reason why that work could not be done on a secure basis and some of the trickle-down effects of what that would then mean, I think, could fix some of the possible problems in skills. I guess our answer to you would be looking at it through a procurement lens and to consider whether adding in permanence of employment and continuing employment as a criteria for the completion of these grants would be something that you would consider. I think it could have a really big impact if that was something the State Government were willing to consider.

The CHAIR: Thank you very much. We all thank you for your contribution. It was very valuable, and again thank you for making time.

Ms ROBERTS: We appreciate the opportunity, Chair. Thank you.

Witnesses withdrew.