



Pilot Skills Organisation principles

Skills Organisations will ensure that vocational education and training (VET) is able to meet the needs of employers and the economy by:

Area	Improvement
1. Improving quality and responsiveness of nationally recognised training for their industry	Skills Organisations will undertake scalable, value for money activities aligned to the SkillsPipeline ¹ to ensure VET is fit for purpose, including: <ul style="list-style-type: none"> • development of nationally recognised training; • new methods of assessment; and • developing standards for industry (i.e. employers) to endorse high quality Registered Training Organisations (RTOs).
2. Embedding employers within VET sector architecture and functions	Skills Organisations will operate as employer-led organisations with genuine, transparent and broad representation and support across their industries. Skills Organisations will also lead industry engagement in the VET sector, including establishing and improving sector networks and feedback loops to ensure the perspectives of key stakeholders are identified and considered.
3. Supporting design and implementation of the broader national VET reform	Skills Organisations will work with key players in the national VET governance structures to advise on and obtain agreement to changes that improve the quality and extent of training for their sectors. Skills Organisations will also provide advice, input and feedback to guide and inform the Australian Government’s consideration of national reforms.

Additional clarification on pilot Skills Organisations’ role and functions

Skills Organisations:

1. Will operate collaboratively with current and future VET stakeholders with responsibility for elements of the national training system, and will not undertake activities in isolation.
2. Will undertake activities in the best interest of all stakeholders within their industry, and will not operate as a Registered Training Organisation, an industry grants program or to commercially benefit an exclusive group of organisations.
3. Will undertake activities within the Skills Pipeline in support of system-level improvements, and will not use Commonwealth funding for activities to directly resolve staff shortages or recruitment issues for individual organisations.

¹ Australia’s VET system can be conceptualised as a Skills Pipeline, providing skills that are current, responsive and relevant. The Skills Pipeline encompasses five elements: (1) skills forecasting and identification; (2) skills standards development; (3) resources development; (4) training delivery; and (5) skilled workers.