



Australian Embassy  
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BỘ LAO ĐỘNG - THƯƠNG BINH VÀ XÃ HỘI  
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# Industry-VET engagement in Australia: origins and reforms

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January 2024

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## 1. Australia's Industry Engagement Model for Vocational Education and Training

Australia's industry led engagement model for Vocational Education and Training (VET) has evolved over more than 30 years. It has long been acknowledged that industry must play a central role in workforce skills development. People who are trained with high quality skills have ongoing career opportunities, the businesses they work in benefit through improved efficiency and increased competitiveness, which in turn delivers economic benefit to Australia both domestically and internationally.

This evolution of the industry led engagement arrangements for VET has seen changes to the model across the years, each designed to enhance industry engagement and leadership, and to improve on the previous model. While these changes have sometimes been considered disruptive as each model establishes itself, they have added to the vibrancy and ongoing engagement from industry. The various models have seen the establishment of Industry Training Councils and National Industry Training Advisory Bodies (ITABs) (1993-2003), Industry Skills Councils (ISCs) (2003-2015), Industry Reference Committees (IRCs) and Skills Service Organisations (SSOs) (2016-2022)<sup>1</sup> and most recently, Jobs and Skills Councils (JSCs) (2023 to current).

While each of the industry led engagement models for VET has had differing governance structures and has seen changes to the organisations that provide the service to industry, there are a number of similarities.

- Each model has always been designed to ensure **industry is placed in a central role** to determine the workforce skills needs of their industry.
- Each of the models have been **funded by the Australian Federal Government** to establish and operate the organisations to represent and support industry.
- **Industry has consistently seen the value of participating in, and contributing to, each of the industry led models on a voluntary basis**, as part of their in-kind support to their industry and the economy more broadly. It is generally understood that highly skilled workers provide a benefit to an entire industry, and that having consistently skilled workers supports mobility and transferability between employers, across regions, and around the country.
- Under all but one of the models (SSO model) over the years, **industries and sectors were clustered together based on the most logical connections** under each of the established organisations. For example, under the current Jobs and Skills Council model, Transport and Logistics covers Road Transport, Warehousing, Ports, Aviation, Maritime and Rail.
- Each of the industry led models has also included industry engagement mechanisms which draw together industry representatives to determine and prioritise the workforce skills needs of their industry. These representative groups have been variously known as Sector Standing Committees, Industry Reference Committees (IRC) and Strategic Workforce Committees, under the different models.
- Each model has a significant role in the **development of training packages that specify the knowledge and skills required by individuals to perform effectively in the workplace, expressed in units of competency**. Training packages are used predominantly by training providers, to design training and assessment strategies that supports individual learner needs,

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<sup>1</sup><https://avetra.org.au/resources/Documents/Conference%202022%20Presentaitons/AVETRA%202022%20Eric%20Smith.%20Industry%20Skills%20Councils%20presentation.pdf>

and to address the skills needs of employers and industry. Employers use them to assist with workforce design, development, and structure.

### ***Training packages and competency-based training assessment in Australia***

Training packages consist of the following nationally endorsed products: units of competency, which specify the standard of performance required in the workplace; assessment requirements (associated with each unit of competency); qualifications aligned to the AQF (Certificate I to Advanced Diploma, and Graduate Certificate and Graduate Diploma); credit arrangements<sup>2</sup>.

Australia has a competency-based training and assessment (CBTA) system, meaning that students are trained and assessed against nationally endorsed and recognised competency standards (units of competency). Students are required to demonstrate they can apply the knowledge and skills required to complete tasks and functions, meeting the standards and requirements as set out in the competency standard. Units of competency are packaged together to form qualifications which align to occupations, or job roles. Each qualification is designed to provide the appropriate level of flexibility to meet the needs of individual employers, while also providing a core set of skills and knowledge to ensure consistency across an industry.

## **2. Origins and Reforms**

### **Identifying the origins and reforms**

Industry engagement models have evolved with reforms to the Australian National Training System. The four main types of industry advisory bodies throughout this evolution are outlined below:

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<b>Industry Training Advisory Bodies (ITABs)</b> <b>(1973-2003)</b>	<p>Initially established as Industry Training Councils (ITCs) from 1973, ITABs existed at both national and state/territory levels as autonomous bodies providing advice to governments on the training needs of the industries they represented. They represented individual industries, so the number was too large to achieve system efficiency or consistency.</p> <p>ITABs or similar bodies, still operate at state and territory level, however the state ITABs are mostly clusters of complimentary industry sectors. State ITABs support implementation of the outputs of the National bodies within the State/Territory training arrangements.</p>
<b>Industry Skills Councils (ISCs)</b> <b>(2003-2015)</b>	<p>In 2003, following a series of VET system reforms in the 1990s, twenty-nine national ITABs were replaced by eleven ISCs. The ISCs were created as new bodies, not mergers of previous industry advisory bodies. The ISCs were non-profit and independent organisations. They supported clusters of sectors that had logical connections and operational synergies.</p> <p>The 11 ISCs included:</p> <ul style="list-style-type: none"><li>• AgriFood industry</li><li>• Community Services and Health Industry</li><li>• Construction and Property Services which covers general construction, plumbing and property services industries.</li><li>• ElectroComms and Energy Utilities industries</li><li>• Forest Works</li></ul>

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<sup>2</sup> <https://www.asqa.gov.au/about/vet-sector/training-packages>

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- Government Skills
  - Innovation and Business
  - Manufacturing
  - Skills DMC (covering drilling, mining and civil construction industries)
  - Service Skills Australia; and
  - Transport and Logistics.

Each ISC had industry sector committees. Committee members were representatives of the various industry-sectors that came under the umbrella of the ISC. Training Packages were endorsed for implementation by the National Quality Council (NQC), who represented industry. Therefore, Training Packages were being endorsed by industry, rather than by a government agency.

The formal roles of ISCs included:

- providing industry intelligence and advice to Skills Australia, government and enterprises on workforce development and skills needs
- developing training packages
- providing independent skills and training advice to enterprises and working with enterprises, employment service providers, Registered Training Organisations, and government to allocate training places under the Productivity Places Program; and
- engaging with State and Territory Governments, State and Territory industry advisory bodies and peak representative bodies in their area of industry coverage.

Funding for 11 ISCs was provided substantially by the Australian Government through the Department of Education, Employment and Workplace Relations.

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**Industry Reference Committees (IRCs) and Skills Service Organisations (SSOs) (2016 – 2022)**

ISCs were replaced by 67 IRCs supported by six SSOs under the new arrangements for developing training products that came into effect on 1 January 2016. The SSO model focused on the development and maintenance of Training Packages, approved by the Australian Industry and Skills Committee (AISC).

