

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into Student Pathways to In-demand Industries

Melbourne—Friday 28 November 2025

MEMBERS

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John Mullahy

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WITNESSES

Dr Caroline Smith, Executive Director, Centre for Education and Training, and

Paolo Damante, Senior Policy Officer, Education and Training, Centre for Education and Training, Australian Industry Group.

The CHAIR: Welcome to the public hearing for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into Student Pathways to In-demand Industries. All mobile telephones should now be turned to silent.

All evidence given today is being recorded by Hansard and broadcast live on the Parliament's website.

While all evidence taken by the Committee is protected by parliamentary privilege, comments repeated outside of this hearing, including on social media, may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check.

Thank you so much for being here today and coming along to this. Industry is a really important part of this Inquiry, so we are really pleased to have a conversation with you today. We have a few questions from the Committee. If you have got an opening statement, you are welcome to say that; otherwise we can jump straight into a Q and A sort of format. I am Alison, the Chair and Member for Bellarine.

John MULLAHY: John Mullahy, Member for Glen Waverley.

Anthony CIANFLONE: Anthony Cianfalone, Member for Pascoe Vale.

The CHAIR: Maybe you can introduce yourselves, and then we will get into it.

Caroline SMITH: Great, thank you. My name is Caroline Smith. I am the Executive Director of the Australian Industry Group Centre for Education and Training.

The CHAIR: Thank you.

Paolo DAMANTE: And Paolo Damante, Senior Policy Officer with the Centre for Education and Training as well.

The CHAIR: Thank you. Are you happy to go straight to questions? Is that suitable? We have not heard a lot from industry, so this will be a really great conversation. Maybe can I ask—there seems to be a little bit of a mismatch at the moment. We know that there is an in-demand workforce and skill shortage in certain sectors, yet we have got young people who are wanting to work and not shown how that pathway looks. Can you talk to how industry engages with young people or students or schools or training providers to get that seamless pathway?

Caroline SMITH: Yes. I think industry engages in a lot of different ways, I would say. A lot of it will come down to the nature of the business, the nature of the roles that they are looking to fill and also what those pathways are. If it is an industry or an occupation that requires university and several years of experience, they are obviously going to be seeking different pathways. But in thinking about school leavers, we hear examples of members who work closely with schools, and those members talk about the often quite positive experiences that they have in doing that. But not all schools necessarily are open to working with industry. Where it does tend to work well, it is often businesses that are very embedded in their local communities. We see a lot of examples in that context. The other thing of course is that businesses offer apprenticeships and traineeship pathways—often when the young person has actually left school. But it is part of that transition journey as well. We would say that there are definitely pockets of good practice out there, but from a system-wide perspective, it is probably somewhat fragmented. There is also the reality that businesses are incredibly busy, often under a lot of pressure and may not always realistically have the time to work with young people. So it is definitely a mix.

The CHAIR: Yes. But yet they are calling for a skilled workforce—like it is this disconnect a bit too. In my mind, if you invest in that young person or invest in that work experience, invest in the traineeship, you hope that that continues to then be investment back into your business and a worker.

Paolo DAMANTE: I will add, at the school level a lot of the relationships that take place, particularly for work experience, happen through parents or alumni of the school networks, if they are regionally connected. So there are a lot of relationships in that space that exist naturally. There tends to be a stronger economy between schools and local business. But again local businesses are usually small and medium enterprise, and sometimes

navigating the complexities of the paperwork can be difficult for them. Having some guidance can help break down some of those barriers for them, encouraging them to pick up more young people.

The CHAIR: Yes. Absolutely.

