

Australian  
Industry and  
Skills Committee

# National VET conference

*How industry leadership is strengthening the  
VET system*

## Speech for Bill Galvin

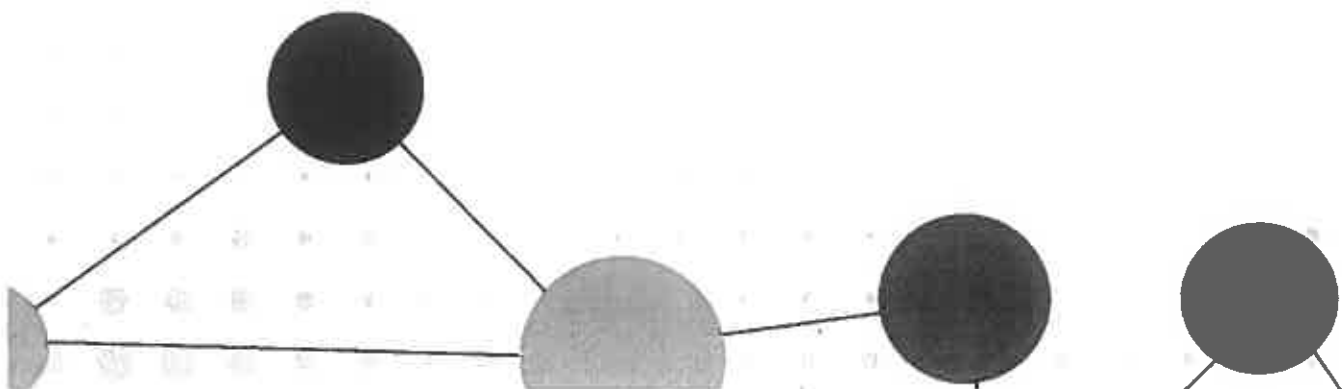
Friday, 15 September 2017

Darling Harbour Theatre

International Convention Centre, Sydney

Arrival time: 8:00

Presentation time: 8:45



## Introduction

Ladies and gentlemen thank you for the chance to be with you this morning to talk to you about how industry leadership is strengthening the vocational education and training system.

*[Acknowledge distinguished guests: The Honourable Karen Andrews MP – Assistant Minister for Vocational Education and Skills; and The Honourable Michael Lavarch – ASQA Commissioner Risk, Intelligence and Regulatory support.*

*Thank Kerri Buttery, VELG training, for the opportunity to address the 2017 National VET conference]*

I would like to begin by acknowledging the traditional owners and custodians of the land on which we meet and to pay my respect to elders past, present and future. I give a special welcome to any Aboriginal and Torres Strait Islander peoples here today.

When my colleague John Pollaers, Chair of the Australian Industry and Skills Committee (AISC), spoke at this forum in 2015, the Committee was in its early days.

In just two years, we have achieved much – establishing new architecture that puts **industry firmly in the driver's seat.**

With industry at the centre of training package development, employers now have a greater role in determining what skills and knowledge they need their employees to have. This is important so employers can adapt to the changing nature of work and expand their business – providing jobs and powering our economy.

**Training providers are also key to delivering a quality national training system that meets industry and student needs.**

**While industry develops the competency outcomes in training packages, the AISC relies on training providers to develop and deliver high quality training and assessment strategies, in consultation with local employers and industry.**

Having a high quality and efficient VET system relies on all members of the VET community working together to provide the quality education and training that is valued by students and employers alike.

Today I would like to share with you some of the work of the AISC to date and tell you about some of our future priorities.

Before I do, for those of you unfamiliar with the AISC, I would like to give you a brief overview of what we do.

## **About the AISC**

The AISC, a Council of Australian Governments (COAG) Committee, is a **collaboration of industry and government focused on:**

- **simplifying and demystifying the VET system**
- **amplifying the voice of industry in skills training development, and**
- **building employer's confidence in VET qualifications.**

As well as being responsible for overseeing training package development, the **AISC advises Commonwealth and State Industry and Skills Ministers on the implementation of national VET policies.**

The Committee is made up of industry leaders with links across the economy including the construction, disability services, information technology, mining

and hospitality and tourism sectors. The three national peak industry bodies also have a seat at the table, rotating through one position on the Committee. The Business Council of Australia is the current peak body representative.

