

TRANSCRIPT

ECONOMIC, EDUCATION, JOBS AND SKILLS COMMITTEE

Inquiry into career advice activities in Victorian schools

Mildura — 22 March 2018

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Witnesses

Mr Peter Ebner, Manager, Business Development, Lower Murray Water;

Mr Peter Devilee, Managing Director, Devilee's Air Conditioning & Refrigeration; and

Mr Robert Wheatley, General Manager, Almond Operations Australia, Olam.

The CHAIR — Welcome to the public hearing for the Economic, Education, Jobs and Skills Committee’s Inquiry into career advice activities in Victorian schools. All evidence taken at this hearing is protected by parliamentary privilege. Any comments you make outside the hearing are not afforded such privilege. Hansard is recording today’s proceedings. We will provide a proof version of the transcript so you can correct any typographical errors. I would like to invite you now to make a statement, but before you do, could you state your name for the record. Also please allow us some time to ask questions. You have 5 minutes, if you want to start, and then I will call for questions.

Mr DEVILEE — Thank you. I am Peter Devilee, Managing Director of Devilee’s Air Conditioning & Refrigeration. Our company focuses on providing heating, cooling and commercial refrigeration solutions for our region of Sunraysia, north-west South Australia and south-west New South Wales. Currently we employ approximately 65 full-time staff across four trades including electrical, plumbing refrigeration and metal engineering. Those employees include 17 full-time apprentices, one school-based apprentice and one full-time business administration trainee. In addition, we currently have one student on a structured workplace learning placement in electrical, and we have three work experience positions already booked in over the next few months. Good trades are hard to find. We must continue to train them.

I am also on the board of the Northern Mallee LLEN—the Northern Mallee Local Learning and Employment Network, that is—and I have been on the executive as treasurer for approximately five years. Our AGM is this afternoon. In addition, I am the chair of the committee of management for Mildura Region Trade Training Centre. Our mission is to provide quality industry-focused learning and access to quality VET courses for our students.

I strongly feel that the education system itself and the majority of our children’s educators are too focused on pathways to university rather than a balanced effort aimed at achieving the best outcomes for all students. Whilst it varies from region to region, approximately 50 per cent will go to university, which is fantastic, but from where I sit I estimate that probably 80 per cent of effort, resources and time is being spent getting that 50 per cent of students to university. For some students I am convinced that better and earlier career advice and a greater focus on the value of vocational education and training would set them on a more suitable pathway one or two years earlier, resulting in their education better matching their needs and wants and their being better prepared for work.

It seems to me that the perceived status of the vocational pathway is considered to be lower, not only by many of the students, some of the teachers and the education system itself, but also by many parents. Career advice at school is critical to better outcomes of our students. Those tasked with doing it currently, I believe, are under-resourced, and our system needs to provide more opportunities and education pathways for those not intending to head off to uni.

Greater access and flexibility in schools to the vocational facilities, such as the trade training centres, is needed because difficulties in timetabling results in it being hard to make it work. VCE versus VCAL is the problem, rather than VCE or VCAL. Timetabling in senior schools currently needs to be focused. It currently needs to be VCE focused, resulting in difficulties accommodating those doing VCAL or one or two VET subjects. This leads to restricted access to our fantastic facilities, such as the trade training centres.

Businesses need additional incentives or assistance to take on school-based apprenticeships or trainees. It is not cheap labour as it takes significant additional effort and time and money. The school-based model needs to be better adapted to meet the needs of businesses, such as consecutive days with an employer, rather than Wednesdays and Fridays because that suits the timetabling that is focused around the VCE.

Work experience is a fantastic way for students to try a career and for employers to see if a prospective employee has an aptitude for the work. Unfortunately it has become so regulated and restrictive now employers are now less willing to participate. Students can virtually now only observe the work taking place. These students are getting less of a taste for work, and the employer cannot see how the student may perform. Many employers either break the rules, letting the students participate, or do not bother at all.

