

# SKILLS ORGANISATION PILOT EVALUATION

Early achievements and lessons learned



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**This document was collaboratively produced by Urbis and ARTD.**

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# Acronyms

Acronym	Meaning
ACWIC	Aged Care Workforce Industry Council
AISC	Australian Industry and Skills Committee
ASC	Australian Skills Classification
ASQA	Australian Skills Quality Authority
AUSMESA	Australian Minerals and Energy Skills Alliance Ltd (previously the Mining Skills Organisation Pilot)
BSL	Brotherhood of St Laurence
CEO	Chief Executive Officer
CES	Communications and Engagement Strategy
COAG	Council of Australian Governments
DESE	Australian Government Department of Education, Skills and Employment
Digital SO	Digital Skills Organisation
DSDM	Digital Skills Development Model
ECEC	Early childhood education and care
FTE	Full Time Equivalent
GDP	Gross Domestic Product
HoA	Heads of Agreement
Human Services SO	Human Services Skills Organisation
ICT	Information and Communications Technology
IP	Intellectual Property
IRC	Industry Reference Committee
ITABs	Industry Training Advisory Bodies
ITECA	Independent Tertiary Education Council Australia
MCA	Minerals Council of Australia
METS	Mining Equipment, Technology and Services
Mining SO	Mining Skills Organisation (now AUSMESA)
NCVER	National Centre for Vocational Education Research
NDIS	National Disability Insurance Scheme
NFRC	National Federation Reform Council
NYEB	National Youth Employment Body
OECD	Organisation for Economic Co-operation and Development
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
SME	Small to medium enterprises
SO	Skills Organisation
SSO	Skills Service Organisation
STA	State and Territory Training Authorities
TAFE	Technical and Further Education
TOR	Terms of Reference
USI	Unique Student Identifier



VET	Vocational Education and Training
VRQA	Victorian Registration and Qualifications Authority

## Glossary of terms

Term	Meaning
Australian Industry Skills Committee (AISC)	The Australian Industry and Skills Committee (AISC) is responsible for national training package product development under the national Vocational Education and Training (VET) sector.
Australian Qualifications Framework (AQF)	The framework for regulated qualifications in the Australian education and training system, as agreed by the Australian Government state and territory ministerial council with responsibility for higher education.
Australian Skills Quality Authority (ASQA)	The national regulator for Australia's VET sector.
Competency	The consistent application of knowledge and skills to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments.
Credit arrangements	The arrangements that facilitate the movement or profession of students from one qualification or course to another, or from one learning education and training sector to another.
Heads of Agreement (HoA) on Skills Reform	A 2020 agreement between all Australian governments setting 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.
Industry	The bodies that have a stake in the development of courses and the training and assessment services provided by training providers. These can include employers; group training organisations; industry organisations; industry regulators; professional associations; skill service organisations; industry training advisory bodies and unions.
Industry Cluster	<p>Industry Clusters are being established to provide industry with greater responsibility for skills and workforce development, with an increased level of autonomy to drive stronger outcomes across the VET system</p> <p>They will be led by industry (unions and employers) working in partnership with governments and the training sector to identify, forecast and respond to the current and emerging skills needs and workforce challenges of their industries.</p> <p>Industry Clusters will also be responsible for developing training products, ensuring training delivery meets employer needs, and career pathways are mapped and promoted for the industries within their remit.</p>

Industry Reference Committees (IRCs)	IRCs are made up of people with close links to industry, who provide advice to the AISC on the skills needs of their industry sectors. IRCs ensure training packages meet the needs and concerns of employers, employees, training providers, and people seeking training qualifications.
Industry Training Advisory Bodies (ITABS)	Autonomous, industry-based bodies operating at the state and territory level and representing their industries on training and related matters to support the vocational education and training system.
National Careers Institute (NCI)	Established in 2019 to provide reliable and accurate careers information, resources and support.
National Centre for Vocational Education Research (NCVER)	The National Centre for Vocational Education Research is responsible for collecting, managing, analysing and communicating research and statistics on the VET sector.
National Skills Agreement	The National Skills Agreement will replace the National Agreement on Skills and Workforce Development and is under negotiation between the Australian Government and state and territory governments. The Heads of Agreement on Skills Reform (2020) sets out an approach and priorities for developing the National Skills Agreement.
National Skills Commission (NSC)	Provides expert advice and national leadership on Australia's labour market and current, emerging and future workforce skills needs
Pathway	A path or sequence of learning or experiences that can be followed to attain competency. These can be specifically mandated pathways or may vary to reflect individual needs.
Qualification	Formal certification issued by a relevant approved body, to recognise that a person has achieved learning outcomes or competency relevant to identified individual, professional, industry or community needs.
Qualification design trials	An initiative agreed by Skills Ministers to trial new evidence-led approaches to qualifications, with trials to be run by the three Skills Organisations.
Recognition of prior learning (RPL)	A process that assesses an individual's formal, non-formal and informal learning to determine the extent to which the individual meets the requirements specified in the training package or VET accredited course.
Registered training organisation (RTO)	A provider registered by the Australian Skills Quality Association (ASQA) or a state equivalent to deliver nationally recognised VET training and qualifications.



Skills pipeline	The skills pipeline represents the functions of VET system architecture on a five-stage continuum: forecasting and skills identification; skills standard design and development; training resource development; training delivery; leading to skilled workers as the outcome.
Skill set	A single unit of competency or a combination of units of competency from a training package that link to a licensing or regulatory requirement, or a defined industry need.
Skills Committee	The Skills National Cabinet Reform Committee (the Skills Committee) is one of five National Cabinet Reform Committees established by the National Cabinet. Its purpose is to support ongoing reforms to vocational education and training outlined in the Heads of Agreement on Skills Reform.
Skills Ministers	Australian Government and state and territory ministers with portfolio responsibility for the VET sector in their jurisdiction. The Skills Ministers' Meeting provide a forum for intergovernmental collaboration and decision making on national skills and training matters.
Skills Organisations	Skills Organisations (SOs) have been established as pilots to test new ways to make the VET system more responsive to the skills needs of three selected industries: human services, mining and digital skills.
Skills Service Organisations (SSOs)	Organisations that support Industry Reference Committees to develop and review the training packages. SSOs are also a key access point for other industry stakeholders who want to contribute to the development of training packages.
Standards for Training Packages	One of three products (along with the Training Package Products Policy and the Training Package Development and Endorsement Policy) that form the organising framework that supports the development of industry training packages.
Training package	<p>Training packages specify the knowledge and skills required by individuals to perform effectively in the workplace, which are expressed in units of competency.</p> <p>Training packages detail how units of competency are packaged into nationally recognised and portable qualifications that comply with the Australian Qualifications Framework (AQF).</p> <p>A training package also consists of a non-endorsed, quality assured companion volume, which does not form part of the requirements that a training provider must meet under Standard.</p>
Unit of competency	The specification of the standards of performance required in the workplace.

*Some definitions provided are adapted from Australian Skills Quality Authority (2021). Users' guide to the Standards for VET Accredited Courses. Appendix 1: Definitions.*

# EXECUTIVE SUMMARY

## Context

The Vocational Education and Training (VET) system in Australia can be conceptualised as a five-stage skills pipeline that seeks to deliver skills that are current, responsive and relevant to employers and the economy more broadly. The pipeline incorporates skills forecasting and identification, the development of skills standards, policy and governance, resources development, training delivery and the timely supply of skilled employees.

The VET system is currently undergoing major structural change in response to successive reviews and stakeholder consultations which have found that the VET system is fragmented and overly complex, making it difficult for employers and learners to navigate. An independent review of the system undertaken in 2018, *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System* review (the Joyce Review) found that employers are having difficulty finding suitably trained individuals to employ, primarily due to the complex arrangements associated with the existing system's qualifications process.