Caroline SMITH: I would add as well, if you think about the way that our labour market has changed over the years, we have seen higher and higher demand for higher level skills. With that demand changing, there is less demand for those roles that do not have a tertiary element to the experience of the person coming forward. Jobs and Skills Australia identifies that over the next 10 years, nine out of 10 new jobs will actually require a tertiary qualification. I think that sort of changing dynamic in the labour market and the importance of the tertiary qualifications, whether that be vocational pathways or whether it is universities or a blend of the two, is a really important part of the story as well. A lot of the shortage areas are in trade areas, and they have obviously got apprenticeship pathways that are required. Shortages are often also in some of those other higher level areas. So it is a longer trajectory, to be thinking about that.

Paolo DAMANTE: Just to add to that statistic, that nine out of 10, through our own research it has been proven that the more years of education, the higher the attainment, the greater level of satisfaction employers have with students emerging from the training system, whether it is the school system or the higher education or VET system, in terms of the ability of a young person to cooperate, communicate—those kinds of generalist skills—then as well the literacy and numeracy et cetera, technical skills, those types of things. So it proves that that is in demand still.

Caroline SMITH: Just to add to that again, one thing that is incredibly important is literacy and numeracy. We have done, through Australian Industry Group, surveys from the workplace perspective. Employers identify that literacy and numeracy is an issue in many of their workplaces, and in the most recent survey we did, nine out of 10 of the employers that were surveyed said that literacy and numeracy was either a significant or an issue for their workplace. I think a really important element from the school perspective is those literacy and numeracy skills. Another area—we partner with the World Economic Forum on research about the future of jobs. The most recent research, which was published earlier this year, actually showed that the most in-demand skills globally are the core skills of analytical thinking as well as resilience, flexibility and agility. So again, so many of those skills are things that I think are rooted in schools. That is an important perspective, I think.

The CHAIR: Thank you. John.

John MULLAHY: I am just going to follow on from that. The length that someone stays with an employer these days is a lot shorter—you know, we are talking, it could be a year, could be 18 months, that sort of thing. Is there a concern from industry about investing in education and training of younger people—you know, they might not get a return on their investment in the sense that they might stick with them for a little while and then move on to get more pay from someone else and so there is a fear of that?

Paolo DAMANTE: We have just had new research come out on that that proves otherwise and that there is a retention dividend. When an employer invests in the education and training of their staff, the staff are around 40 per cent more likely to stay on with the business if the businesses are encouraging their staff to upskill and reskill in that space there. There is a return on investment, you get to retain that talent and there is not that drain from your business. I do not know if you wanted to talk more about it?

Caroline SMITH: No, you described it perfectly.

The CHAIR: Do you have another question you wanted to ask?

John MULLAHY: I did. Are there barriers for employers to employ more apprentices and trainees, and how could these barriers be addressed?

Caroline SMITH: Earlier this year, in April, May, we undertook a survey of our members that was looking at the employer experience of apprentices and trainees, so we have got some research that is pretty recent on that. When we did that research, it was a survey, but we also spent a lot of time talking directly to members, plus we put together a report that had our own insights too. What was really interesting in that was that overarching employers were saying just how much they think apprenticeships and traineeships are

important—they value them—but 96 per cent of those that we surveyed said that there were barriers, and often multiple barriers, to recruiting apprentices and trainees. I can talk you through what those were.

Sixty-five per cent, so by far the largest proportion, said it was difficult finding suitable candidates. And then from there, 33 per cent said that they had difficulty in supervising training on the job; 32 per cent said that costs were too high, so not cost effective; 27 per cent said that the available training was not to the right standard; 22 per cent said that there is an unavailability of relevant training; and 21 per cent said that the administration and regulatory burden was too much. When we combined that data with some of the conversations that we have had with employers as well, the message was they value the programs, they value apprenticeships and traineeships, but it is getting more complex and more costly for them to be getting involved in the system, which we think is an important finding from that work.

Part B of the question was about how to address those barriers.

John MULLAHY: Yes. You have obviously identified them. We have got the statistics. How do we get over them?