Finally, structured workplace learning is also an effective way of getting students exposure to the practical side of the subject they are studying. Unfortunately not enough are doing work placements, and this is an area that needs more attention as students are now at the cusp of beginning their career and this experience may make the

difference in their decisions. In closing, we need recognition by schools and parents that in many cases a vocational pathway leads to better employment outcomes. Appropriate career advice in this space is critical.

Mr EBNER — Lower Murray Water is a unique organisation. It covers the whole water spectrum. So we supply urban water, urban wastewater services, rural irrigation water for irrigation districts and rural drainage services for horticultural developments, and we manage private diversions all the way through to the South Australian border. We have a range of functions, and a lot of it is technology driven. We have around 170 to 180 permanent staff, and they are supported by contract services across a range of fields. We are based in Mildura, but we service small communities such as Lake Boga, Murrabit, Koondrook—right along the river, all remote sites—and all those treatment processes, both water and wastewater and pump stations for irrigation, are technology driven.

Within our organisation we struggle to find a range of skills. The primary areas are electrical engineering. Civil engineers are hard to get with utility experience. They are either construction, mining or whatever, but solid experience in utility backgrounds is scarce. Technically skilled people with SCADA experience, with SCADA knowledge to help us communicate with our plants and drive our plants remotely, are hard to get, particularly those with sound background and experience. People with skills in asset management are also a risk. Our customer base also talked about some of those careers as being difficult—Rob mentioned that—particularly in processing areas. We also are aware from our customer base that there is a shortage of skills in irrigation management, programmable controlled systems—getting process engineers that can work in that area. They are all mid-level skills. The other areas are agronomic skills, cultural heritage skills and native vegetation skills in assisting our customers when they are developing properties. Also source-relating skills—a whole range across the gambit.

To face some of these things we have trialled very many things over the years. We have a regular intake of traineeships in those fields, from kids coming home from uni—and across the Sunraysia, not just Victoria, so it is kids in the Riverland, Sunraysia and over the river in New South. We take practical placements from unis. We take traineeships out of secondary schools across most of the schools locally and Robinvale.

We actually fund the university fees of two students per annum in engineering and have been doing that for a lengthy period of time at a value of around \$15 000 per student. We take them on during their uni vacation to give them in-business experience. We have been successful in retaining only two of those students in the region.

As Peter alluded to vocational skills, we have a great need for electrical instrumentation—kids with skills in that area. We are actually putting per annum four to five apprentices through instrumentation courses that are only available in Melbourne. That is costing us \$15 000 a year in flights, accommodation and course costs in Melbourne. To fill the gaps at times we pirate skilled employees from other local businesses, even Pete's on a couple of occasions.

As more and more technology moves into the sorts of horticultural industries we have, it is very difficult for our customer base to actually get people skilled in water policy, trading and a whole range of things. Two-fifths of our water consumption is supported by permanent entitlements; the rest is by trade. We have one customer who probably uses a quarter of the water that metropolitan Melbourne does per annum ...

Mr CRISP — He happens to be here.

Mr MELHEM — It is not the guy on your right, is it?

Mr EBNER — so it is quite a significant basis.

Mr MELHEM — Is he a good customer?

Mr EBNER — He is a very good customer.

Mr MELHEM — Pays his bills?

Mr EBNER — Yes. Very accommodating.

Mr MELHEM — That is good. Does he give you lots of almonds as well?

Mr EBNER — No. That would be a conflict of interest, I would suggest.

Mrs FYFFE — You would have to declare it.

The CHAIR — Indeed.

Mr EBNER — We are constantly looking for opportunities to bring people into the business and skill them up, but we do have a high turnover. Of that staffing number of 170 to 180, generally we have around 30 per cent of those aged above 55 that will be retiring in the next short while, so that is a real concern to the business's succession planning and a loss of considerable skill and long-term knowledge. We have a very culturally diverse workforce. In order to get skills we have employed people from Pakistan, from India, from Sri Lanka, from Jordan and from Russia. I find it sad that in my 46 years in the various facets of the Victorian water industry I have never worked with an Indigenous person.