Among a range of recommendations, Joyce recommended piloting employer-led Skills Organisations (SOs) to tackle shortcomings in existing industry engagement arrangements – in particular, speed to market and qualification relevance. In March 2019, the Australian Government announced funding to pilot SOs in two industries – human services and digital technologies – and in late 2019, the mining sector was added to the initiative.

Establishment of the SO pilot program involved a co-design process with more than 500 stakeholders who participated in consultations and 40 separate submissions to the process. In December 2019, following completion of the co-design consultations, the Digital and Human Services SOs commenced, followed by the Mining SO in mid-2020. All are contracted to operate until June 2023, with their scope of work and functions (as set out in the program guidelines) directly informed by industry perspectives shared during the consultation process.

Building on lessons learned through the SO pilots, which have operated in parallel with the existing system, in October 2021 the Australian Government announced further structural changes to the system through the development of Industry Clusters. In this new approach a smaller number of Industry Clusters will replace the 67 existing Industry Reference Committees (IRCs) and six Skills Service Organisations (SSOs). Each cluster is to constitute a group of aligned industries responsible for identifying, forecasting and responding to emerging skills needs and workforce challenges. These arrangements are expected to be fully operational by 1 January 2023.

## Evaluation goals

In 2021, Urbis and ARTD were commissioned to undertake an evaluation of the SO pilots which includes two components: an implementation review and a meta-evaluation of early project impacts. The purpose of evaluating the SO pilots is to collate and distil key insights that could be used to help inform broader improvements to the national VET system, including supporting the rollout of Industry Cluster arrangements. This includes identifying what worked well for the SO pilots in establishment and early implementation, and what could be improved to support future success.

The report from the implementation review was finalised in January 2022 and is now available on the Department of Education, Skills and Employment (DESE) website. This report presents findings from a meta-evaluation of early project impacts.

It is important to note that this evaluation represents a 'point in time' review of SO activities and several projects have since progressed beyond what was evaluated. Stakeholder views expressed as part of the evaluation may have changed as projects have developed.

## Our approach

Key evaluation questions were developed to guide the evaluation and were updated after the announcement of Industry Clusters and the completion of the Implementation Review. The key evaluation questions for the meta-evaluation of early project impacts are:

- How has the work undertaken by SOs contributed to achievement of the goals and anticipated outcomes of the SO pilot program, as set out in the program guidelines?
- What have the SO pilots demonstrated can be achieved through an employer-led model?
- What lessons can be drawn from the SO pilots that might be used to inform ongoing development and implementation of Industry Clusters?

This evaluation draws on seven key data sources:

- Preliminary key informant interviews with DESE staff and senior stakeholders associated with each SO
- Immersion visits with each SO, involving time 'on site'
- A strategic environment scan involving publicly available information and policy-related documents provided by DESE
- Analysis of SO documentation relating to establishment, implementation, planning and progress
- Consultations with stakeholders in two waves (mid-2021, and November 2021 to February 2022)
- Development of a set of nine case studies of SO activity
- Analysis of a survey distributed to 23 stakeholders identified as important to the Digital SO.

# Key findings



## The nature of SO activity

The work undertaken by SOs to date has shown that employer-led organisations can operate simultaneously within the skills and training landscape at the strategic, relational and applied levels.

The *strategic* function of SOs to forecast and articulate a long-term view of industry skill requirements has been enabled by SOs' success in leveraging credibility associated with being genuinely employer-led and their ability to effectively harness and complement (through adding value) industry input.

At the *relational* level, SOs are dedicating extensive work to establishing themselves and creating channels for communication, collaboration and partnership between industry and other parts of the VET system. They have built credibility and trust within the system through their ability to function as a catalytic intermediary in this way, and by demonstrating influence at all stages of the skills pipeline.

On a more *applied* level, SOs are delivering a range of projects that have delivered tangible products or outcomes that meet the needs of, and address issues for industry. This 'hands-on' role and the emphasis it places on collaborating directly with industry stakeholders is a strength of the SO model.

## Working across the skills pipeline

SOs have provided 'proof of concept' for a new type of employer-led organisation that aims to drive outcomes through influence and project activity at all stages of the skills pipeline. They have done this within the parameters of the program guidelines and in the context of operating alongside the existing system. Digital SO has, to a greater degree than either the Human Services or Mining SOs, focused its efforts on the latter phases of the pipeline – a strategic choice stemming from a focus on activities that would attract stronger employer engagement. This emphasis is also evident for the Human Services SO, although to a lesser extent. Mining SO activity was more evenly distributed across all five phases of the skills pipeline. The overall weighting toward the end of the skills pipeline is also consistent with qualifications development remaining largely outside the remit of SOs during the pilot.

## Exercising employer leadership

All three SOs successfully established a genuinely employer-led model. The combination of an employer-led board and an executive team with broad expertise across industry and the VET sector was central to industry credibility. The varying size and composition of the SOs' boards indicates that getting the right mix of expertise, sub-sector insight, geographic distribution and employer scale into the governance and leadership roles can be a key enabler of success in achieving outcomes. SOs all grappled with the challenge of ensuring broad employer representation within leadership structures and creating governance arrangements accommodating diverse 'identities' within a sector.

SOs' executive teams exercised leadership in complex sector networks comprised of formal and informal relationships and hierarchies. Employer leadership has been exercised through:

- building, shaping and leveraging support for new norms of thinking and working
- deciding goals and directing resources toward shared problems or opportunities
- facilitating constructive collaboration within industry, the training sector and government
- contributing to policy discussions through collating and adding value to industry perspectives.

## Engaging industry and the VET sector

In attempting to harness the support of stakeholders with varied viewpoints, the SO pilots established that there is no one-size-fits-all approach to successful sector engagement. Each SO has adopted a highly tailored approach based on the industries/sectors they represent. SOs demonstrated that respectfully engaging existing industry structures is important both to establish and build collaborative relationships and to draw on existing sector networks' extensive knowledge and expertise to broaden their reach. The implementation of a range of discrete projects addressing specific issues for industry (which were often developed collaboratively with employers in their relevant sectors), enabled SOs to build credibility and authority. The experiences of SO pilots have also shown that understanding and engaging the training sector is important to the success of employer-led entities.



The SO pilots' size and short histories were barriers to achieving reach and broad impact – but SOs demonstrated through collaborative approaches to project delivery that small but agile organisations can extend their impact and leverage partner capability. As SOs were in varied stages of implementation during the second phase of this evaluation, project completion was not consistent. This impacted on some industry, training and government stakeholders' perception of SOs' value and role within the system.

### Gathering intelligence on the industry environment

The program guidelines outlined a key responsibility for SOs involving strategic industry scanning to capture information that signalled a need for changes in industry skill composition and to monitor existing training packages for appropriateness and effectiveness in addressing industry needs. All SOs participated in meetings, network activities, committees and other forums and were involved in industry events, both to raise their profile and as forums in which to gather and test information. SOs have developed strategies to enable them to monitor key industry trends, e.g. the Mining SO's origins within, and ongoing connections to, the Minerals Council of Australia (MCA); the Digital SO's approach to engaging large and small employers through existing networks; and the Human Services SO's 'roadshow' of sector engagement and specific sector mapping research to capture information about workforce development initiatives and subsequent publication as a searchable database.

### Collaboration with new and existing stakeholders

Projects led by SOs demonstrated approaches to collaboration at the local, regional and national levels and with existing industry structures to achieve outcomes. Most projects involved multiple and diverse partners including employers, training sector organisations and specialised contractors working within the SOs. Several projects featured the bringing together of industry and training providers, either through formal partnership on projects or project-level consultation and engagement.