**Australian Industry and Skills Committee (AISC)**

The AISC was established by the Skills Ministers in May 2015 to give industry a formal role in approving VET training packages. The AISC advised governments on the current and future skills standards and competencies needed by all Australian industries. The AISC provided an industry perspective to ministers and drew on advice from the 67 IRCs.<sup>3</sup> AISC membership included industry leaders nominated by Commonwealth and state and territory ministers, a peak body representative (rotating between the Australian Chamber of Commerce and Industry, the

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<sup>3</sup> <https://www.dewr.gov.au/download/10424/overview-current-industry-engagement-arrangements-vocational-education-and-training-factsheet/16962/overview-current-industry-engagement-arrangements-vocational-education-and-training-factsheet/pdf>

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Business Council of Australia and the Australian Industry Group), and two ex-officio members (senior government officials)<sup>4</sup>.

The AISC was supported by a secretariat within the Australian Government Department of Education and Training.

**Industry Reference Committees (IRCs):**

IRCs were the key industry advisory bodies to the AISC. Through IRCs, industry requirements for skills were considered and defined in training packages. IRC members were drawn from big and small enterprises, peak bodies and unions, or experts who understood the skills and training needs of their sector or occupation. IRC development work was supported by time-limited technical advisory committees that incorporated relevant expertise for specific projects. These volunteer subject matter experts allowed several thousand more industry members to be directly involved in the development of relevant training products.

The primary formal roles of IRCs included:

- gathering industry intelligence to inform advice on training package development and review
- directing the work of their SSOs so that training packages contained the correct industry content
- providing sign off for IRC Skills Forecasts and other workforce submissions for consideration by the AISC
- promoting the use of VET in the sectors they represent.

The list of 67 IRCs is presented in Annex B.

**Skills Service Organisations (SSOs):**

SSOs, until 31 December 2022, acted as independent, professional service organisations and undertook the training package related work commissioned by the AISC, under direction of the relevant IRC(s). The six SSOs included:

- Artibus Innovation
- Australian Industry Standards (AIS)
- IBSA Manufacturing
- PWC's Skills for Australia
- Skills Impact
- Skills IQ.

Each SSO provided support services to several IRCs and were funded by the Australian Government. The formal roles of SSOs included:

- supporting IRCs in their engagement with industry, employers, enterprises and other stakeholders to identify required job skills, and to drive training package development aligned with modern work-practices.
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<sup>4</sup> <https://cica.org.au/wp-content/uploads/Back-2-Basics.pdf>



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- developing quality training packages that were fit for purpose, embraced by industry and maximised access to employment for individuals
  - providing technical, operational and secretariat support to IRCs.

Further details on the relationship between the AISC, IRCs and SSOs are provided in Annex C.

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### **Jobs and Skills Councils (JSCs)**

**(2023 and ongoing))**

JSCs replaced SSOs and IRCs from the start of 2023. There are ten JSCs, with the clusters of Industries shifting back to logically connected sectors that facilitate efficiencies in the scope of work they undertake. They bring together employers, unions and governments in a tripartite arrangement to find solutions to skills and workforce challenges.

The introduction of JSCs reflects the need to broaden the role for industry further beyond the focus on training package development under the previous arrangements, address system-wide barriers, and add value across the economy and across all education pathways, including schools, VET and higher education sectors. Each JSC works closely with Jobs and Skills Australia.

#### **Jobs and Skills Australia (JSA)**

Jobs and Skills Australia is a secondary statutory authority attached to the Department of Employment and Workplace Relations (DEWR). It will provide independent advice to the Department of Employment and Workplace Relations and the Minister for Skills and Training on current, emerging, and future workforce, skills, and training needs. Its advice will inform government policy, programs, and investment; business and industry planning; and the choices Australians make about their education, training, and employment. Jobs and Skills Australia is funded by the Government.

#### **Jobs and Skills Councils (JSCs)**

The 10 JSCs and the relevant industry sectors include:

- Skills Insight: Agribusiness, Fibre, Furnishing, Food, Animal and Environment Care
- BuildSkills Australia: Building, Construction, Property and Water
- SkillsEQipped: Arts, Personal Services, Retail, Tourism and Hospitality
- Future Skills Organisation: Finance, Technology and Business
- Powering Skills Organisation Ltd: Energy, Gas and Renewables
- Manufacturing Industry Skills Alliance: Manufacturing
- Mining and Automotive Skills Alliance: Mining and Automotive
- Industry Skills Australia: Transport and Logistics
- Public Skills Australia: Public Safety and Government
- Human Ability: Early Educators, Health and Human Services

Further details on the individual JSCs' scope are provided in Annex D.

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JSCs are responsible for a far broader scope of work than SSOs, including the following four core functions<sup>5</sup>

- Workforce Planning is the strategic centrepiece for JSCs and informs the other functions. Workforce planning will underpin intelligence-gathering for strategic priorities and will be a critical focus to guide strategic planning.
- Training Product Development requires JSCs to develop training products in line with standards set by Skills Ministers to improve the quality, speed to market and responsiveness of training products.
- Implementation, Promotion and Monitoring, JSCs will partner with training providers and organisations to align workforce planning objectives and national training products with career advice and ‘on the ground’ training delivery.
- Industry Stewardship, JSCs will act as a source of intelligence on workforce issues affecting their industries and provide advice on national training system policies.

JSCs are expected to be tripartite<sup>6</sup>. This is to be demonstrated by employer organisation and union representation on JSC governance (Board composition, membership structures) and operational arrangements (strategic taskforces, sub-committees, and technical committees). Participation by employer organisations and unions is intended to be fair and equitable.

JSCs are not-for-profit companies, limited by guarantee, incorporated under the Corporations Act 2001. The corporate governance structure of each JSC is reflected in their company constitution. The approval from the Department of Employment and Workplace Relations (DEWR) is required prior to a JSC undertaking any amendments to its constitution.

JSC Boards must have a combination of industry-specific expertise with deep connections to industry, and professional board expertise. This is required to support independent decision-making. JSC Boards perform their role and functions in line with best practice corporate governance principles. This role involves setting the strategic direction for the organisation and monitoring the implementation of that strategy. The Board is expected to focus on the financial and organisational performance of the organisation, as well as overseeing risk, assurance and compliance activities.<sup>7</sup>

Strategic taskforces, sub-committees and technical committees drive the strategic direction and deliver on the broad range of functions of the JSCs, providing strategic advice to the Board to support their decision-making. This includes validating JSC plans, deliverables and reporting. Each strategic taskforce, sub-committee and technical committee will have clear terms of reference, agreed by the Board and regularly reviewed.

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<sup>5</sup> <https://www.dewr.gov.au/download/15433/jobs-and-skills-councils-program-guidelines/33362/jobs-and-skills-councils-program-guidelines/docx>

<sup>6</sup> <https://www.dewr.gov.au/skills-reform/jobs-and-skills-councils>

<sup>7</sup> [www.dewr.gov.au/skills-reform/jobs-and-skills-councils](http://www.dewr.gov.au/skills-reform/jobs-and-skills-councils)



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JSCs are funded by the Government. Funding levels differ across the JSCs. A funding model provides guidance to support the department in determining the distribution of core and activity funding across JSCs based on a series of drivers.