Mr WHEATLEY — Thanks, Peter. The company I work for is an international company called Olam. They are Singapore based. We are highly focused on agriculture globally. Within Australia we have both almonds and cotton. We are involved in both industries. Both industries we have the largest in Australia. In fact for almonds we are the largest in the world in terms of production. Here in Australia we farm around about 15 000 hectares between Victoria and New South Wales. We have a permanent workforce on farm of around about 135 people. We have a processing facility just outside of Mildura here, where we employ approximately 25 permanents. We have an administration office that we have somewhere around 25 to 30 people employed there permanently. On top of that we employ through various times of the year, but particularly at this time of the year, harvest time, we would have somewhere in between 500 to 600 people employed casually or by contract on the farms.

It is extremely multicultural. Within my office here in administration we would probably have six or seven different nations working with us from different cultural backgrounds, and of course on the farms we rely heavily on backpacker-type people and just transient people working in the harvest regions.

I guess on one of those things in terms of where agriculture is going, I have to make a presentation in Singapore next month pretty much around that sort of thing in terms of competencies and skills that we need within agriculture in Australia and other parts of the world and how we are dealing with that.

One of the issues we identified two or three years ago was that there was a certain lack of skill and a huge gap between what agriculture needs—and I am talking ag in general, and I think I have an ability to, as I have grown 13 crops in my years here—a huge gap between agriculture and the educational system, I suppose, in terms of overall and in terms of identifying what is needed and what is deemed as a career in agriculture. I think there is a huge gap there.

We are working currently with Robinvale College to try and help change that curriculum to help prepare students within the regional areas within Australia where we work from, both in cotton and almonds, that a high proportion of young people want to stay in the local towns, and while we cater for a small amount that go to university and whether that is successful or not, generally they return. How do we prepare those people for the workforce after college whether they go through to Year 12 or not?

We developed our own program. We worked with SuniTAFE here in Mildura three years ago. In fact in 2016 we were the employer of the year. We built two courses with SuniTAFE around specific areas that we needed or where we identified that we needed some skills increased, I guess, on orchards. One was irrigation in terms of the whole irrigation agronomy and infrastructure-type needs and skilling people up for that. That was a two-year course, and we put around 18 of our own people currently employed in the company through that. We also created an operations-type course, which we are doing at the moment.

For those courses we are investing somewhere around \$250 000 per year to help build our own skills. The reason we are doing that is because there is a gap. We cannot find the people off the general market, I suppose, to be able to fill those sorts of gaps, so we took it upon ourselves and we needed to work with an institution to help us get those skills together and help the individuals gain the skills that are required in ag.

Ag is moving so quickly at the moment that it is hard to keep up with in the technology space. With the requirements of—I was talking to Peter before, and I guess Peter as well—the technology on electricals, we

have a huge amount of electrical-type infrastructure, running water, huge systems for water, huge systems in terms of monitoring crops. We are using drones now, we are using cameras, we are using all sorts of technology. The whole thing is changing from the old days of just using a shovel and driving an old tractor or whatever to actually needing some technical skills around that technology space. I think technology is ahead of the actual skill level that we are able to gain to manage that sort of thing.

Part of the lack of understanding from our point of view, I think, is the understanding from the educational sector in terms of the diversity in agriculture and what we can provide. In my office I have accountants, I have agronomists, I have farm managers, I have managers of managers. We have a need for OH&S people, we need HR people, we need a whole gamut, plus the guy and the girl—and girls are increasing in terms of numbers—in harvesting equipment, operating that sort of thing. We have a huge range of skills needed, and I think there is a lack of understanding of what agriculture can provide a community or communities in regional areas.

I guess the question is: how do we cater for that? How do we understand the new environment with gen Y now? The stats are there, and we are seeing clearly that what is happening is that people are only interested in a job for three to five years and then they will move to something else. We have got a very mobile young people type of environment, where there is no necessary loyalty for people of our age, where you would be with a company maybe for 20 years or more or whatever.