As new 'entrants', all SOs worked with or engaged diverse existing stakeholders as part of establishing their place in the system. This included state and territory governments, regulatory bodies, state-based Industry Training Advisory Bodies (ITABs), the National Skills Commission, National Careers Institute, the National Centre for Vocational Educational Research, IRCs and others. This focus supported SOs' relational and influencing goals, but also enables SOs to harness the accumulated body of knowledge and expertise within the system. Outside of the Qualification Design Trials, engagement with SSOs was not as common, although the Mining SO's Digital Transformation Hub project is an exception.

### Influencing the quality and extent of training

With the ongoing operation of the IRCs and SSOs during the pilot period, SOs were not given the authority to directly shape recognised training products and the associated development and approval processes. As a result, there have been few substantive outcomes in this area to date; however, multiple projects currently underway do seek to exert *influence* in this space and will provide a more comprehensive evidence base when complete. The SO pilots were established to test new ways of working and influencing and as pilots, the lessons and observations from the opportunities they have created are equally if not more important than a summative assessment of their impact.

Ultimately, SOs have usefully addressed a range of industry functions that can influence the quality and extent of training:

- influencing the faster development of better training products
- influencing non-accredited training pathways
- influencing the way development and delivery mechanisms work
- workforce development activities that identify needs, duplication and gaps in relation to training.

# Implications for industry engagement models



## The employer-led approach

The SOs have confirmed the value of an employer-led model in securing traction with industry, engagement from employers and enabling a more dynamic and strategic approach to skills development and workforce planning.



## Inclusive approaches to engagement

The employer-led, but inclusive governance and engagement model has built SOs' credibility within industry and with government, a model enabled by well qualified executive teams bringing a diversity of experience.



## Integrated VET system expertise

The experience of the SOs also signals the importance to Industry Clusters of embedding substantial expertise in the VET system from the outset – at both organisational and project levels.



## Leveraging collaboration and partnerships

Each SO has contracted third parties as a mechanism to access expertise and resource-specific activities and projects and this appears to have worked best where the arrangement is a genuine collaboration rather than an 'outsourcing' model.



## A whole skills pipeline mandate

The SO pilot program has shown the value of a mandate spanning the skills pipeline. SOs have developed reputations as 'go-to' players, facilitated and strengthened connections between industry and the training system and pursued projects touching on all stages of the skills pipeline.



## Execution at scale remains untested

SO pilots have provided 'proof of concept' for an employer-led model, but were limited in their size, industry coverage and functional scope when compared to Industry Clusters. Lessons and approaches drawn from the SO pilot program will need to be carefully tested for 'proof at scale' within the future Industry Cluster environment.



# 1. INTRODUCTION



# This Review

This report presents findings from the second component of the evaluation, which has focused on the meta-evaluation of early project impacts. The goal is to identify key insights that policy makers can use to help inform broader improvements to the national VET system, including the Industry Cluster arrangements.

## Key stages

The evaluation involved three distinct phases (see Figure 1 below):

- **Phase 1:** Project inception, mobilisation and planning
- **Phase 2:** Implementation review
- **Phase 3:** Meta-evaluation of early project impacts.

The implementation review sought to understand how the SOs have been established and implemented and the meta-evaluation of early project impacts sought to capture the achievements and lessons emerging from SOs' activity to date. A report detailing findings from the implementation review was provided to DESE in August 2021 and finalised in early 2022.<sup>1</sup> This report presents findings from the meta-evaluation of early project impacts.

Figure 1 – Evaluation overview

Urbis/ARTD evaluation		
Phase 1: Project inception, mobilisation and planning	Phase 2: Implementation review	Phase 3: Meta-evaluation of early project impacts
April to May 2021	June to August 2021	August 2021 to March 2022
<ul style="list-style-type: none"> <li>▪ Inception meeting</li> <li>▪ Project Plan</li> <li>▪ Rapid review of background documents and data</li> <li>▪ Initial key informant interviews</li> <li>▪ Evaluation Plan</li> <li>▪ SO immersion visits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strategic environment scan</li> <li>▪ Analysis of SO documentation</li> <li>▪ Consultations</li> <li>▪ Early findings workshop</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis of SO documentation</li> <li>▪ Consultations</li> <li>▪ Case studies</li> <li>▪ Early findings workshop</li> </ul>

Key evaluation questions were developed to guide the evaluation and were updated after the announcement of Industry Clusters and the completion of the Implementation Review. The key evaluation questions for the meta-evaluation of early project impacts are:

- How has the work undertaken by SOs contributed to achievement of the goals and anticipated outcomes of the SO pilot program, as set out in the program guidelines?
- What have the SO pilots demonstrated can be achieved through an employer-led model?
- What lessons can be drawn from the SO pilots that might be used to inform ongoing development and implementation of Industry Clusters?






The evaluation framework is presented in Appendix A and sets out all data sources and their contribution to answering our key evaluation questions.



<sup>1</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review.

# Data sources and consultation

This report draws on seven key sources of data, as outlined in Table 1 below.

Table 1 – Data sources

Data source	Details	
<b>Preliminary key informant interviews</b>	We undertook key informant interviews with six DESE staff involved in designing, implementing and managing the SO pilots and seven SO pilot senior leaders to understand the background and context of the SO model.	
<b>Immersion visits with each SO</b>	We undertook immersion visits with each SO. The purpose of the immersion visits was to build relationships with each SO, to ensure their staff understood the purpose and scope of the evaluation, to inform any necessary updates to the Evaluation Plan and to help Urbis/ARTD understand the operating context of each SO, and to collect some initial data on SO implementation.	
<b>Strategic environment scan</b>	We undertook a strategic environment scan to understand the environment in which the SOs are operating. This involved reviewing and analysing publicly available information and documents provided by DESE relating to the policy landscape and VET system. Additional information and documents provided during stakeholder consultations were also reviewed. The scan focused on answering the questions: 'What is the strategic reform environment in which the SOs are operating?' and 'What are the challenges for fast and relevant qualifications development faced by each SO?'	
<b>Analysis of SO documentation</b>	We reviewed and analysed relevant documentation provided by DESE and the SOs relating to establishment and implementation. Funding and governance documents were reviewed to understand the authorising environment in which each SO is operating. Operational documents were reviewed to develop a timeline of implementation to date for each SO. Reporting was analysed to produce a structured assessment of progress against the intended trajectory of each SO and a thematic analysis of successes, challenges and enablers.	
<b>Stakeholder consultations</b>	<p>We undertook consultations in two waves with SO stakeholders. The first wave of consultation occurred in mid-2021, and primarily focused on the establishment and implementation of the SOs. The second wave of consultation took place between November 2021 and February 2022, and engaged on questions focused more on achievements, enablers, barriers and lessons.</p> <p>During the implementation review phase of consultation, we engaged with:</p> <ul style="list-style-type: none"> <li>• 21 Australian, state and territory government stakeholders</li> <li>• 24 SO staff/board members/consultants/project partners</li> <li>• 15 other key stakeholders engaged in the VET sector or SOs' sectors.</li> </ul> <p>During the second phase consultation, we engaged with:</p> <ul style="list-style-type: none"> <li>• 29 Australian, state and territory government stakeholders</li> <li>• 18 SO staff/board members/consultants/project partners</li> <li>• 14 other key stakeholders engaged in the VET sector or SOs' sectors.</li> </ul>	

	Because of the difference in focus and the time elapsed, some stakeholders were consulted during both phases.	
<b>Case studies</b>	We developed a set of high-level case studies examining different SO activities and projects, drawing on published material, periodic reporting, and interviews with SO and project stakeholders.	
<b>Digital SO sector survey</b>	We undertook a survey of a subset of the Digital SO's stakeholders, distributed to 23 stakeholders identified as important to the Digital SO.	

## Our approach to findings

This report draws on desktop analysis of key materials associated with the SO pilots, research activity (primarily interviews) and insights from individual case studies.