But it's not just the individuals sitting on the AISC that represent industry. **The AISC draws on advice from a network of 64 Industry Reference Committees (IRCs).**

An IRC is made up of people who are leaders in their own sectors – from big business, small enterprises, peak bodies and unions.

**IRC members have an in-depth knowledge of their industry and have a key role in making sure training package qualifications meet the needs of the sector they represent.** They work across their industry to ensure their advice reflects the needs of employers and the modern economy.

With their grass roots, industry intelligence we can be sure training packages are responsive to the needs of business. This is essential if we are to assist all Governments in implementing the key priorities of:

- **making it easier for people to move between occupations**
- **improving efficiency by creating units that can be used by multiple industries**
- **simplifying the system by removing obsolete qualifications**
- **fostering greater recognition of skill sets, and**
- **improving speed to market so that new training courses are developed more quickly to support skill needs.**

## What has the AISC done to strengthen the VET system?

### IRC Review

One of our first tasks was to **review the structure and membership of our IRCs** to make sure the right employers and businesses were represented. The review process is now almost finalised and it is great to see a balance between people with experience and expertise, and new strategically focussed people bringing a fresh perspective to training package development.

With this major piece of work behind us, we are now focusing on new ways of working together across industries. This will strengthen and simplify the national system.

### Cross sector projects

The AISC has established eight **cross sector projects** to explore development of units of competency or skillsets to address new or emerging skills needs that are common across industries. These are in the areas of:

- big data
- automation
- coding
- consumer engagement through social media
- supply chains
- cyber security
- environmental sustainability, and
- team work and communication

These projects aim to address common skills, minimise duplication of units, consolidate existing units and remove units that are no longer being used.

**This will reduce the level of complexity in the VET system, improve mobility through recognition of qualifications between occupations and address the issue of low enrolments in some courses.**

This work is providing a forum for a range of industries to come together to discuss opportunities provided by these new technologies and how they can translate to new competencies across the system.

With all key players at the one table, this new approach will drive more collaboration across industries.

#### Reducing obsolescence and duplication

Top of mind for the AISC is making sure that the training system serves the needs of industry. The AISC has **simplified and reduced the duplication of training packages**, working with the IRCs to remove 16 obsolete training packages. That's a 19 per cent reduction – a good start but there is more to be done here.

#### New credential requirements for trainers and assessors

As I mentioned earlier, the AISC also provides advice to Government on implementation of national policy for the VET system. Acting on recommendations by the AISC, in July the Government announced **new requirements to boost the credentials of trainers and assessors**. These changes reflect the AISC's focus on quality, and how important it is for employers to have confidence in VET qualifications.

The changes will **ensure trainers and assessors have the skills and knowledge to design and develop assessment tools and address adult language, literacy and numeracy skills.**

Trainers and assessors who currently hold the Certificate IV in Training and Assessment or the Assessor Skill Set will need to obtain new core units of competency on top of their existing credentials by 1 April, 2019.

The Certificate IV in Training and Assessment is a key qualification for strengthening career pathways and workforce development for VET practitioners, and we are pleased to see it being further strengthened.

## **Our future**

The AISC is keen to make sure that Australian businesses are prepared for the future of work as the workplace becomes increasingly digitalised and automated.

### Industry Growth Centres

We are actively engaged with the **Industry Growth Centres**, another government initiative, to capitalise on Australia's growth industries, ensuring **skills is high on the agenda.**

An example of the positive outcomes of engaging with growth centres can be seen in the formation of a short-term pharmaceutical manufacturing IRC.