Mrs FYFFE — But aren't they told, 'Your jobs will change over your career seven or eight times'?

Mr WHEATLEY — Yes, they are told.

Mrs FYFFE — So they take it as a given that they have to change.

Mr WHEATLEY — Yes, I guess so. There may be that expectation; I am not sure. We would like loyalty. We would like people to go through the company, starting from the bottom and climbing to the top, but we have to provide that pathway. Now, I think agriculture has a bit to play here in that we have not been good at selling agriculture. It is not a friendly thing. You are out in environments where it is dusty, it is dirty, there are flies, it is hot. It is not a sexy-looking job, if I can call it that. But I think the change is coming now with technology actually. We are seeing people more and more interested in ag suddenly. It is becoming a lot more, I guess, attractive. But we need to support it somehow, and we need to show the young people the way.

I have got an example. We had a large meeting yesterday with our managers, and several of them have people going through schools and SuniTAFE here. One example was a mechanic; his son is really interested in mechanics. He started off in a course—I think a three-year course, 25, 30 students. It is now down to five. People are pulling out of these things through the course of this training and saying, 'I'm not sure'. Again, is that a gen Y thing? I think there needs to be a really good understanding of where the young people are, who they are, what their needs are. Why is it that they are so mobile? Maybe we are encouraging it; I am not sure. It is one of the big issues that we have. How do you hang onto people? I guess they are generally my main points.

The CHAIR — Thank you very much. I will just put some questions. You spoke about the skills and levels. What kinds of skills are employers looking for in school leavers and what skill gaps are employers noticing?

Mr WHEATLEY — In my view, in terms of career advice I think there is a huge gap, and I feel sorry for them to some extent—in the colleges and that sort of thing. They do not know and there has not been the collaboration, particularly in the ag industry anymore, which I can speak for, around the educational sector in terms of understanding what it is that we need. What does agriculture really need? What is the future? What does it look like in five years time? What do we need to build in the curriculum to help or what other things can we do to prepare these students for when they leave school? I think that is one of the key issues we have.

Mr DEVILEE — Look, I entirely agree. We need to give the kids the opportunity to get out and see what is out there a little bit earlier—I mean, we do not do enough—big options like industry visits out to employers, out to places like Olam. I know of the few times when it does happen, the eyes open on the kids and they just go, 'Oh, my God'. They see things that they just have not imagined were even there. There are definitely kids that intend to go to university, and we absolutely need that, but then there are a massive group of kids that have no idea what they want to do. They know they do not want to go to uni. They know they are not going to, and so they may only think, 'Oh, I'll go and get a trade'. Then the trade is a typical trade: the plumbing, the electrical, which I want, but for these guys there are massive opportunities that lead to extremely good careers. Whether it

is heading into agriculture, these kids during this Year 10, or Year 11 particularly, need to get out and see what is available and what is out there.

Mr MELHEM — And how can we make that happen?

Mr DEVILEE — I am the chair of the trade training centre here, and we have for the last two years offered it to the schools — ‘We’re here to give you an opportunity for industry visits’—and it is just too hard.

Mr MELHEM — How can we make them do it?

Mr DEVILEE — I do not know. You would have to talk to the department.

Mr EBNER — Can you in a democracy?

Mr MELHEM — I am actually really serious on this question because you guys are industry leaders. You are the ones who are creating the employment we are actually looking for. I am looking for some practical answers, and it does not have to be a politically correct answer. I think it is recognised there is a real crisis in the country for these kids.

Mr DEVILEE — I know it is issues with their timetabling because their timetabling is focused around the VCE, and that is a problem.

Mr MELHEM — Well, should we change that then? I am asking you.

Mr DEVILEE — This is what has to happen. That is why I said you have got to have either VCE or VCAL. You have got to be able to give the schools the ability to give kids options. I know you can go down these two paths, but we need to raise this level of what VCAL is worth.

Mrs FYFFE — Saying that kids are dumb, so ‘you go and do VCAL’; that is the feeling, isn’t it?