The purpose was to identify key findings and lessons relevant to the overall reforms in the VET sector to ensure employers can access the skilled workers they need, and students can access high quality and relevant training to upskill or reskill for new and emerging jobs.

The SO pilots did not test every aspect of the reform agenda and were necessarily limited in their size and scope to trial new ways of engaging with industry within the overall goal of addressing the skills needs of Australia. The pilots did not take over the fundamental task of reforming the way qualifications are developed through the IRC system and while the SOs did participate in Qualification Design Trials, these are outside the scope of our review. Lessons learned from the SO Qualification Design Trials are informing broader work that is underway on qualifications reform.

One of the features of the pilot approach was the variation between the SOs. This includes the structure of each SO, the focus and scope of work for each pilot, and the industry contexts in which they operate. These variations were valuable in allowing the pilot to trial and explore different mechanisms of change in different environments. They also limit our ability to make global findings that are demonstrably true for all pilots or cover the full gamut of activity that is required to address the core issue of the speed and relevance of training package development under the new Industry Cluster model.

Our approach to developing findings has focused on the SO pilots' three trials of 'doing things differently'. This means that we have set the threshold for an affirmative finding on the basis that at least one of the pilots has demonstrated a particular outcome is possible using an SO-like model. This is on the basis that a single success case proves that the outcome can be attained in some contexts, while a failure case does not disprove the possibility of a particular outcome. It also means the evaluation has focused less on the success of each pilot as on determining the 'value' or lessons learned from the SO pilots through the lens of what may be useful for the overall reform agenda and transition to Industry Clusters.



## Limitations

Readers of this report should note several limitations to our analysis and evaluation.

- **Project maturity:** this evaluation took place between April 2021 and March 2022. During this period SOs were still establishing and developing key projects. Only a small number of projects were formally completed at the time of evaluation, which means our findings are generally 'in process' insights. This evaluation does not address the current status of all projects undertaken by each SO.
- **Limited on-ground observation:** The evaluation timing also impacted on our planned approach and limited observational or field visits, which were intended to be a part of case study development. While Urbis and ARTD did complete immersion visits with each SO early in the evaluation, subsequent travel restrictions arising from the COVID-19 pandemic prevented any further on-ground engagement.
- **Stakeholder selection:** In undertaking research for this report, we have adopted a 'purposeful sampling' approach, which prioritises gathering a diversity of viewpoints over a representative sample of stakeholders associated with the SO pilots. In addition, due to the very different perspectives, experiences and degree of engagement stakeholders have with respect to SOs, not all stakeholders offered a perspective on all questions within our scope. For the purposes of this report, we have conveyed the range of perspectives we heard, signalled the degree of consistency of those perspectives (i.e. some, many, most) and, where relevant, identified the stakeholder group(s) who shared those perspectives (e.g. Australian or state and territory government stakeholders, SO staff, sector/VET stakeholders).

## This report

The remainder of the report is structured as follows:

- **Chapter 2: Findings** – outlines key findings related to pilot SOs' achievements, enablers and barriers to engaging with industry in line with the requirements described in the *Guidelines for Skills Organisations Pilots*
- **Chapter 3: Reflections on industry diversity** – a brief exploration of emergent themes about diversity and complexity of the industry environment that emerged from the SO pilots.
- **Chapter 4: Case studies** – contains nine case studies focused on a specific project, activity or process undertaken by an SO, with an emphasis on exploring what can be learned about how SO-like organisations can be most effective.

# Context

## The skills pipeline

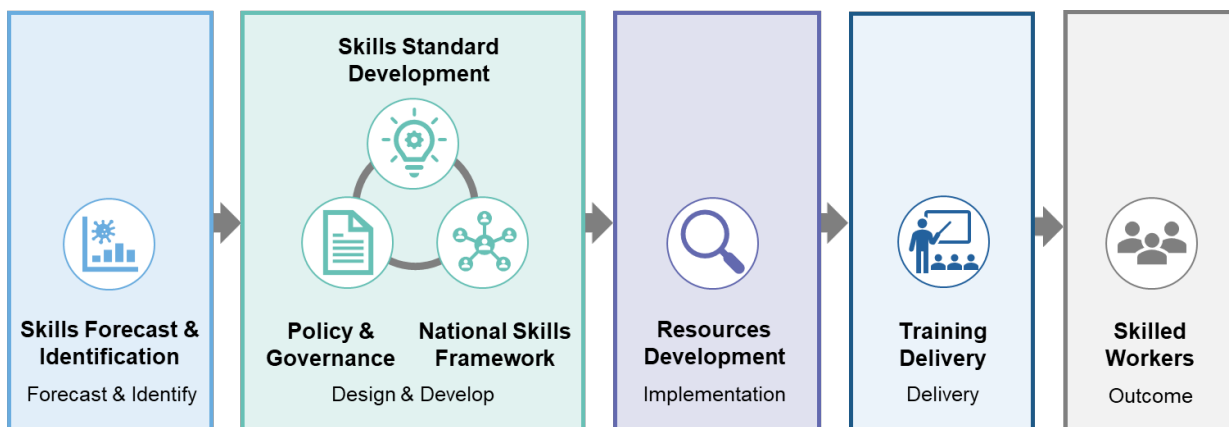
While the Australian economy has experienced close to three decades of economic growth,<sup>2</sup> new challenges and opportunities have emerged in response to increasing globalisation, shifting demographics, technological advancement and the economic shock of COVID-19.<sup>3</sup> These include:

- **Digital transformation:** The Organisation for Economic Co-operation and Development (OECD) forecasts that in the coming decades, 14 per cent of jobs are at risk of automation and 32 per cent are likely to be impacted by significant change and modification.<sup>4</sup>
- **Increase in non-routine jobs as a share of total employment:** Research emphasises the growing importance of non-technical skills, including creative and analytical thinking and innovative and complex problem solving.<sup>5</sup>
- **Ageing population:** As Australia’s population ages, labour shortages are emerging, for example, demand for care workers is growing year on year.<sup>6</sup>

As the structure of Australia’s labour market continues to shift towards knowledge and innovation-driven industry, the VET system will play a critical role in ensuring the Australian workforce can develop workplace and industry-specific skills they need to perform the jobs of the future.<sup>7</sup>

The VET system can be conceptualised as a five-stage skills pipeline that seeks to deliver skills that are current, responsive and relevant to employers and the economy more broadly (see Figure 2). The VET skills pipeline outlines the key components of the skills development process, beginning with the forecasting and identification of skills through to the timely supply of skilled labour.<sup>8</sup>

Figure 2 – The VET skills pipeline



Source: Adapted from DESE (2021), *Guidelines for Skills Organisation Pilots*

<sup>2</sup> ABS (2020). Australian System of National Accounts. Retrieved from <https://www.abs.gov.au/statistics/economy/national-accounts/australian-system-national-accounts/latest-release>

<sup>3</sup> World Bank (2019). World Development Report 2019: The Changing Nature of Work, Washington. DC: World Bank.

<sup>4</sup> OECD (2018). Job Creation and Local Economic Development 2018: Preparing for the Future of Work, Paris: OECD Publishing.

<sup>5</sup> Innovation and Science Australia (2017). Australia 2030: Prosperity through innovation.

<sup>6</sup> National Skills Commission (2021). Care Workforce Labour Market Study: Discussion Paper.

<sup>7</sup> Joyce, S (2019). Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System.

<sup>8</sup> DESE (2020). Guidelines for Skills Organisation Pilots.



## The establishment of Skills Organisation Pilots

In 2018, an independent review of Australia's VET system was undertaken – the *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System* review (Joyce Review).<sup>9</sup>

Among its findings and recommendations, the Joyce Review recommended the establishment of two SO pilots. The central objective of these pilots would be to take responsibility for the qualification development process (i.e. replace the SSO and IRC process). The rationale for the SOs assuming responsibility of the SSO and IRC process was to improve the degree to which the development of qualifications can keep pace with the needs of industry.

