



The Secretary
Standing Committee on Education and Employment
House of Representatives
PO BOX 6021
Parliament House
CANBERRA ACT 2600

To the Secretary,

Introduction

Thank you for the opportunity to make this submission. As background, SEEK is an ASX 50 Company that operates online employment marketplaces and synergistic education businesses. SEEK's purpose is to *"To help people live more fulfilling and productive working lives and help organisations succeed."*

Presently, we assist people mainly by helping them find new jobs or providing them with education advice to help them advance their careers (although we are rapidly expanding the services we provide and the extent to which we assist people and organisations). We are proud of the fact that we help over 150 million people every month and serve 700,000 organisations globally. In Australia alone we have over 6 million people and 100,000+ organisations that use our employment services every month and are responsible for one third of all job placements in Australia. We also help 55,000 students (per annum) find courses with Australian education providers to improve their career prospects.

We are very pleased to be invited to make this submission and stand ready to assist the Government wherever we can in improving employment and education outcomes. Some opportunities that come immediately to mind:

1. We have unique economic insights on labour market and education trends that we would be happy to share with Government. In employment, we now come very close to representing the full universe of job opportunities in Australia;
2. Based on SEEK's experiences and labour market insights (internationally as well as in Australia), we can provide the Government with insights on future employment trends and the types of qualifications Australians will need to succeed in the new digital economy.
3. Based on our experience with Online Education Services (a 50:50 Joint Venture between SEEK and Swinburne Online) we can share our experience on how public-private partnerships can work successfully to fill a social need and do so profitably
4. We may be able to assist the Government in relation to the provision of career or job services to the unemployed or perhaps by assisting to build a marketplace to facilitate better matching of career opportunities or talent between public (eg. Education, Research Sector) and private participants (eg. private incubators, accelerators, SMEs, Corporates)

Details of Submission

1. The extent to which graduates are graduating with the skills needed for the jobs of today and of the future

As has been well documented the impact of technology and disruption is that there is likely to be two structural impacts where:

- Technology & disruption will remove the need for automated and menial labour
- Growth in the digital economy, biomedicine and related industries which will increase the need for a highly skilled workforce with STEM background

We believe to resolve this issue this could come from increasing the alignment and responsiveness between the learning ecosystem and workforce. Potential solutions may include:

- A. Improving current and future insight to skills and competencies*
- B. Effective collaboration between education institutions and business*
- C. Achieving an appropriate balance across modes within the education system (e.g. tertiary education, apprenticeships, vocational education, etc.)*
- D. Investment across individuals' employment lifespan*
- E. Building foundation of base technical skills required for future jobs*

A. Improving current and future insight to skills and competencies

Education, Corporates and Government need to work closely to establish mechanisms to identify and forecast future skill requirements and gaps. Once workforce trends (gaps or opportunities are identified) then the findings will need to be transparent for Education providers to allow them to be responsive / agile to adapt their curriculum to meet the emerging and sought after skills. To encourage education participation, students should also be provided with learning pathways aligned to career outcomes to help students with better information to make informed choices as well as encourage progressive skill acquisition.

SEEK is well positioned to assist the government given it has deep and broad data on vacant job opportunities, including data on where roles are not being fulfilled or where roles take a long time to get filled. Leveraging our deep data from jobseeker's CVs, SEEK is building career pathways and the type of education required to progress to certain career paths. SEEK will provide this information for free to jobseekers and prospective students.

B. Effective collaboration between education institutions and business

There is a need to develop models that encourage collaboration between education providers, professional bodies and industry to identifying skills needs and designing appropriate curricula that can prepare students for a range of professional roles. Education providers need to actively consider how their curricula, teaching, and other practices contribute to developing skills that are valued by employers.

We believe there is a growing opportunity for universities and corporates like SEEK to co-develop or for corporates to provide insight into education content that will prepare graduates for the jobs of the future. For example, SEEK is uniquely placed to provide input into specific areas of education content as we both are large employer of technology and product staff and also have visibility on areas of the “digital economy” that are high in demand but are candidate short. Also, given SEEK’s involvement with Online Education Services, which is a leading provider of online education to working Australian adults, we believe SEEK also has access to unique insights into effective ways to educate and retain students in an online learning environment.