Caroline SMITH: In that work we had a range of different recommendations that were really about looking at the apprenticeship and traineeship system as a whole. It made a number of recommendations for what could improve things. Pre-apprenticeships were one of those important areas, because that is a really important way that the young person is actually getting a taster of what the pathway is like. In fact we quite like models where there is a bit of a taster of a range of different occupations, because we find that there is a broader conversation which is about where VET programs tend to sit in the overall advice that goes to students, and it is not really factored in that often. That is sort of one element.

The other thing is, even for those who are interested in a VET pathway, there are probably some well-known occupations that might be more front of mind but others perhaps not. So the idea of getting exposure and opportunity to trial and test a range of different trade occupations is something that we support. It is a really important factor in a young person actually going down a particular path and staying. The great thing is that, thinking about apprenticeships and traineeships, when they do stick it out, they get great outcomes. At age 25 they are among the most satisfied and also the best paid at that point. That was one element of the recommendations, and perhaps we can—

Paolo DAMANTE: I think the one thing that we need to stress here is the value of group training. Group training provides the wraparound supports to students that would not otherwise exist through traditional apprenticeship models, and that is particularly valuable for students or apprentices and trainees who may be from ethnically diverse backgrounds, and women—the broad category of people who tend to be excluded or find it more difficult breaking into an apprenticeship or traineeship. The group training offers those supports to them that would otherwise not exist.

The CHAIR: Their success rate was very good too.

John MULLAHY: We had evidence earlier today about pre-apprenticeships and the group training model that success rates just went through the roof.

The CHAIR: And just had that support for their students. Anthony, I am going to head to you.

Anthony CIANFLONE: Thank you, Chair, and thank you, Caroline and Paolo, for appearing and for your submission on behalf of industry. My question is around communicating and raising awareness around areas of skills shortages and skills needs for industry and for business. I take you to your submission recommendations 4, 5 and 11, which in many ways go to that very point, where the chamber puts forward the idea that Victorian Local Learning and Employment Networks should lean more into the provision of career advice not just in schools but also with industry, and look at the composition of the LLENs to incorporate and embed industry. Recommendation 5 talks about an idea around industry skills pacts between government, community and industry to really target those areas of skills need. Recommendation 11 is around providing the chamber of commerce with funding or support to undertake roadshows with primary and secondary schools to demonstrate the scope, raise awareness and communicate industry skills needs at that level through the education system. We have actually had a similar idea from other members of the stakeholder community we have heard from. Can you just talk us through exactly those recommendations and just how you would

enviseage those industry needs and skills shortages being communicated to young people and people looking to transition to a new career?

Paolo DAMANTE: Thanks for the question, Anthony. I just want to clarify that I think you might be looking at VCCI's submission there. We are Australian Industry Group, so we were not part of that submission. But maybe to touch on the point that the local learning and employment networks are critically important, they provide a critical service in the state of Victoria. The support that is provided to them needs to be increased so that they can provide a greater level of service, particularly with the businesses that they are connected to in their networks. I note that the boundaries of the LLENs have been broadened over recent years, and so that brings a question to our minds about the resourcing in those areas over larger areas. We have great relationships through Australian Industry Group in various areas through our apprenticeship and trainee centre and the local learning and employment networks. We find them an incredible resource and work incredibly well with them, so I think we would want to stress the importance of maintaining them and improving the resourcing that goes to them.

Anthony CIANFLONE: I apologise. I did misquote from the submission, so I apologise for that. But your point as well earlier around the LLENs in terms of them recently changing their structure—to what degree would you say industry is embedded into them as opposed to those local connections and those local networks you were referring to earlier? It feels like organically a lot of those relationships at that local level between businesses with strong connections to their community tend to do well in bringing in young people with work experience and those work placements, as opposed to the broader level. How is industry at that broader level with the LLENs actually embedded or incorporated at the moment?

Paolo DAMANTE: I will say from an organisational point of view, through Australian Industry Group, we have a direct contact liaison specifically with the local employment networks. His job is to go out to them, and he maintains a very close relationship. We put a premium on that relationship, and we have allocated resources to deal with them directly.