In response to the recommendations from the Joyce Review, the Australian Government announced its commitment to strengthening the VET system through a \$585.3 million funding package. The funding package was called *Delivering Skills for Today and Tomorrow* (Skills Package) and commenced under the 2019-20 Budget.<sup>10</sup> The Skills Package aimed to ensure the VET system can provide a timely flow of skilled workers to meet industry needs.

The Skills Package also laid the foundation for the reforms set out in the Joyce Review by supporting the exploration of new ways of placing industry at the centre of the skills system and raising the profile of the VET sector across industry.<sup>11</sup> As part of the Skills Package, the Australian Government committed to piloting SOs in two industries – human services and digital technologies. In late 2019, the mining sector was added to the initiative.

The goal of the SO pilot program is to trial new ways of working to shape the VET system to be more responsive to skills needs across the skills pipeline, including:

- identification of skills needs
- qualifications development
- improved quality of training delivery and assessment.

The SOs are trialling new approaches to expand the role of industry and employers in the VET system to ensure graduates are the right fit for the jobs Australia needs now and in the future.<sup>12</sup> They focus on adopting or supporting key aspects of the skills pipeline, underpinned by the following SO pilot principles set out in Table 2, overleaf.

In August 2020, all Australian governments signed the Heads of Agreement for Skills Reform (HoA). The purpose of the HoA had two central objectives: first, to support VET system reform, in part to address the challenges associated with the COVID-19 pandemic; and second, to form the basis for a new National Skills Agreement that would replace the existing National Agreement for Skills and Workforce Development. One of the immediate reforms coming out of the HoA involved a focus on streamlining the process through which VET qualifications are developed. The objectives of the HoA were informed by stakeholder feedback and a range of reviews undertaken over recent years.

The SO pilots align with the HoA's goal of strengthening the training system and represent a transition toward the recommendations of the Joyce Review. A closer realisation of the Joyce Review's vision is being implemented in the new Industry Clusters model, which will be discussed in the following sections.

***Our first report of this evaluation provides an overview of the establishment and early experiences of the SO pilots.<sup>13</sup> A working theory of change and outcome indicator roadmap for the pilots (developed by Deloitte) is also provided in Appendix C.***

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<sup>9</sup> Joyce, S (2019). *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System*.

<sup>10</sup> Australian Government (2019). *Budget Strategy and Outlook, 2019-20 Budget Paper No. 1*.

<sup>11</sup> Australian Government (2019). *Budget Strategy and Outlook, 2019-20 Budget Paper No. 1*.

<sup>12</sup> DESE (2020). *About Skills Organisations*.

<sup>13</sup> Urbis and ARTD (2021). *Skills Organisation Pilots. Project 1 - Implementation Review*.

Table 2 – SO Pilot Principles

Area	Improvements
1. Improving quality and responsiveness of nationally recognised training for their industry	SOs will undertake scalable, value-for-money activities aligned to the skills pipeline to ensure VET is fit for purpose, including: <ul style="list-style-type: none"> <li>• development of nationally recognised training</li> <li>• new methods of assessment</li> <li>• developing standards for industry (i.e. employers) to endorse high quality Registered Training Organisations (RTOs).</li> </ul>
2. Embedding employers within the VET sector architecture and functions	SOs will operate as employer-led organisations with genuine, transparent and broad representation and support across their industries.  SOs 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	SOs will work with key stakeholders in the national VET governance structures to advise on and obtain agreement to changes that improve the quality and extent of training for their industries.  SOs will also provide specific advice, input and feedback to guide and inform the Australian Government’s consideration of national reforms.

Source: DESE (2020) *Guidelines for Skills Organisation Pilots*.

## Industry Clusters

In October 2021, Commonwealth and state and territory Skills Ministers agreed to introduce new industry engagement arrangements to strengthen Australia’s VET system, including the establishment of Industry Clusters.<sup>14</sup> The new Industry Cluster model is designed to address past and current challenges with industry engagement in the national training system and is informed by successive reviews and consultations with a wide range of stakeholders over several years.

Industry Clusters are being established to provide industry with greater responsibility for skills and workforce development, with an increased level of autonomy to drive stronger outcomes across the VET system. They will be led by industry (unions and employers) working in partnership with governments and the training sector to identify, forecast and respond to the current and emerging skills needs and workforce challenges of their industries.

Each Industry Cluster will also be responsible for developing training products, ensuring that training delivery meets employer needs, and mapping and promoting career pathways for industries within their remit.

Under these reforms a smaller number of Industry Clusters will replace the 67 IRCs and six SSOs by early 2023. Representatives from industries across Australia, including the SO pilots, have been given the opportunity to apply to become a cluster through a two-staged competitive grants process. One of the purposes of this report is to describe learnings from the SO pilots that may be applied to the development and operations of the new Industry Clusters by the successful grant recipients.

More information about ongoing reforms is available at [www.skillsreform.gov.au](http://www.skillsreform.gov.au)

<sup>14</sup>Ministerial Statement – 27 October 2021 - [www.dese.gov.au/skills-reform/resources/ministerial-statement-27-october-2021](http://www.dese.gov.au/skills-reform/resources/ministerial-statement-27-october-2021)

# Human Services Skills Organisation



## Sector context

Human services are broadly referred to as the services directed at caring for people, and include aged care, disability support, early childhood education and veterans' care. These services fall under the health care and social assistance sector, which is Australia's largest employing sector. The health care and social assistance sector employs approximately 14 per cent of Australia's total workforce – more than 1.8 million people – with employment in the sector increasing by 23 per cent since 2016.<sup>15</sup>

The sector has experienced increasing demand for workers due to several factors including Australia's ageing population, the rollout of the National Disability Insurance Scheme (NDIS) and the COVID-19 pandemic. The sector has also continued to struggle with staffing attraction and retention issues.

## Establishment timing

The Human Services SO was established in late 2019, governed by a Human Services Steering Committee and supported by a working group. The Human Services SO became incorporated as a not-for-profit company limited by guarantee in August 2020 and the Steering Group Committee transitioned into a board. In November 2020, a chief executive officer (CEO) was selected and commenced leadership of the Human Services SO. More detail on establishment is provided in our first report.<sup>16</sup>

## Vision

The Human Services vision is 'for Australia's human services sector to be equipped with a skilled, diverse and adaptable workforce meeting its needs now and into the future.'<sup>17</sup>

## Core areas of focus

The Human Services SO is focused on:

- fostering innovation and partnerships across the human services and VET sectors
- ensuring high quality skills development for workers in the human services sectors
- encouraging growth in the human services sectors.<sup>18</sup>

Table 3 provides a brief synopsis of the key projects that were substantively progressed during the period of our evaluation, noting this does not include all planned or future work.

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<sup>15</sup> Labour Market Information Portal (2021). Health care and social assistance. Retrieved from <https://lmp.gov.au/default.aspx?LMIP/GainInsights/IndustryInformation/HealthCareandSocialAssistance> (Last accessed: 26 February 2022)

<sup>16</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review.

<sup>17</sup> Human Services Skills Organisation(2022). About HSSO. Accessed at: <https://hssso.org.au/about/>

<sup>18</sup> Ibid.