C. Achieving an appropriate balance across modes within the education system (e.g. tertiary education, apprenticeships, vocational education, etc.)

To ensure that there is an appropriate balance and mix of education to meet Australia’s needs, Corporates, Government and Education providers need to continue efforts to support the development of effective models of education content across vocational education, apprenticeships, internships, and other methods of work-integrated learning. Specifically there is an opportunity to:

- Provide financial assistance to those looking to study to ensure education is not a barrier to education (Note, FEE-HELP schemes have gone a long way to support this in VET and Higher Education sector)
- Linking demonstrated collaboration between Education Providers & Industry, to public funding, and balancing the need for education providers to keep pace with global standards of education
- Basic skill needs will broaden and evolve from literacy and numeracy, to technology literacy, creativity, problem solving, critical thinking and resilience. This will need to be addressed at the school level as well as upskilling those already in the workforce
- Establish targeted reskilling programs to assist adults impacted by sectoral transition such as low skilled manufacturing

D. Investment across individuals’ employment lifespan

Historically the working population has thought about early stage education as opening the door to your future career and using those learnings through your entire career. Education will continue to be fundamental in developing people as they enter the workforce, but we think the landscape has changed and we will need to embrace a requirement for life-long learning and adapting our core skills, i.e. the basics of literacy and numeracy, to those required in the digital age (technology literacy, creativity, problem solving, critical thinking and resilience). To adapt to the style of life-long learning, we believe we need increased awareness of the importance of lifelong learning and that education can be consumed in a format that suits the needs of working adults (eg. flexible, online education).

E. Building foundation of base technical skills required for future jobs

The growing industries are likely to be in the “digital economy” and “biomedicine” which will lead to an increasing demand for STEM graduates, which in turn will mean a greater emphasis will need to be placed on building a foundation of STEM skills.

One particular aspect where we would like to emphasise is believe we need to focus on is to ensure participation of females in STEM education. Currently there is low female participation in under-graduate and graduate STEM courses which then is leading to low female participation in the workforce of technology companies or technology departments. Potential solutions may include changing awareness and stereotypes of STEM careers amongst females, providing financial or career incentives to grow female participation in graduate/under-graduate careers.

2. Matters relating to laws and regulations that may act as a barrier to meet the needs of the new economy and fastest growing sectors

SEEK is very supportive of changes to laws and regulations that promote sustainability of the education sector and adequately prepare the workforce for the next phase of growth in the Australian economy. We believe that the specific reforms (below) have already swiftly improved the sustainability of VET industry particularly amongst the private sector.

- Increased power given to ASQA to regulate the VET sector
- Clarification and prescriptive rules around marketing of VET FEE-HELP
- Reduced barriers for students to withdraw from enrolments

However, certain policy changes are having unintended consequences which is likely to impede the private sector’s role in meeting future education needs. The specific reform where VET HELP fees are spread over three census dates has imposed a significant increase in costs, administrative burden and reduced revenue. In turn, this has significantly reduced the profitability of credible private education providers, which will likely reduce their ability to re-invest back into their underlying operations and likely inhibit their ability to invest in growth initiatives (eg. such as new curriculum to meet future needs of the new economy).

Potential solutions include: alternative arrangements which treat well credentialed providers and brokers differently from those with a poor track record in terms of student graduation or employment outcomes. Alternatively, another proposal is to align the number of census dates across the education industry to match VET with Higher Education which has two census dates.

In regards to future VET reforms, we believe that with ASQA’s increased power and the proven track record of the ACCC these bodies can successfully undertake, specific and targeted investigations of providers or brokers with a poor track record. At this juncture, this strategy would be preferable than future large scale regulatory change.

3. Factors that discourage closer partnerships between industry, in particular small and medium enterprises, the research sector and education providers; including but not limited to, intellectual property, technology transfer; and rapid commercialisation

SEEK's observation is that there is very little awareness and understanding as to how research and education providers can assist large corporates and small medium enterprises. A potential solution is to create a centralised marketplace to "show case" the following:

- Universities can promote details of their key R&D capabilities
- Provide case studies of where research sector and corporates have successfully collaborated on initiatives
- Provide a centralised repository on the type of government grants that are available to both corporates and research sector and education providers.