To deliver on their responsibilities and functions, JSCs require effective relationships and must collaborate with a broad range of stakeholders including: Jobs and Skills Australia (JSA); industry and employers; Industry peak bodies; unions; Registered Training Organisations (RTOs); related state training authorities; industry training advisory bodies (ITABs); higher education providers; and National Careers Institute.

Further details on the Jobs and Skills roles and responsibilities are provided in Annex E.

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## **Understanding the reform transitions**

### **Australian Training System Reform in the 1990s**

Most of the reforms that have shaped the modern, competency-based, Australian training system grew out of the significant reform program implemented by the Australian National Training Authority (ANTA) after its establishment in 1992. Key reforms (from within and outside of ANTA) that shaped the system over the decade leading up to the introduction of ISCs include (see **Appendix A** for key milestones in the history of VET in Australia):

- Australian Vocational Training System (AVTS) commenced in 1993.
- Australian Qualifications Framework (AQF) introduced in 1995.
- Modern Australian Apprenticeship and Traineeship System (MAATS) introduced in 1996.
- Industry Training Packages introduced in 1996 (first were endorsed in 1997).
- VET in Schools introduced in 1997.
- New Apprenticeships scheme (replaced MAATS), User Choice, and the Australian Recognition Framework (ARF) were all introduced in 1998.
- Australian Quality Training Framework (AQTF) was developed from the ARF in 2001, and represented the first approach to quality assure the provision of VET in Australia

### **Developments with Industry Skills Councils (ISC)**

The reforms implemented by ANTA provided a strong platform for the introduction of ISCs when they replaced National ITABs in 2003. The efficiencies created by the clustering of sectors for the ISC model facilitated significant rationalisation of the national training system, improved qualification design, and encouraged consolidation (and sharing) of training products to support labour mobility. It should be noted, two decades on from the introduction of ISCs, that each subsequent reform of the national training system has had rationalisation, consolidation and standardisation of training product design among the high priority objectives. From a policy setting perspective these objectives are constantly evolving to meet the ever-changing world of work.

A key feature of ISCs was their Sector Standing Committees, comprised of industry leaders and unions who, together with broad stakeholder consultation, informed and directed the work programme for the organisations. Stronger and closer links to industry established by industry owned and led ISCs ensured training packages better reflected the skills and knowledge they needed workers to have to drive safety

and productivity objectives. The improved quality of training packages led to advances in training and assessment delivery and outcomes for graduates and employers.

In 2007 the Training Package Development Handbook (TPDH) was released to provide guidance and advice on the design and content of Training Package products in line with various policy requirements. In 2012 the TPDH was replaced by The Standards for Training Packages, which were designed to ensure quality, consistency, and ease of use of all Training Package products, again in line with the latest policy updates. The implementation of the 2012 Standards saw the requirement to transition all training products in compliance with the Standards. This led to a significant reorganisation and streamlining of training product content which has taken a number of years to complete following resistance from some industry sectors.

ISCs were heavily involved in the implementation of training products including targeted production of learning and assessment resources and brokering/administering commonwealth funding programs such as the Enterprise Based Productivity Places program (EBPPP) and subsequent similar co-contribution (employer and government) funding programs.

A positive feature of the ISC era was the substantial collaboration between the ISCs. There were standing forums and/or communities of practice for groups such as the ISC CEOs and Chairs, Training Package Technical Managers, and Foundation Skills Specialists.

#### **Moving to Skills Service Organisations (SSOs).**

In 2013, there was a review of VET system arrangements with changes rolled out over the next few years. The National Quality Council (NQC) was replaced with the Australian Industry and Skills Committee (AISC) as the endorsing body for Training Packages. ISCs were replaced by Industry Reference Committees (IRCs) and SSOs from the start of 2016.

The aim of the new arrangements was to streamline the training package development and endorsement process to expedite responses to industry needs. The role of SSOs and IRCs was streamlined, from the broader scope of work undertaken by ISCs, to be largely focussed on Industry Training Packages.

A key difference between the ISCs and SSOs was the formation of standing committees for each industry sector. ISCs were previously responsible for identifying and convening their advisory committees, but under the SSO model, the IRCs were committees of the [Australian Industry and Skills Committee](#) (AISC) who were responsible for appointing the IRCs. The committees were then allocated to SSOs who provided professional services to support their work. Previously endorsement submissions were made by the ISC; in the new arrangements, submissions were made by the IRC with support from the SSO.

Another difference in the SSO model was the clustering of industry sectors. Eleven ISCs had become six SSOs so the coverage of several SSOs was very broad. The logical connections between sectors was no longer apparent, for example, Australian Industry Standards' coverage included transport and logistics, maritime, rail, aviation, police, defence, public safety, water, electrotechnology, gas, energy generation, energy transmission and distribution.

The reason for this change in the clusters was because SSOs were professional service organisations, providing services to the IRCs, and were not the industry led organisations under the ISC model. The new model was also 'contestable', where IRCs would have the ability to move between the SSOs based on which one they considered could best support their needs; however, over the life of the SSOs no IRC changed from the SSO to whom they were originally allocated.

## Introducing Jobs and Skills Councils

The move to JSCs from SSOs originated from a review of Australia's VET system in 2018. This review resulted in the '[Strengthening Skills: Expert Review of Australia's Vocational Education and Training System](#)' report delivered early in 2019, also known as the Joyce Report. The report recommended significant and fundamental changes to the VET system. A number of the Joyce report recommendations have been implemented, including a National VET Reform Roadmap and the piloting of three Skills Organisations.