Table 3 – Human Services SO key projects

Name	Description
Aged Care Workforce Rapid Responsive Initiative	The aged care sector is experiencing acute workforce shortages, while at the same time graduating workers are sometimes finding it difficult to secure a mandatory work placement to finish their qualifications. This project is an initiative that connects and matches learners completing a Certificate III in Individual Support (Ageing) with residential aged care providers to enable them to complete their work placement and gain employment. This initiative is being implemented in partnership with the Department of Health.
Recognition of Prior Learning (RPL) Assessment Toolkit	While expectations around qualification levels grow in the care workforces, there has not been a nationally consistent approach to recognising the competencies of experienced workers. The Human Services SO is developing a toolkit of information and resources that aims to support workers in the aged care and disability support sectors to apply for RPL. The toolkit will also support RTOs to make high quality and consistent RPL decisions.
Qualification Design Trial	Training packages units of competency are complex, and there are concerns surrounding the consistency and quality of training and assessment delivery. In response to this issue, the Qualification Design Trial aims to test new ways of designing qualifications to improve the flexibility and responsiveness of qualifications design and address transferable and specific skills for the industry.
Mandatory Work Placements Guide	Mandatory Work Placements are included in a range of VET qualifications. However, there have been challenges for students in accessing work placements during the COVID-19 pandemic, as well as a lack of capacity of employers to support student placements. Development of a resource for employers, RTOs and learners hopes to simplify the Mandatory Workplace Requirements process required for the Certificate III in Individual Support, thereby increasing the capacity of employers to support work placements going forward.
Informing Workforce Strategy Through CILCA360	The Royal Commission into Aged Care Quality and Safety highlighted the need for robust resources to enhance the management and leadership skills in the aged care sector. This initiative, in partnership with the University of Technology Sydney and Data Drives Insight, aims to gather insights about skills needed for frontline leadership in the human services sector. Data will be captured through engaging frontline and middle management staff to undertake CILCA360, a capability assessment tool that helps individuals identify their skill strengths and gaps.
Mapping the Human Services Sector (case study)	There is a plethora of workforce development and training programs and projects occurring in the human services sector, creating a high risk of duplication of effort. This project aims to reduce duplication and increase knowledge sharing through development of an online searchable portal of workforce development and training activities across the human services sector (see Mapping the Human Services Sector case study for more details).
A Guide to VET for human services sector employers (case study)	Challenges in communication, consultation, information and data sharing between RTOs and employers are barriers to quality training. The <i>Guide to VET for human services sector employers</i> is a resource that aims to help support better engagement and collaboration between employers and RTOs by identifying training, support and assessment expectations.

<p>Entry into Care Roles Skill Set Evaluation (case study)</p>	<p>The Entry to Care Roles Skill Set (the Skill Set) was established under the leadership of the Human Services SO in response to a critical workforce challenge in the context of COVID-19. The Skill Set supports learners to meet the requirements for basic entry-level care roles in aged care and disability support. To understand whether the Skill Set should continue, an evaluation was commissioned to assess its utility and effectiveness.</p>
<p>Positive Humanity – Social Change Campaign (case study)</p>	<p>As demand in the human services sector continues to rise, the sector will need to secure its future pipeline of workers. The Positive Humanity campaign is a project with Year13 that aims to educate young people about the human services sector and available career opportunities and pathways. It involves a range of e-learning modules, social media and promotional activities, an online expo and targeted engagement with young people.</p>

Source: HSSO (2022). *Projects*. Retrieved from: <https://hssso.org.au/projects/>

## Sector context

The mining industry employs almost two per cent of Australia's total workforce – more than 250,000 people – and is experiencing major skills shifts as a result of new technologies and changing global demands.<sup>19</sup> Mining is also Australia's largest sector by share of total national Gross Domestic Product (GDP), accounting for approximately 11 per cent of GDP between 2019 and 2020.<sup>20</sup> When the Mining Equipment and Technology Services (METS) sector is included, the total workforce directly supported by these sectors is an estimated 483,000 Full Time Equivalent (FTE), rising to 1.1 million jobs when indirectly supported roles are taken into consideration.<sup>21</sup>

## Establishment timing

The Mining SO was established in May 2020 through a co-contribution model with the MCA. Under the co-contribution model, the Mining SO was auspiced by the MCA during the initial establishment period before transitioning to a standalone entity in the second year of operation. The new entity, Australian Mineral and Energy Skills Alliance Limited (AUSMESA), commenced operations in November 2021. More detail on establishment is provided in our first report.<sup>22</sup>

## Vision

AUSMESA's vision is to 'transform the way skills and learning are delivered for the Australian mining, energy and resources sectors by creating an industry-led community that provides progressive leadership for workforce development.'<sup>23</sup>

## Core areas of focus

AUSMESA is focused on creating conversation and connection across the Australian mining, energy and resource sectors to improve the accessibility, quality and efficiency of training for these industries. AUSMESA initiatives develop solutions to address workforce planning challenges across the Australian resource sectors by testing new ideas that focus on building sustainable practices to meet future opportunities.<sup>24</sup> Table 4 provides a brief synopsis of the key projects that were substantively progressed during the period of our evaluation, noting this does not include all planned or future work.

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<sup>19</sup> Labour Market Information Portal (2021). Mining. Retrieved from <https://lmip.gov.au/>

<sup>20</sup> ABS (2020). Australian system of national accounts. Retrieved from <https://www.abs.gov.au/statistics/economy/national-accounts/australian-system-national-accounts/2019-20>

<sup>21</sup> Deloitte Access Economics (2021). Economic contribution of the mining and METS sector. Retrieved from <https://www.minerals.org.au/news/australian-mining-delivers-record-tax-and-royalty-payments-benefit-communities-and-families>

<sup>22</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review.

<sup>23</sup> AUSMESA (2022). Who is AUSMESA? Retrieved from <https://ausmesa.org.au/>

<sup>24</sup> AUSMESA (2022). Who is AUSMESA? <https://ausmesa.org.au/>



Table 4 – Mining Skills SO key projects

Name	Description
Apprenticeships	Australia’s resources sector is reliant on a fit-for-purpose apprenticeship system, with approximately one third of the current workforce being tradespeople. The Apprenticeships Project Hub was established in response to the need for greater flexibility, and more efficient apprenticeship timeframes within a competency-based environment. This hub focuses on a single trade – heavy-duty mobile plant mechanics. It will test concepts across multiple commodities (iron ore initially and then coal), multiple jurisdictions (Western Australia initially and then Queensland), and public and private training providers.
Attraction and Retention	The Attraction and Retention Project Hub seeks to position mining and resources as industries of choice for young people making early career decisions, and for people considering transitioning from other industries. This hub is developing, testing, and implementing a framework that supports a current and future talent pipeline for the modern resources sector, as well as the METS sector.
Digital Transformation (case study)	In an increasingly digital and technology-driven world, it is critical that both industry and learners have access to modern and contemporary training products. In a rapidly changing environment, speed to market in training products is fundamental. The Digital Transformation Project Hub addresses this in two ways. Firstly, it’s about exploring ways to get accredited training products into training packages with speed. Secondly, it’s about identifying digital and technology related training needs and prioritising these needs.
Qualification Design Trials	Training packages units of competency are complex, and there are concerns surrounding the consistency and quality of training and assessment delivery. In response to this issue, the Qualification Design Trial aims to test new ways of designing qualifications to improve the flexibility and responsiveness of qualifications design and address transferable and specific skills for the industry.

Source: AUSMESA (2022). *Projects*. Retrieved from <https://ausmesa.org.au/projects/>

## Sector context

Stakeholder feedback has indicated that the VET sector was failing to keep up with the rapidly changing needs of employers working in digital industries. Given that Australia's technology sector employs over 800,000 people,<sup>25</sup> an adequately skilled workforce is crucial for Australia to remain internationally competitive. The Digital SO was set up in part to address this issue.