Mr DEVILEE — Exactly right.

Mrs FYFFE — Which is politically incorrect.

Mr DEVILEE — That is right. Unfortunately for the schools that is their focus, and it is very difficult for them. I get very frustrated about it, but I understand the difficulty in their timetabling. It just does not work. Unless there is a clear direction of change through the education department—from you guys—it is not going to happen, because it is just too difficult for them to do.

Mr EBNER — And I share that. We do not take anywhere near the number of traineeships and work experience students that we used to 10, 15 years ago. We want to. There are significant opportunities for non-tertiary educated students in this region who have done well through Year 11 and 12 to come into an organisation, build a pathway through. I am an example; I do not have a university education.

Mrs FYFFE — Neither do I.

Mr EBNER — Bit of a degree in life.

Mr MELHEM — That is a pretty good degree.

Mr EBNER — There are significant opportunities to contribute and to learn and to move through businesses like ours, but they are not considered sexy. It is university or it is a trade or it is digging a trench with a shovel and repairing a leak in a pipeline. There is plenty at one end, and it is difficult in that middle ground to find those skills. It is a great way to base yourself in a regional area.

Mrs FYFFE — If I could—I know we are running out of time, but we are serious about this hearing—it has been our decision as a committee to have this reference, and we really want to make a difference, so if you think of anything that you can feed through to us, through the secretariat, that will help. It is not going to be easy, but we really want to make recommendations so that no matter who is in government after November they think, ‘Wow, this is what we are going to do’. We are serious about it. We have not got time now, unfortunately, to explore all the questions.

Mr MELHEM — Where I am coming from, and that is the point I think you are making, is: what is the point in sending a kid to 12 years of schooling if he is not going to finish up in a job? I am really interested if you want to go away and think what practical things we can change or can recommend to governments to change, whether it is in the educational system, whether it is in industry or school collaborations basically, how we can achieve that and particularly in regional areas, because at the end of the day we have got one aim—the job you have got, the long-term job. My last job was for 23 years. Let us face it, unfortunately it is not going to be the case for the new generation. So I am really keen to hear the practical answers.

Mr WHEATLEY — I think one of the things that really opened up the education in people's eyes here, we had a roundtable—if you remember, Peter, was it two years ago, in Robinvale?

Mr CRISP — Yes, I remember that.

Mr WHEATLEY — It was Produce Sunraysia—whatever the theme was. We split up into groups, and it was facilitated very well. I was on a table with all the education institutes, and it was the first time that they had ever been together, listened to somebody like us and what our requirements were—the first time. It astounds me that the education institutes do not seem to be connected at all to industry, which is really at the end of the day the driver of the economy. We have got to somehow connect and get work groups going together to help the core career advisers. I feel sorry for them because they have not got a clue of what is going on. I have got meetings with shires in both New South Wales and Victoria who have not got a clue of what is going on within their own shire even. There is a real disconnect between what people believe is happening out there versus what the reality is.

Mr EBNER — What is actually happening.

Mrs FYFFE — People work in silos.

Mr WHEATLEY — And we have to pull together work groups, I believe, like the taskforce that I am a part of, the Victorian skills taskforce, which was really good in terms of identifying really what is going on out there and what our needs are. Until that starts, then you cannot go to the next step. You have got to start right back at ground zero, get people together, get them to understand what is required, and then how do we mould it and manipulate it to satisfy the needs of the future.

Mrs FYFFE — I am old enough to remember when Gough Whitlam tried to make regional groups so that you did not have these small areas, so that everybody came together.

Mr WHEATLEY — I think there is a huge interest in it now actually; I think there is. Ron spoke before. There is the opportunity there. I think it is just how we put it together.

The CHAIR — Thank you for your great work.

Mr CRISP — Before you leave, we would like a photo with our industry representatives here today.

The CHAIR — On behalf of the Committee, I would like to thank you for your time.

Mr WHEATLEY — Thank you for the opportunity.

Witnesses withdrew.