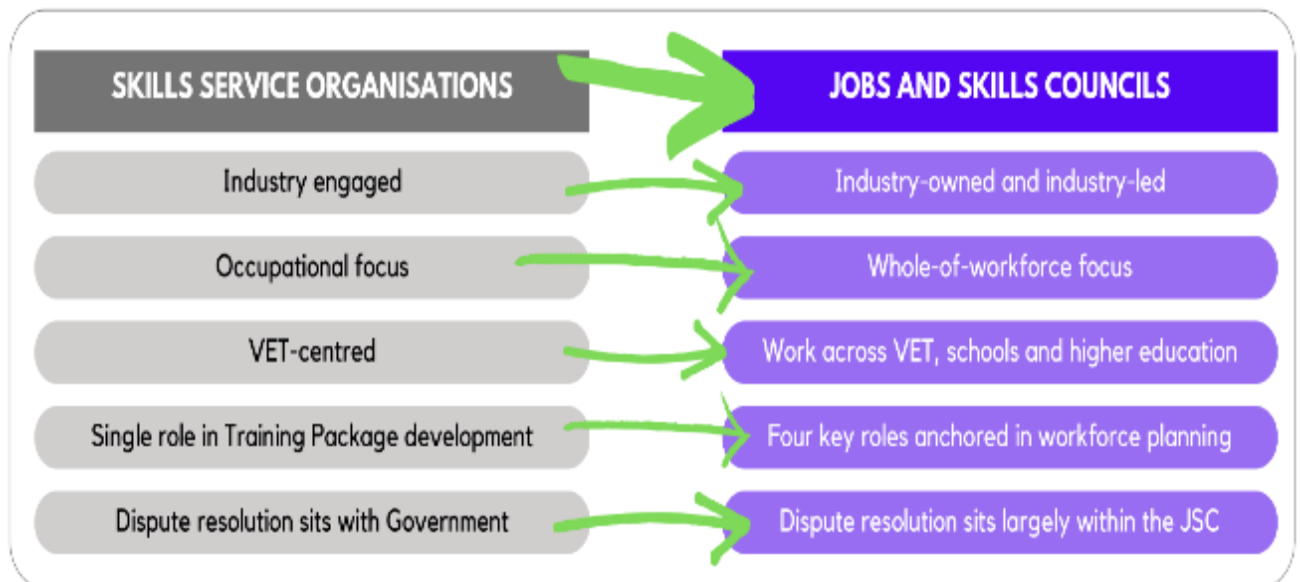
The process to appoint what were originally to be called 'Industry Clusters' was commenced in 2021 and concluded in 2022. During the appointment process Australia saw a change of Federal Govt. The entities were renamed Jobs and Skills Councils (JSCs) and commenced operation at in 2023.

The stated aim of JSCs is to *"provide industry with a stronger, more strategic voice in ensuring Australia's VET sector delivers stronger outcomes for learners and employers. They bring together employers, unions and governments in a tripartite arrangement to find solutions to skills and workforce challenges"*.

JSCs identify skills and workforce needs in collaboration with their sectors, map career pathways across education sectors, develop VET training products, support collaboration between industry and training providers to improve training and assessment practice and act as a source of intelligence on issues affecting their industries.

A key feature of the new JSC arrangements is a requirement for the Councils to collaborate on cross sector initiatives which should see positive outcomes for the training system and its industry stakeholders.

The main differences between SSOs and the JSCs that have replaced them are as follows:



### Summary of different models for Industry Engagement in VET

Model	Reform Objectives	Main functions & outputs	Endorsing/Accrediting body	Funding model
<b>Industry Skills Council</b>	<p>Improve efficiency and the ability to drive reform by consolidating many National ITABs into a smaller number of logical Clusters.</p> <p>Rationalise and consolidate training products on the National Register, and improve consistency of training product design.</p>	<p>Engaging broadly with Stakeholders to gather industry intelligence and provide advice to Skills Australia, government and enterprises on workforce development and skills needs.</p> <p>Development and maintenance of training packages.</p> <p>Providing independent skills and training advice to enterprises.</p> <p>Brokering Commonwealth funding programs</p> <p>Main Outputs were:</p> <ul style="list-style-type: none"> <li>• Annual Environmental Scan;</li> <li>• Three-year Training Package Continuous Improvement Plan (refreshed annually);</li> <li>• Training Package Cases for Endorsement;</li> <li>• Products and programs to support the implementation of training packages.</li> </ul>	<p><b>National Quality Council (NQC).</b></p> <p>The NQC was a body with statutory powers to endorse content to be added to the National Register of VET</p>	<p>Core funding to operate ISC, produce annual Environmental Scan, and undertake Training product development and maintenance.</p> <p>Activity based funding was for brokering funding and occasional special initiatives.</p>

Model	Reform Objectives	Main functions & outputs	Endorsing/Accrediting body	Funding model
<b>Skills Service Organisation</b>	<p>Streamline the training package development and endorsement process to improve speed to market in response to industry needs.</p> <p>Rationalise and consolidate training products on the National Register.</p>	<p>Provide professional Services to support IRCs.</p> <p>Under the direction of IRCs, engaging broadly with Stakeholders to gather industry intelligence and provide advice to the AISC and government on skills needs.</p> <p>Development and maintenance of training package cases for endorsement for submission by IRCs</p> <p>Main Outputs were:</p> <ul style="list-style-type: none"> <li>• Annual Industry Skills Forecast;</li> <li>• Training Package Cases for Change;</li> <li>• Training Package Cases for Endorsement.</li> </ul>	<p><b>Australian Industry and Skills Committee (AISC).</b></p> <p>Approved activity funded Cases for Change and Considered Cases for Endorsement, and where appropriate recommended these to <b>Skills Ministers</b> for endorsement.</p>	<p>Core funding to operate SSO and produce annual Industry Skills Forecast.</p> <p>Activity funding provided for training product development and maintenance.</p>

Model	Reform Objectives	Main functions & outputs	Endorsing/Accrediting body	Funding model
<b>Jobs and Skills Council</b>	<p>Provide industry with a stronger, more strategic voice in ensuring Australia's VET sector delivers stronger outcomes for learners and employers.</p> <p>Bring together employers, unions and governments in a tripartite arrangement to find solutions to skills and workforce challenges.</p> <p>Improve the quality, speed to market and responsiveness of training products</p>	<p>Workforce Planning is the strategic centrepiece for JSCs and informs the other functions which include training product development requires JSCs to develop training products; implementation, promotion and monitoring of workforce planning objectives and national training products; and industry stewardship.</p> <p>Main Outputs are:</p> <ul style="list-style-type: none"> <li>• Industry Workforce Plans (refreshed annually)</li> <li>• Three-year Activity Schedule (refreshed annually)</li> <li>• Annual Strategic Plan</li> <li>• Training Package Cases for Endorsement</li> <li>• Implementation, promotion and monitoring of workforce planning and development initiatives.</li> </ul>	<p><b>Department of Employment and Workplace Relations (DEWR).</b></p> <p>Considers and approves Workforce Plans, associated Activity Schedules and activity funded projects. Endorses submissions made under the Training Product Operating Framework.</p>	<p>Core funding to operate JSC, produce annual Workforce Plans, undertake implementation, promotion and monitoring, and Industry Stewardship.</p> <p>Activity funding provided for workforce development projects (including training product development and maintenance).</p>



### **3. The Future of Industry Engagement in Vietnam**

The more than 30 years of Australian experience in Industry engagement and leadership in workforce skills development, provides many learnings to support the broader establishment of the IRC model in Vietnam.

#### **Strategic groupings of industries maximises synergies and opportunities**

Having too many, or too few, organisations supporting industry engagement hinders efficiency and quality outcomes. Logically grouping industries with others that are operationally similar fosters collaboration, enables consolidation and rationalisation of content to reduce effort in its development and maintenance, and facilitates labour mobility through recognition of transferrable skills and knowledge.