Realising there was a need to modernise the pharmaceutical manufacturing sector, pharmaceutical companies and the sector Industry Growth Centre MTP Connect approached the AISC to form an IRC to guide the development of a nationally recognised qualification. Once in place, this will allow employees to transfer skills between companies and cut down on the cost of training for

employers. This is just one example of how industry is leading the way in determining the skills and training it needs.

Looking to the future, I would also like to share with you two projects that are underway – the Future Priority Skills resource, and the Industry Insights Report.

### Future Skills and Training resource

The AISC is actively thinking about the future world of work. How will emerging trends in society, economics, technology, the environment and in politics affect individuals and businesses?

The AISC does not have all the answers, but we are helping IRCs prepare for the future.

**Future Skills and Training** is a practical resource which will be rolled out to IRCs shortly. It offers a scenario-based approach to explore how emerging trends may impact Australia's future workforce and skills needs and how people will work and train in the future.

The resource observes that due to the speed and impact of these trends, responsive, industry driven training will be crucial for developing a dynamic, appropriately skilled workforce.

IRC's can use the trends and base scenarios identified in the resource as a starting point to think about how their industry may be affected, and what skills and training they will need to meet changing workplace demands.



## National Industry Insights Report

We are also working with NCVET to develop the **National Industry Insights Report**. This dynamic web-based resource will provide an easily accessible platform for industry stakeholders and IRCs to access data and information on their sector. The Report will bring together bottom-up, grassroots intelligence from IRCs and combine this with top-down industry and labour market data to develop a consolidated cross-IRC evidence base, providing an overarching national view on employment and skills forecasts. The website will be updated regularly as new data is available, and will evolve over time to ensure it meets the needs of IRCs and industry.

The National Industry Insights Report is due to be released by the end of the year and will be a key plank in the evidence base of the AISC. The National Industry Insights Report will also provide a relevant, robust evidence base for IRCs to use particularly when they are developing their annual Skills Forecasts and Proposed Schedules of Work.

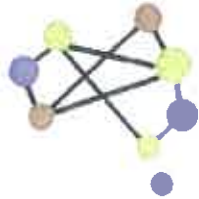
## **Conclusion**

The voice of industry is helping ensure Australia has a quality VET system that meets the needs of both industry and employees. **By keeping “vocation” at the heart of the system and ensuring industry determines relevance and the substance of qualifications, the VET system is poised to deliver quality outcomes for students, industry and the Australian economy.**

Quality teaching underpins the success of the VET system, ensuring students acquire the skills they need to excel in the workforce and to find a fulfilling career. While industry now has a greater role in determining the competency standards, training providers have a key role in delivering a quality national

training system that meets the needs of students and employers. The AISC is keen to continue to work with you to achieve this.

Thank you.



**Australian  
Industry and  
Skills Committee**

## Drivers seat for industry in shaping skills

**Businesses now have a greater say about the skills delivered in the vocational education and training (VET) system, thanks to reforms that put industry at the centre of training package development.**

The new system gives industry a central decision-making role through the Australian Industry and Skills Committee (AISC), and its network of Industry Reference Committees (IRCs). These committees are made up of people with close links to industry, ensuring nationally recognised training packages are more responsive to businesses' needs and the changing needs of the workplace.

### **The Australian Industry and Skills Committee**

The AISC is an industry/government collaboration focused on:

- simplifying and demystifying the VET system
- amplifying the voice of industry in skills training development, and
- building employer's confidence in VET qualifications.

The AISC is made up of industry leaders with links across the economy including in the construction, disability services, information technology, mining and hospitality and tourism sectors. The national peak industry bodies are also represented.

The AISC collaborates with other industry leaders, including through the Australian Government's Industry Growth Centres (IGCs), and advises Commonwealth and State Skills Ministers to make sure that the voice of industry is heard.

The AISC is focused on ensuring Australian businesses have the workforce they need to be more innovative, productive and competitive, and to power our economy.

### **Industry Reference Committees**

The AISC draws on advice from its network of over 60 IRCs. IRCs are made up of members who are leaders in their own sectors – from big business, small enterprises, peak bodies and unions.