



AUSTRALIAN
INDUSTRY
STANDARDS

Industry in the driver's seat: strengthening industry engagement in VET



Whitepaper series

A strong and modern training system will be needed to underpin Australia's economic recovery. Reforms to enhance industry leadership in the VET system will deliver training that meets the needs of employers for a skilled and productive workforce.¹

Why industry engagement in VET is vital to Australia's economy

An industry-led vocational education and training (VET) system brings together industry and the VET sector with the joint goal of growing the capability and agility of Australia's workforce in line with industry's current and emerging skill needs.

Done well, an industry-led VET-system serves as the engine-room of an economy. It has the power to significantly lift the productivity of individual enterprises and at the same time, the global competitiveness of a country's entire economy.

Digital transformation of Australian industry is well underway and represents a rare and era-defining opportunity to rapidly grow our nation's productivity levels. However, history has taught us that with great economic disruption comes the risk of great inequality if we fail to simultaneously upskill and reskill the working population. As digital transformation gathers pace, a strong industry voice and its leadership of the VET system will be central to ensuring that we leave no worker behind in the journey ahead.

When this paper uses the term 'industry', we are referring to employers of all sizes from micro through to large, employer and employee representatives, associations and professional bodies. Related stakeholders include industry and licensing bodies.

¹ Australia's Skills and Training Ministers (20 November 2020), Ministerial Statement – Update on Skills Reforms, accessed 10 February 2021 at <https://www.dese.gov.au/skills-reform/skills-reform-ministerial-statements>

Why did we write this paper and who is it for?

Transformational reform is underway in Australia's VET system. A series of recent reviews have praised the features of the system that are valued across Australia and recognised internationally but have identified the need for reforms and improvements to meet the rapidly changing need for skills.

Of the identified reforms some are:



Already in place, such as the National Skills Commission and the National Careers Institute



Underway, such as the shift to a new approach to regulation of Registered Training Organisations (RTOs)



The subject of consultations with stakeholders to seek fresh ideas including strengthening industry engagement, improving qualifications design, lifting RTO quality and supporting the VET workforce.

The COVID 19 pandemic has created a new imperative for the reforms given the key role to be played by VET in post-pandemic economic recovery. In a 'double disruption' the convergence of the global pandemic and digital transformation have accelerated the adoption by workplaces of technology. The need to rebuild Australia's post-pandemic economy and dramatically lift productivity only serves to magnify the urgency of harnessing the potential of digital transformation.

This paper focuses on ways to strengthen industry engagement in VET. AIS has supported 11 Industry Reference Committees (IRCs) since 2016 using our in-house technical expertise built over 20 years of being contracted by the Commonwealth to engage with industry in a variety of roles. In our role as a Skills Service Organisation (SSO) industry engagement is one of our key functions and the extent to which we successfully support our IRCs in their work is reliant on our capability in this area, as is our international work delivered through AIS Global, where we engage with industries worldwide developing strategies, resources and training to support workforce needs.

We want to contribute to the current reform process. This is the right time to reflect on our experience in facilitating engagement across industry over many years and to identify and share what we've learnt with those shaping the thinking for the current reforms. We want to be part of achieving a more powerful industry voice and engagement in our world class VET system which, if its potential is unleashed, can power a leap in productivity and a jump-start for the Australian economy.



Summary

This paper looks back to reflect on what has worked well in our experience. It identifies the good practices that underpin effective engagement and points to what could be strengthened. We have identified 10 'good practices' when it comes to effective engagement, summarised below.

Good Practice in Action

- 1** Build representative networks and use to multiply and extend reach
- 2** Enable bipartisanship
- 3** Ensure transparency
- 4** Value different roles industry stakeholders want to play
- 5** Review and refresh networks regularly
- 6** Try new approaches to engagement, keep innovating and improving
- 7** Draw on experts for leadership and fresh thinking about big issues
- 8** Keep learning from international practice
- 9** Support IRCs in evidence-based advice
- 10** Use the right language



Our reflection on the good practices

- ## 01

Build representative networks and use to multiply and extend reach. To understand industry needs, we must find ways to reach enterprises of all sizes in all geographic locations because context makes a difference to the way businesses operate and that impacts on the way skills are used and grown in the workplace and the extent to which employers can access formal training in local markets.

We also need to engage with enterprises at all stages of the innovation adoption curve to understand emerging directions from ‘innovators’ and ‘early adopters’, whilst also recognising the barriers faced by the ‘late majority’ in recruiting skilled employees and in upskilling/reskilling.

This is a big challenge, so we need to be efficient and clever in the way we use our resources.