Collaboration and cooperation (rather than competition) across the various organisations conducting industry engagement should be encouraged. Sharing of good practice through forums and communities of practice, as well as joint initiatives for national challenges (e.g. digital transformation, decarbonisation, etc.) leads to better outcomes for each of the organisations, the skills system, workers, employers, government and the nation.

#### **Workforce planning must be the central mechanism**

A broad workforce planning approach should be applied to the development of workforce solutions. Rigorous workforce analysis and consultation should inform the identification and validation of challenges. Responses to identified challenges should consider all aspects of their implementation. To achieve a successful skilling outcome, development of the solutions should consider:

- how, when, where and by whom it will be implemented?
- what industry, government and/or training system regulation or policy might apply?
- what equipment and resources are required, and how will trainees access them?
- what are the timeframes and cost of implementation?
- are there any opportunities for collaboration with other stakeholders and/or industry sectors?
- is there employer, union and worker demand/support for the solution in the way it is being offered?

#### **Broad industry engagement is essential**

Stakeholder engagement should be as broad and deep as possible and include a representative cross section of the industry (geographically and employer type/size). A tripartite arrangement is essential where employers, employee representatives, and government are all actively participating in the gathering and analysis of intelligence, and formation of responses to identified challenges. Shared ownership and commitment substantially increases the chance of successfully implementing solutions.

Deeper key stakeholder engagement should also include training providers, industry associations, industry regulators and students.

If any of the key stakeholder groups are excluded from the process the chances of roadblocks at implementation are increased.

It's important to recognise that each stakeholder group informs the process in a different way. For example, training providers understand teaching and learning strategies, but may not be experts in industry's current and future skills needs; similarly, industry understand their current and future skills needs but may not be experts on the training system and development of high-quality learning and development strategies. Each group should be recognised as the expert in their part of the process and precedence given to their input to the relevant parts:

- Employers understand the skills, knowledge and attributes they require to drive productivity, safety and compliance with regulations. They should lead the specification of requirements to be included in skills standards and qualifications.
- Employee representatives are focussed on the welfare of workers so need to contribute to safety aspects of skills standards and ensure implementation of them will create opportunities for, and be attractive to, workers.
- Governments set skills policy and establish legislative, regulatory and funding arrangements for the skilling system. They need to ensure training products can be effectively implemented within their arrangements.
- Training providers need to develop curriculum and learning and assessment strategies to implement the industry prescribed training products. They need to be consulted on draft training products so they can provide feedback on any possible implementation challenges/barriers.

It is up to the body responsible for development of training products to consider the views of all of the above groups and apply their expertise to developing training products that balance needs to achieve the best possible skilling outcome.

## Conclusion

Vietnamese industry will benefit from the development of a highly skilled workforce across all areas of the economy. This will in turn drive productivity for business, which drives economic prosperity for the country. Applying the lessons learned in Australia will provide opportunities to move faster and adopt a model of industry engagement that works for Vietnam.

There is also potential for IRCs in Vietnam to provide advice to government on issues that are causing blockages in the supply of a skilled workforce to industry. These may include regulatory matters, licencing arrangements, and skills recognition issues. Advice may also include funding initiatives from government to address skills shortages in areas of urgent need.

Strategic thinking, effective workforce planning, and broad industry engagement where there are opportunities for all industry voices to be heard, are the cornerstones for a successful model of industry engagement.

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## Appendix A: Key Milestones in the history of VET

The National Centre for Vocational Education Research ([NCVER](#)) has published a number of resources that outline key events in the history of VET in Australia. [Key Milestones in the history of VET](#) in Australia (1952-2021) Notes the following:

<b>1952-54</b>	<b>Wright Inquiry.</b> This joint Commonwealth-State inquiry was the first national review of apprenticeships.
<b>1957</b>	<b>First national apprenticeship body established.</b> Australian Apprenticeship Advisory Committee (AAAC), made up of Commonwealth and state training authorities, is established.
<b>1962</b>	<b>Country Apprenticeship Scheme (CAS).</b> CAS was the first national scheme to provide financial support for apprenticeships. It was incorporated into the new National Apprenticeship Assistance Scheme (NAAS) in 1973.
<b>1963</b>	<b>First year complete national VET statistics were available.</b>
<b>1973</b>	<b>National Apprenticeship Assistance Scheme (NAAS).</b> NAAS was the first large scale federal government financial assistance provided for apprenticeship training. It was superseded by the Commonwealth Rebate for Apprentice Full-time Training (CRAFT) in 1977. <b>Industry training councils established.</b> ITCs were the forerunners to industry training advisory bodies (ITABS).
<b>1979</b>	<b>First formal group training scheme established.</b> The first formal group training scheme was the Master Builders' Association Group Training Scheme in Canberra. In the same year, the Metal Trades Industry Association group training scheme also started in New South Wales with 70 apprentices.
<b>1980</b>	<b>TAFE National Clearinghouse established.</b> The 1979 Conference of TAFE Directors endorsed the development of a National TAFE Clearinghouse to collect and disseminate information about technical and further education in Australia. The clearinghouse, modelled on the ERIC clearinghouse, began operation in 1980.
<b>1981</b>	<b>Group Apprenticeship Scheme (GAS) introduced.</b> Under the Group Apprenticeship Scheme, apprentices were indentured to a central body and rotated between participating employers in order to experience a variety of work types within their trade. <b>TAFE National Centre for Research and Development began operations.</b> The need for an 'Australian TAFE Technology Centre' was first stated in the 1974 report, and taken up by the 1979 Williams Inquiry. The TAFE National Centre for Research and Development was established in June 1980 and began operating in November 1981. In 1992, it became the National Centre for Vocational Education and Research (NCVER).
<b>1985</b>	<b>Australian Traineeship System (ATS) established.</b> The Australian Traineeship System was established following the Kirby Committee Inquiry into Labour Market Programs.
<b>1989</b>	<b>Introduction of competency-based training.</b> Commonwealth, states and territories endorsed the adoption of competency based training as the basis for delivering VET.
<b>1990</b>	<b>Training Guarantee Scheme introduced.</b> The Training Guarantee Scheme was introduced to encourage businesses to provide training for their employees through a system of incentives. The scheme ended in 1996.
<b>1992</b>	<b>Australian National Training Authority (ANTA) established.</b> Operational in 1993, ANTA provided a national focus for VET. ANTA was abolished and its responsibilities transferred to the Commonwealth Department of Education and Training (DEST) from 1 July 2005. <b>National Framework for the Recognition of Training (NFROT) introduced.</b> NFROT established national principles for accreditation of courses, registration of training providers, credit transfer, recognition of prior learning, and assessment. It was operational from 1 August 1992 to 1998, when it was replaced by the Australian Recognition Framework.