Anthony CIANFLONE: So how can government further help in that regard with the LLENs and industry through some of those other potential opportunities and ideas?

Paolo DAMANTE: An important question. The resourcing of the LLENs more particularly and helping the LLENs build greater relationships with businesses within their regions is work that is already being done. I think more resourcing of that would be valuable to us and our members. As I said before, it is very difficult if you are a small or medium-sized business to navigate the red tape and the complexities of a system that your only ever experience of is when you were in school. Those systems change over time. For many of them, if you were to explain to them you need to have a working with children check, well, that would be a surprise to many of them. Little details like that count for a lot when it comes to dealing with business.

Caroline SMITH: I think there are probably some broader comments that we would like to make as well. In this space we are getting to the conversation about careers advice. It is connected, and the first thing there is just the importance of access to trusted, quality advice about labour market information. For example, Jobs and Skills Australia produce—they have just changed the name of it, but it has been known for a long time as the internet vacancy index, the recruitment experiences and outlook survey and the occupation shortage list. There is also the Your Career website. Those are some key data sources at the top and strategic level, and of course there is the data that comes through the Victorian Skills Authority as well, which is Victorian-level information and data. I heard a bit of the conversation earlier about the importance of careers advice, and that is certainly something that we think is an incredibly important part of the system as well. We would agree that it is something that needs to have time and resource to support that but also—and I alluded to it before—there needs to be a real balance between vocational and university pathways, because there can tend to be an emphasis on university pathways. I think having that balance that also gives equal value to vocational options is an important component.

The CHAIR: Thanks, Anthony. I might just have a quick one around working conditions in the workplace. I am going to show my age here, but the new cohort of students coming through are different to my generation, let us just say that. They have their own needs, they have their own experiences and they have obviously grown up in a digital world. We have talked about AI a little bit on this—having AI skills as well, going into the workforce. Are the workplace and the work conditions needing to change for the new workforce coming

through, and is that a challenge for your members? We have heard a little bit about having a safe workplace or a culturally safe workplace for First Nations or for neurodiverse and a whole lot of the spectrum of the workforce coming through. My question is around: is the workplace having to change for the new workforce coming through?

Caroline SMITH: Those transitions, youth transitions and pathways, have always been an important but often sort of challenging time. Certainly a lot has changed. I guess it is why, when we talked about group training earlier, for example, that kind of model—I mean, that is obviously about apprenticeship and traineeship pathways—and models that help support that transition through the things that we think are important.

Paolo DAMANTE: We do think it is important at Australian Industry Group, which is why we offer numerous short courses for members and non-members alike around these aspects about cultural sensitivity, around dealing with workplace safety. We find value in that, which is why we offer it as a service to members and non-members alike, because it is something that we want to enhance.

The CHAIR: And is there a need there? Is that what employers are asking for too?

Paolo DAMANTE: People turn up, so they understand that they have obligations under law but also morally. And we find that there are a lot of conscientious employers out there who want to do the right thing and are doing the right thing, and that is evidenced in the number of people who turn up to our short courses.

The CHAIR: And is there success in the retaining then of workers because of that? Do you know if—

Paolo DAMANTE: When we say ‘workers’, we are talking about now young people entering into the workforce or—

The CHAIR: John was sort of alluding to people coming and going out of the workforce quite regularly now. With your employers that are going through those courses and trainings, do you know if you are seeing that the retaining of workers is better for them in the long run?

Paolo DAMANTE: I suppose we would need to ask the question of them and survey them afterwards and do a longitudinal study of it. But I could not give you a direct answer at the moment.

The CHAIR: Yes. That is fair. Thank you. We have run out of time. Thank you so much for answering our questions today. If something has been sparked and you think you need to add any more for the Committee to consider, please feel free to write to us. Thank you very much for your time.

Paolo DAMANTE: Thank you for your time. I appreciate it.

Caroline SMITH: Thank you for the opportunity.

Witnesses withdrew.