## Establishment timing

A Digital SO Steering Committee was established in December 2019, with members nominated by stakeholders who participated in the co-design consultation process. The Digital SO became incorporated as a not-for-profit company limited by guarantee in June 2020. At the start of 2022, the Digital SO had 15 full or part-time staff. More detail on the establishment is provided in our first report.<sup>26</sup>

## Vision

The Digital SO's vision is for *'Every person who digitally upskills secures work and businesses can access a pool of digital talent.'*<sup>27</sup>

In practice this means strengthening the pool of people with digital and tech skills to ensure they are able to make the most of their potential and add value in the workplace. By 'strengthening', the Digital SO aims to increase the numbers of people with digital skills in the general workforce, make sure the skills trained are the skills valued in the workplace, and ensure opportunities are made available to as many as possible irrespective of background. The vision of the DSO is both industry specific and economy wide.

## Core areas of focus

To achieve this vision, the Digital SO is focused on four key objectives:

- Establishing the foundation to support digital and tech skilling in the VET sector
- Training people using the skills-based approach
- Supporting RTOs to deliver the skills-based approach
- Acting as an industry steward to ensure the interests of key stakeholders are represented.

In pursuit of these objectives, the Digital SO has developed and partially implemented the Digital Skills Model. The model consists of three main elements:

- **Digital Skills Pathways**, the intention of which is to provide a signposted journey that leads an individual or organisation to understand the skills necessary for employment opportunities
- **Digital Skills Standards**, the intention of which is to describe the skills required to undertake specific job functions. These standards are meant to be informed by industry and used to assess students, irrespective of how students are trained
- **Digital Centres of Excellence**, which refer to networks of training providers. The intended purpose of these networks is to share information between (high quality) providers relating to best practice methods for training students.

Table 5 provides a brief synopsis of the Digital SO key projects substantively progressed during the period of our evaluation against the Digital SO's four key objectives, noting this does not include all planned or future work.

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<sup>25</sup> Accenture (2021). The economic contribution of Australia's tech sector, Accenture available at: <<https://techcouncil.com.au/wp-content/uploads/2021/08/TCA-Tech-sectors-economic-contributionfull-res.pdf>>, viewed 24 August 2021.

<sup>26</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review.

<sup>27</sup> Digital Skills Organisation (2022). Retrieved from: <https://digitalskillsorg.com.au/about/>

Table 5 – Digital SO key projects

Name	Description
Skills Development	The project consisted of research, data and insights from employers, training providers and learners that lead to a discussion paper. The discussion paper was published in March 2022. <sup>28</sup>
Digital Skills Pathways (case study)	There has not been a unified articulation of how digital skills are conceived and organised. The Digital SO commissioned the National Centre for Vocational Education Research (NCVER) to support exploratory research and help develop such a model. The project laid the foundations for a framework that identifies pathways between training and a given job role.
Skills Standards	The project to establish Skills Standards has completed standards for digital literacy, digital fluency, data analysis, and software development, with associated assessments and guides (with in-development standards for cyber, executive leadership, and Customer Relationship Management).
Train-100 Data Analysts	The Digital SO explored novel pathways to broaden and diversify the talent pool for technology roles. The Train-100 Data Analysts pilot used innovative methods to educate people in digital skills to create a more diversified talent pool with employer-required skills to discover more accessible and inclusive digital skills pathways.
The Cremorne Project	The Digital SO is exploring a 'place-based' approach to connecting training providers and local employers as a way of generating local solutions to skills needs. The Cremorne Project aims to accelerate the training of digital professionals in close collaboration with progressive local employers and RTO, Kangan Institute.
Qualifications Design Trial	Training packages units of competency are complex, and there are concerns surrounding the consistency and quality of training and assessment delivery. In response to this issue, the Qualification Design Trial aims to test new ways of designing qualifications to improve the flexibility and responsiveness of qualifications design and address transferable and specific skills for the industry.
Skillup, Skillfinder	A project to understand the place of free online tools to promote upskilling and engagement, with a pipeline of 2,000 participants.
Digital Toolbox	A project that aggregates commercially available tools in a digital toolbox designed to test utility of use for digital upskilling across small to medium enterprises.
Canberra Cyber Hub	The project to upskill Cyber Security professions in the Canberra area is in the analysis phase, with Generation Australia engaged to document and codify the formats and techniques trialled to provide user guides in support of RTOs.
Implementation Framework & Guidelines	Practical guides that map accredited and unaccredited solutions for delivering each skills standard for use across Higher Education, VET and industry training providers. Generation Australia engaged to support employer and training provider workshops, and codify the process to form user support guides.

<sup>28</sup> Interested readers are directed here:

[https://digitalskillsorg.com.au/assets/pdf/Digital\\_Skills\\_Organisation\\_Discussion\\_Paper.pdf](https://digitalskillsorg.com.au/assets/pdf/Digital_Skills_Organisation_Discussion_Paper.pdf)

<p>Establish Networks Digital Centres of Excellence</p>	<p>Leveraging off the experiences with Kangan Institute and Canberra Cyber Hub, codification of processes and development of support tools to provide support to RTO engaging and delivering a skills-based approach to training.</p>
<p>Digiskills academy (case study)</p>	<p>In partnership with Year13, the Digital SO is helping school leavers better understand the digital sector through a series of online learning courses as part of Year13's free academy program, with the aim to increase the number of young people considering entering a career in digital, to reduce Australia's widening skills gap.</p>

Source: Digital Skills Organisation (2022).



# 2. FINDINGS



# Summary findings

The SO pilots have highlighted marked differences in their industry characteristics and how these influence the way SOs organise themselves and prioritise work; however, there are a number of practical insights which can be drawn from the pilot experience and which are important to carry forward to Industry Clusters.

These six key findings include:



## **An employer-led approach**

The SOs have confirmed the value of an employer-led model in securing traction with industry, engagement from employers and enabling a more dynamic and strategic approach to skills development and workforce planning.



## **Inclusive approaches to engagement**

The employer-led, but inclusive governance and engagement model has built SOs' credibility within industry and with government, a model enabled by well qualified executive teams bringing a diversity of experience.



## **Integrated VET system expertise**

The experience of the SOs also signals the importance to Industry Clusters of embedding substantial expertise in the VET system from the outset – at both organisational and project levels.



## **Leveraging collaboration and partnerships**

Each SO has contracted third parties as a mechanism to access expertise and resource-specific activities and projects and this appears to have worked best where the arrangement is a genuine collaboration rather than an 'outsourcing' model.



## **A whole pipeline mandate**

The SO pilot program has shown the value of a mandate spanning the skills pipeline. SOs have developed reputations as 'go-to' players, facilitated and strengthened connections between industry and the training system and pursued projects touching on all stages of the skills pipeline.



## **Execution at scale**

SO pilots have provided 'proof of concept' for an employer-led model, but were limited in their size, industry coverage and functional scope when compared to Industry Clusters. Lessons and approaches drawn from the SO pilot program will need to be carefully tested for 'proof at scale' within the future Industry Cluster environment.

The remainder of this section expands upon the learnings that have emerged from the SO pilots, with reference to the scope of work and intentions behind their establishment as set out in the program guidelines.



# Pilot establishment: recap

*This report builds on and extends the findings of the Implementation Review finalised in early 2022. Key findings from that report include:*

## **Effectiveness and timeliness of DESE's approach**

DESE's flexibility, collaborative approach and practical and technical assistance effectively enabled the SOs to establish employer-led models with a high degree of strategic autonomy. Notwithstanding the fact the SO pilot program was established to inform the broader VET reform agenda, we found that earlier and clearer definition of the role and long-term goals of the SOs would have provided greater strategic clarity to support a faster start.

## **Current capacity and performance**

SOs are currently operating with small, agile teams, who work with subcontractors and through partnership arrangements to deliver their work programs. Establishment trajectories vary significantly, with progress to date largely influenced by the degree of industry consensus on key issues and probable solutions, and the extent to which SOs have established the requisite formal and informal authority to act.