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	<p><b>Australian Vocational Certificate Training System (AVCTS) implemented.</b> The AVCTS was the competency-based vocational training system that was proposed in the Carmichael report. It was superseded by the Australian Vocational Training System (AVTS) in 1993.</p> <p><b>Age restrictions removed from apprenticeships.</b> People of all ages can participate in apprenticeships.</p> <p><b>Career Start Traineeships (CSTs) introduced.</b> Career Start Traineeships (CSTs) introduced under the Australian Vocational Certificate Training System (AVCTS) to target early school leavers by providing a bridge from traineeships to AVCTS.</p>
<b>1993</b>	<p><b>Australian Vocational Training System (AVTS).</b> The AVTS, formerly the Australian Vocational Certificate Training System (AVCTS), was based on nationally endorsed industry and enterprise competency standards and provided a broad range of articulated pathways that combined education, training and experience in workplaces.</p>
<b>1994</b>	<p><b>Start of the Australian Training Awards.</b> Australian Training Awards were introduced to enhance the status of VET by recognising and rewarding excellence in training across Australia.</p> <p><b>NETTFORCE established.</b> The National Employment and Training Taskforce was established to encourage employer take-up of traineeships, resulting in the extension of traineeships beyond basic certificate levels to higher certificate and diploma levels and the introduction of the National Training Wage (NTW).</p> <p><b>Age restrictions to traineeships removed.</b> Adults able to access traineeships for the first time.</p> <p><b>Introduction of AVETMISS.</b> AVETMISS is the Australian Vocational Education and Training Management Information Statistical Standards, was introduced to provide a national consistency in the collection and analysis of VET information.</p>
<b>1995</b>	<p><b>Australian Qualifications Framework (AQF) introduced.</b> The AQF replaced the Register of Australian Tertiary Education (RATE). This brought all post-compulsory education and training qualifications into one national system of qualifications.</p>
<b>1996</b>	<p><b>Modern Australian Apprenticeship and Traineeship System (MAATS) introduced.</b> Modern Apprenticeships and Traineeships replaced the Australian Vocational Training System (AVTS) to modernise the Australian training system and make it more attractive to a much wider range of enterprises.</p> <p><b>Training Packages introduced.</b> Following their introduction in 1996, the first set of training packages were endorsed in 1997.</p>
<b>1997</b>	<p><b>VET in Schools introduced.</b> In 1996, the ANTA Ministerial Council agreed to fund VET in Schools programs (\$20m per year from 1997-2000) to forge stronger links between schools, the VET sector and industry.</p>
<b>1998</b>	<p><b>Commencement of New Apprenticeships.</b> New Apprenticeships was the umbrella term for the new national apprenticeship and traineeship arrangements which came into effect on 1 January 1998, replacing the Modern Australian Apprenticeship and Traineeship System (MAATS). Schools-based apprenticeships and traineeships were introduced as part of the New Apprenticeships arrangements.</p> <p><b>Introduction of user choice.</b> User choice is national policy governing the flow of public funds to registered training organisations (RTOs) selected by employers to deliver the off-the-job training components of apprenticeships and traineeships. Its purpose is to make vocational education and training (VET) more responsive to the needs of industry and employers.</p> <p><b>Australian Recognition Framework (ARF) implemented.</b> The Australian Recognition Framework was a set of nationally agreed registration requirements for training providers, their products and services that replaced the National Framework for the Recognition of Training (NFROT). The ARF Arrangements were reviewed in June 2001 and replaced by the Australian Quality Training Framework (AQTF).</p>

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<b>2001</b>	<b>Australian Quality Training Framework implemented.</b> The Australian Qualifications Framework (AQTF) was developed from the Australian Recognition Framework (ARF) and represented the first approach to quality assure the provision of VET in Australia
<b>2003</b>	<b>Industry Skills Councils replaced national ITABs.</b> Following the restructuring of the national industry training arrangements by the Australian National Training Authority (ANTA), national industry training advisory bodies (ITABs) were replaced by 11 Industry Skills Councils.
<b>2006</b>	<b>Commencement of Australian Apprenticeships.</b> New Apprenticeships re-launched as Australian Apprenticeships.
<b>2007</b>	<b>FEE-HELP extended to include higher level VET qualifications.</b> Legislation extending student loan VET students was passed in 2007 to come into effect from 1st January 2008. Payments for VET FEE-HELP started in 2009.
<b>2008</b>	<b>COAG initiated a new reform agenda to enhance productivity and workforce mobility.</b>
<b>2009</b>	<b>National Agreement for Skills and Workforce Development (NASWD).</b> The COAG VET reforms were affected through NASWD and supporting national partnership agreements such as the National partnership Agreement on Skills Reform. NASWD sets out four outcomes and two broad targets for the VET reform agenda, to be reached by 2020.
<b>2011</b>	<b>National VET regulator established.</b> The Australian Skills Quality Authority (ASQA) became operational from 1 July 2011. <b>VET Quality Framework introduced.</b> The VET Quality Framework is aimed at achieving greater national consistency in the registration of RTOs and in the enforcement of standards in the VET sector.
<b>2012</b>	<b>National Partnership Agreement on Skills Reform (NPASR).</b> NPASR was released on 13 April 2012, committing states and territories to achieving reform directions agreed under NASWD. NPASR introduced a national entitlement to training whereby all jurisdictions agreed to implement a student training entitlement within the national training system by 30 March 2015.
<b>2014</b>	<b>Total VET Activity (TVA) implemented.</b> TVA expands the collection of data on nationally accredited VET activity to include data from all providers. From 1 January 2014, all RTOs, unless granted an exemption, must collect and report full AVETMISS data on all nationally accredited training, in accordance with the National VET Provider Collection Data Requirements Policy. <b>VET reform focused on enhancing industry leadership, strengthening the apprenticeships system and increasing participation.</b> Governance arrangements were streamlined and a number of Ministerial Council Committee and advisory bodies abolished. COAG Industry Skills Council replaced the Standing Council on Tertiary Education, Skills and Employment (SCOTESE)
<b>2015</b>	<b>Commencement of the Unique Student Identifier (USI).</b> USI commenced from 1 January 2015. The implementation of the USI has enabled all training activity to be linked, facilitating electronic training records of learner attainment (e-portfolios), irrespective of where the training took place. <b>New Australian Apprenticeships Support Network (AASN) established.</b> AASN replaced Australian Apprenticeships Centres.
<b>2016</b>	<b>Australian Industry and Skills Committee (AISC) leads new arrangements for training product development.</b> Under the new model, the development of training products is done through Industry Reference Committees (IRCs) overseen by AISC and supported by Skills Service Organisations (SSOs).
<b>2017</b>	<b>Commencement of VET Student Loans.</b> VET Student Loans (VSL) program, which commenced on 1 January 2017, replaced the VET FEE-HELP scheme. <b>Skilling Australians Fund announced.</b> The Fund was announced in the 2017-18 budget, aimed at delivering a national target of up to 300,000 additional apprenticeships, traineeships and