To encourage companies to further collaborate with the research sector and education providers, the Government should consider providing special tax concessions or other appropriate financial incentives to improve the economic viability of R&D projects (which by nature are inherently riskier). To sharpen the focus of universities to prioritise commercialisation of new technology or IP, a potential solution is to attach "commercialisation key performance indicators" to research funding / grants.

4. Relationships between tertiary education entrepreneurship programs and private incubator and accelerators

Our key observation is that collaboration between tertiary education entrepreneurship programs and private incubators and accelerators is already occurring and that we expect this to continue. We believe there is a larger opportunity for either incubators/accelerators and tertiary education entrepreneurship programs to partner with large corporates. We believe the impact of greater collaboration will have a bigger impact to Australia for a few key reasons:

- a. Collaboration with corporates will meet an important strategic need.** Large corporates need to invest in new ventures and disruptive technologies to either protect or grow their existing franchise. But by nature these ventures are risky and easy for corporates to defer expenditure or resources given a higher risk profile. Therefore by corporates partnering with tertiary education entrepreneurship programs or private incubators, they can access the benefits of being exposed to new ventures or new disruptive technologies at a low cost in terms of money and resources.

- b. Corporates bring strategic assets to accelerate growth.** A corporate would typically have the strategic assets (customer relationships, geographic presence, etc) that could accelerate the progress of the start-up and is also typically the “natural owner” once the start-up reaches maturity. Assuming collaboration can occur in the right spirit, it makes strategic sense for the collaboration to occur earlier rather than later.
- c. Corporates have a bigger impact on the economy.** The aggregate economic contribution of large corporates is significantly larger than that of start-ups. We believe that by partnering with tertiary education entrepreneurship programs or private incubators, they can play an important role in helping corporates grow, which in turn will likely have a larger aggregate impact on Australia’s economy.

5. Other related matters that the Committee may consider relevant

Australia’s large corporates are increasingly vulnerable from new technology and disruptive threats. We see many industries and businesses facing threats and opportunities from disruption but too few appear to be responding with sufficient urgency and aggression. There is an ever increasing risk that Australian companies face being disrupted by large US players or start-ups.

To reduce the risk of disruption and conversely take advantage of the opportunities of disruption requires Australian companies take a more aggressive stance in terms of re-investment. This will result in greater innovation over the long-term and ultimately ensure that Australian companies are able to sustain and grow their businesses. We believe that two specific changes will better allow and CEOs and Board be given greater flexibility to invest and plan for longer term horizons.

- 1. Australia’s large super funds (like the Future Fund) should be encouraged to align the fee structure of external fund mandates to match the duration of liabilities of their underlying fund holders.*
 - Ideally, performance fees would be based on long term performance (5-10 years). The logic is that if fund mandates are based on long term performance, significantly less emphasis is based on short-term financial outcomes and in theory this should provide CEOs and Boards with greater flexibility to invest execute against a long-term strategy.
- 2. 2 strike rule on Board and Executive remuneration, currently set at the “25% level”. We are supportive of the intent of this rule but in practice we believe it is leading to bad short-term behaviour that is impacting long-term thinking*
 - The vote is and has been used by shareholders (typically with short time horizons) as a strategy to pressure Boards and Management to deliver short-term outcomes (higher dividends, short-term profit growth) which can be inconsistent with objectives of re-investment and executing a medium to long-term growth horizons
 - Certain proxy advisers adopt a formulaic approach to assessing remuneration structures where structures that are “non-traditional” are not supported by

proxy advisers but may be the right strategy for the long-term strategic needs of a company

- Potential solutions may include raising the threshold above 25% and/or Super Funds that are run by government, insourcing their assessment of corporate remuneration

SEEK and the Government have many shared objectives in wanting to contribute to Australia's ongoing prosperity and extending Australia's role as a global leader. I hope that SEEK or I can assist to make a meaningful contribution. This is an offer that is made genuinely with the interests of the nation at heart. Neither SEEK nor I are looking for any business advantage here beyond the fact that what is good for the country will also be good for us.

Yours faithfully

Andrew Bassat

CEO and Co-Founder

SEEK Limited