Extending reach is often achieved through proactive industry/employer and employee associations who can present the broad and nuanced range of views of their diverse membership including many small and medium enterprises who look to them for advice and support.
- ## 02

Enable bipartisanship. Employer and employee representation is critical in development of occupational standards as part of the advisory or technical committees or as part of the consultation process. Employers and employees have a powerful shared interest – employers want skilled workers and employees want sustainable jobs. Ensuring they are both part of the process means that issues during development and review of products are discussed and resolved around the table and not in workplaces. It also helps to remove barriers to usage of the products. Bipartisanship should also extend to system design, not just training products.
- ## 03

Ensure transparency underpins all engagement. Not all industry stakeholders are always satisfied with the outcomes of qualification design or system changes. But most can accept it if their views do not prevail providing, they know how they were considered and the reasons. Without that transparency and respectful communication that closes loops, there is a risk of disengagement from the significant in-kind contribution made by industry representatives.



04

Value different roles industry stakeholders want to play and support them to engage in diverse roles at the points of engagement they choose:

- Advising on skills needs and the jobs of today and tomorrow
- Driving the design and content of occupational standards
- Influencing the quality of training delivery and assessment
- Using the VET system
- using occupational standards to help shape job design, inform position descriptions and build recruitment and workforce development strategies
 - hiring VET graduates
 - engaging apprentices and trainees
 - offering meaningful work placements
 - upskilling and reskilling their employees to meet current and emerging needs.
- Providing advice on how the system and its parts are working or not working for them.

05

Review and refresh networks regularly to test existing thinking and views while maintaining balance by drawing on the expertise and corporate memory of those involved for many years – a synthesis of ‘fresh eyes and experienced eyes’ to encourage debate and new ideas while preserving the highly valued features of our national system.

It is critical to keep striving to deepen and broaden engagement that demonstrates:

- The diversity of industry stakeholders is recognised and valued.
- An inclusive approach that enables all voices to be heard and different views to be resolved through informed debate.
- Using industry experience to inform all levels of the system – program and system design as well as products.

06



Try new approaches to engagement, keep innovating and improving. There are diverse ways to engage and different approaches work at various times for different sectors and stakeholders depending on business scale and composition, the maturity and life cycle of the business, how organised or disparate it is, whether it is undergoing transformation and its existing workforce development culture. Multiple engagement tools help to maximise reach, and coupled with data collection on their effectiveness, give organisations a deep understanding of which tools to use with which stakeholders for maximum effect. Use of some technology tools may be simple and low cost but they are not a substitute for a range of engagement mechanisms which expand connections. As an example of continuous improvement, in response to stakeholder comments we have enhanced the visibility of feedback received in the development of new Training Package products, which is easily accessible on our [website](#).

07

Draw on experts for leadership and fresh thinking about big issues. They can add intellectual rigour, stimulate robust discussions, and bring bold ideas to the table based on their diverse networks.

08

Keep learning from international practice. Widening our perspective to overseas and researching international practices has facilitated the concept of transnational occupational standards, sharing of good practice, collective research and analysis. It also offers the opportunity to benchmark activities and can provide an early warning of industry trends.

Our work through AIS Global has not only enabled us to share our expertise in VET and industry engagement in the Australian system but has also provided a rich source of learning through the experience of other countries and our concurrent research into diverse topics such as occupational standards, governance arrangements and stakeholder engagement strategies.

09

Support IRCs in evidence-based advice. An effective industry led VET system relies on quantitative and qualitative workforce data to ensure advice and decision making is informed, objective and accurate. We do this in many ways including:



- Providing IRCs with quantitative data on labour force trends and about usage of their products
- Gaining qualitative data from stakeholders via surveys and forums
- Conducting webinars and face to face discussions using stimulus or discussion papers
- Undertaking research and consultations for the IRC Skills Forecasts
- Validating quantitative data with IRCs to ensure occupational standards are anchored to what is happening at workplaces across the country.

10

Use the right language when engaging and communicating with industry. This means translating policy priorities and 'bureaucratic' terms into language and issues that resonate with industry. This is particularly important when engaging with industry representatives who are busy running businesses and need to quickly understand the issue, its relevance and what is being sought.

Connect with us to have your say about skills and workforce development solutions for your industry.

- Visit our Engagement Hub on our website – www.australianindustrystandards.org.au
- Talk to a member of our team (details are available on our website or by calling (03) 9604 7200)
- [Subscribe](#) to our newsletter and for updates on training packages for your industry
- Send feedback via enquiries@australianindustrystandards.org.au

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