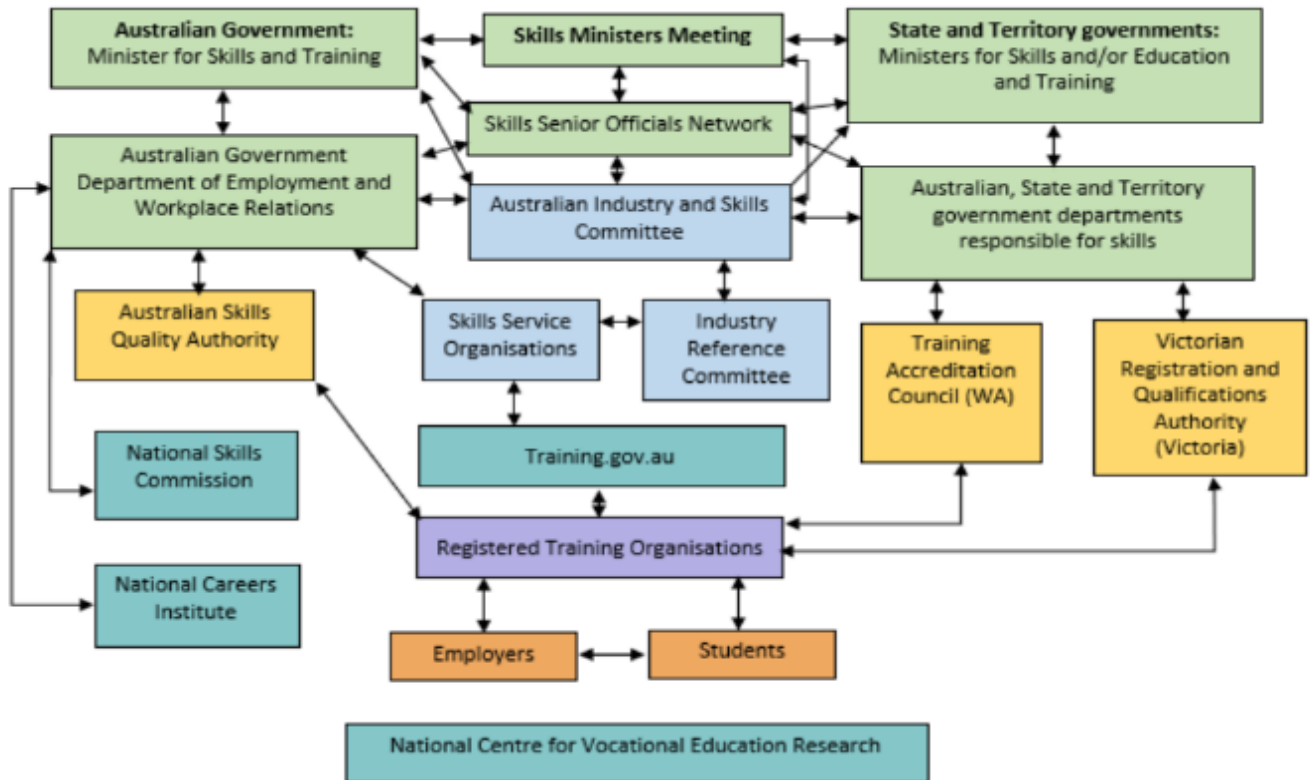
	<p>other relevant employment related training. The National Partnership on the Skilling Australians Fund is an agreement between the Commonwealth and states and territories commencing from the date each jurisdiction signs the agreement.</p>
<b>2019</b>	<p><b>Delivering Skills for Today and Tomorrow package announced.</b> The \$525.3 million (over five years) package announced in the 2019-2020 budget to reposition the vocational education and training sector to meet future skill needs and is in response to recommendations made in the Joyce review.</p> <p><b>National Careers Institute (NCI) established.</b> NCI, funded under the Delivering Skills for Today and Tomorrow package, to provide access to authoritative and accurate careers information.</p>
<b>2020</b>	<p><b>Skills Organisations Pilots.</b> Pilots established to test new ways to make the VET system more responsive to the skills needs for three selected industries: human services; digital; and mining.</p> <p><b>AISC Emergency Response Sub-Committee (ERSC) established as a COVID-19 response.</b> The ERSC, operational from 3 April to 31 December 2020, was established to fast-track the development of national training products to support and skill key frontline workforces impacted by COVID-19, including aged care, disability support, health care, and the early childhood education and care sectors. Infection control skill sets were the first national training products developed by ERSC.</p> <p><b>COAG Skills Council replaced by Skills National Cabinet Reform Committee (Skills Committee).</b> The Skills Committee is one of the six Committees of the National Federation Reform Council (NFRC). NFRC replaced COAG in the wake of the COVID-19 pandemic. Its role is to support the ongoing reforms to VET outlined in the Heads of Agreement on Skills Reform.</p> <p><b>Heads of Agreement for Skills Reform.</b> The Agreement sets out immediate reforms to improve the VET sector and an approach and priorities for developing a new National Skills Agreement to replace the National Agreement on Skills and Workforce Development</p> <p><b>National Skills Commission (NSC) established.</b> The NSC provides independent intelligence on Australia's skills and jobs and aims to drive long-term improvements across the skills system to bring together existing data and develop new capability in skills analysis, and improved data and advice on VET pricing and outcomes.</p>
<b>2021</b>	<p><b>National Microcredentials Framework released.</b> The Framework aims to provide consistency in the definition and recognition of microcredentials across higher education, vocational education, and industry. Support for microcredentials was announced in the 2020-21 budget as one of the initiatives to strengthen the VET system.</p>

## **Appendix B: List of 67 Industry Reference Committees**

Aboriginal and Torres Strait Islander Health Worker  
Aerospace  
Aged Services  
Agriculture and Production Horticulture  
Ambulance and Paramedic  
Amenity Horticulture, Landscaping, Conservation and Land Management  
Animal Care and Management  
Aquaculture and Wild Catch  
Automotive Allied  
Automotive Heavy Vehicle  
Automotive Light Vehicle  
Automotive Strategic  
Automotive Vehicle Body Repair  
Aviation  
Business Services  
Children’s Education and Care  
Civil Infrastructure  
Client Services  
Coal Mining  
Community Sector and Development  
Complementary Health  
Construction, Plumbing and Services  
Correctional Services  
Culture and Related Industries  
Dental  
Direct Client Care and Support  
Disability Support  
Drilling  
Education  
Electricity Supply Generation  
Electricity Supply Transmission, Distribution and Rail  
Electrotechnology  
Enrolled Nursing  
Extractive  
Financial Services  
First Aid  
Food, Beverage and Pharmaceutical  
Forest Management and Harvesting  
Furnishing  
Gas  
Information and Communications Technology  
Local Government  
Manufacturing and Engineering  
Maritime  
Meat

Metalliferous Mining  
Naval Shipbuilding  
Personal Services  
Pharmaceutical Manufacturing  
Printing and Graphic Arts  
Process Manufacturing, Recreational Vehicle and Laboratory  
Property Services  
Public Safety  
Public Sector  
Pulp and Paper Manufacturing  
Racing  
Rail  
Sport and Recreation  
Sustainability  
Technician Support Services  
Textile, Clothing and Footwear  
Timber and Wood Processing  
Timber Building Solutions  
Tourism, Travel and Hospitality  
Transport and Logistics  
Water  
Wholesale and Retail

## Appendix c: The position of AISC, IRC and SSO in VET system



Source: Paper on Reflections and opportunities: Australian Industry and Skills Committee 2015-2022.  
<http://hdl.voced.edu.au/10707/63548>

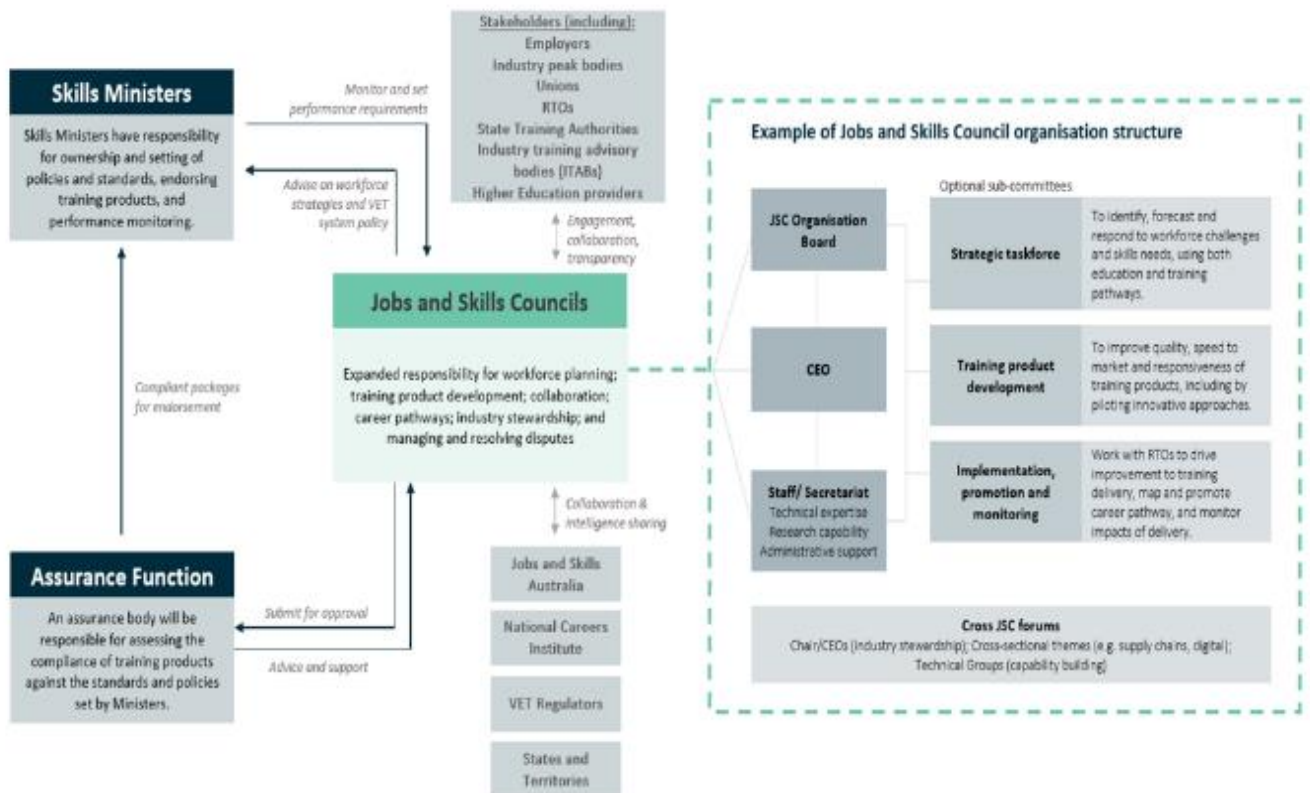
## Appendix D: Job and Skills Councils scope

1. Skills Insight	Agribusiness, Fibre, Furnishing, Food, Animal and Environment Care Covering industries of primary production — plants and animals — as well as textiles, clothing and footwear, forestry, timber and furnishing. Emerging industries include natural resources security and environmental management.
2. BuildSkills Australia	Building, Construction, Property and Water Covering industries that provide property services, small or large scale construction services, traditional building as well as large scale civil infrastructure services and water infrastructure operations.
3. SkillsEQuipped	Arts, Personal Services, Retail, Tourism and Hospitality Covering 'high street' human services such as hairdressing, floristry, travel, hospitality as well as the creative economy with fine art, ceramics, music, dance, theatre and screen. Wholesale and retail services, including emerging industries such as online sales.
4. Future Skills Organisation	Finance, Technology and Business Covering professional services or otherwise supporting the needs of a successful business including marketing, accounting, human resources, digital literacy, and information and communication technologies. Emerging industries include cyber security, financial technologies, artificial intelligence and the internet of things.
5. Powering Skills Organisation Ltd	Energy, Gas and Renewables Covering the industries of electricity, gas, renewable energy and storage or the use of resources in the production of energy. Emerging industries include hydrogen
6. Manufacturing Industry Skills Alliance	Manufacturing Covering industries of manufacturing and engineering, light manufacturing including pharmaceuticals, print, food and advanced manufacturing. Emerging industries include defence and space technologies.
7. Mining and Automotive Skills Alliance	Mining and Automotive Covering industries involved in mineral exploration and extraction operations, and automotive. Emerging industries include driverless automotive technologies.
8. Industry Skills Australia	Transport and Logistics Covering industries involved in warehousing and distribution operations as well as transport, including rail, maritime, aviation, and logistical support and supply chains. Emerging industries include omnichannel logistics and distribution and air and space transport and logistics.

9. Public Skills Australia	Public Safety and Government Covering industries directly involved in public service (e.g., local government, police, corrective services, public safety).
10. HumanAbility	Early Educators, Health and Human Services Covering industries that offer community services and support such as aged care, disability services, mental health, early childhood education and health, and sport and recreation services.



## Appendix E: Jobs and Skills roles and responsibilities and example of ISC organisational structure



Source: Fact sheet “New industry engagement architecture” published by Department of Employment and Workplace Relations (<https://www.dewr.gov.au/skills-reform/resources/new-industry-engagement-architecture>)