## **Early impact of the SO pilots' engagement with industry**

Each industry structure is different, and this shaped SOs' engagement approaches. The Digital SO was faced with an unstructured and highly diverse sector and focused on a two-pronged approach that 'sampled' a group of 20 larger enterprises and 20 smaller employers serving to provide strategic direction and a test bed for ideas. The human services sector is highly diverse, with many sub-sectors and representative/peak structures shaping the Human Services SO's very relational and extensive engagement approach. The Mining SO operated within a sector that had a smaller and well organised set of key stakeholders and was able to leverage the industry peak body as an auspicing platform.

External factors including COVID-19 have impacted SOs' industries, and the engagement strategies of each SO. The human services sector has been further impacted by contributing and responding to two Royal Commissions. More generally, stakeholder uncertainty about the longer-term role of SOs and concerns about the changing balance of influence have also been inhibitors to SO engagement for some stakeholders.

## **Opportunities to improve the speed and effectiveness of establishment**

A key positive factor in the establishment of each SO was the relative autonomy afforded (within the program guidelines) to develop an annual work plan for approval by DESE, avoiding an overly prescriptive government-led approach. Each SO pilot was tasked with leading industry engagement in the VET sector, strengthening 'sector networks and feedback loops' and working with the national VET governance structures to influence changes that will improve VET for their industries.<sup>29</sup> The program guidelines also specifically signalled the need to secure industry support for governance arrangements and both industry and VET sector agreement for proposed activities.<sup>30</sup>

Each SO pilot followed a different pathway to organisational maturity, however several observations can be made about factors that may improve the speed and effectiveness of establishing similar organisations in future. These include the importance of establishing a clear authorising environment, engaging early and strategically with stakeholders, investing in early creation of core capabilities within the organisation, determining work priorities and delivering on work plans.

**Our Implementation Review is available at:**

<https://www.dese.gov.au/evaluation-skills-organisations-pilot-program>

<sup>29</sup> DESE (2020). *Guidelines for skills organisations*, p 5.

<sup>30</sup> Ibid, pp12-13.

# Nature of SO activity



## Key insights

- SOs have demonstrated that employer-led organisations can simultaneously operate at the strategic and applied levels.
- The SOs have demonstrated that an employer-led organisation can build effective and collaborative relationships with others in the sector, including the training sector.

As outlined in the *Guidelines for Skills Organisations Pilots*, the goal of the employer-led SO pilot program is to trial new ways of working to shape the national training system to be more responsive to skills needs, including:

- identification of skills needs
- qualifications development
- improved quality of training delivery and assessment.

The types of activities to be undertaken by SOs are required to align to the skills pipeline and demonstrate clear benefit to the national training system and its end users.<sup>31</sup> Work plans were initially developed for each SO, in consultation with and approved by DESE, and reflect a mix of organisational establishment, operational and project-focused work.<sup>32, 33, 34</sup> Each SO also developed an approach to engagement and communication with their sectors as an early stage deliverable.<sup>35, 36, 37</sup> Together, the work plans and the communications and engagement strategies describe the work expected to be undertaken by the SOs.

In practice, as the SOs have become more established, the specifics of how work plans are prioritised and implemented have evolved in response to developments in the strategic and operating environment for each SO and as early assumptions were tested. As we observed in our implementation review, the flexibility afforded to SOs and the collaborative approach adopted by DESE in the establishment and operationalisation of work plans – within the parameters of the program guidelines – has been enabling for the organisations.<sup>38</sup>

Our implementation review also found that the types of activity being undertaken by SOs could generally be grouped into three categories (see Figure 3).<sup>39</sup> These different areas of focus correspond to three key roles within the system that have emerged for SOs: strategic, relational and applied functions.

First, the strategic function of SOs in helping to articulate a long view of industry skills needs, building on capacity to take a bird's eye view of major activity, trends and issues within their industries. These functions have been enabled by SOs' success in leveraging industry credibility associated with being genuinely employer led and their ability to effectively capture, synthesise and add value to industry input.

Second, SOs are undertaking significant relational work to first establish themselves, but then to create channels for effective communication and collaboration between more specialised parts of the system (i.e. those focused on specific stages in the skills pipeline). Key to these functions is the breadth of the SO role and capacity to span all stages of the skills pipeline and engage all players in government, industry and training sectors.

Third, SOs have been enabled to move relatively quickly to pursue quick wins: applied projects that deliver tangible 'products' or outputs. Effectively demonstrating projects in the pilot context, they have provided opportunities to trial new ways of working, but also to build credibility with key stakeholders.

<sup>31</sup> DESE (2020). *Guidelines for Skills Organisation Pilots*, p 3.

<sup>32</sup> Minerals Council of Australia (2021). *Mining Skills Organisation Pilot Revised Forward Work Plan (Version 2.0)*.

<sup>33</sup> Human Services Skills Organisation (April 2021). *HSSO Work Plan 2020 – 2023*.

<sup>34</sup> Digital Skills Organisation (5 August 2021). *Part 2 – DSO Strategy and Forward Work Plan*.

<sup>35</sup> Minerals Council of Australia (February 2020). *Communications and engagement strategy. Mining Skills Organisation Pilot*.

<sup>36</sup> Human Services Skills Organisation (26 March 2021). *Communication and engagement strategy and implementation plan*.

<sup>37</sup> SO Pilot Secretariat (January 2020). *Digital Technology Skills Organisation Pilot Engagement Strategy (Version 0.1)*.

<sup>38</sup> Urbis and ARTD (2021). *Skills Organisation Pilots. Project 1 - Implementation Review*.

<sup>39</sup> Urbis and ARTD (2021). *Skills Organisation Pilots. Project 1 - Implementation Review*, p 42. .

Figure 3 – Core activities undertaken by SOs

<b>Contributions and activities</b>				
<b>Skills Organisation role in the system</b>	<b>Strategic</b>	<b>Strategic sector scanning/mapping</b> Understanding the strategic environment, including stakeholder and activity mapping	<b>Knowledge creation, collation and dissemination</b> Identifying and sharing good practices, or in addressing knowledge and information gaps within industries	<b>Workforce planning</b> Building industry capability to identify, project and plan for workforce needs
	<b>Relational</b>	<b>Bridging industry and government</b> Providing a forum for industry to talk directly to government about their workforce needs	<b>Stakeholder engagement</b> Building foundations for SOs to engage effectively with industry stakeholders	<b>Bridging industry and the training sectors</b> Strengthening how the industry and training sectors work more closely together
	<b>Applied</b>	<b>Training pathways</b> Building better training pathways, including non-accredited training, micro-credentialling, apprenticeships	<b>Qualification design</b> Qualification design trials to test new evidence-led approaches to qualification design	<b>Digital skills</b> Upskilling or reskilling workforces to respond to rapid digital transformation within industries

Source: Adapted and update from Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review. P 42.

# Working across the skills pipeline



## Key insight

- The SOs have demonstrated that employer-led organisations with the right mandate can work effectively at all points in the skills pipeline.

One of the features of the SO pilot approach is a mandate that spans the whole of the skills pipeline,<sup>40</sup> with SOs expected to explore and test their role within each of the five 'stages'.<sup>41</sup> As fixed-term pilots operating within the existing system, SOs were to adopt a flexible approach to the identification of opportunities to influence the existing processes, or to drive new and innovative approaches with an 'industry-focused and employer-guided' lens.<sup>42</sup> The scope of the program guidelines envisaged a collaborative approach to working with the existing system, particularly IRCs and SSOs with respect to stages one and two, but also the training sector with respect to stages three and four – with a clear mandate to bring stronger employer leadership to the table.

While SOs are undertaking a range of activities outside of defined 'projects' - including strategic industry engagement and advisory input to different forums, projects do provide a clear picture of each SO's areas of main activity. Mapped against the skills pipeline (see Table 6, page 28), all SO projects can be associated with a pipeline stage and many projects touch on multiple stages of the skills pipeline.

There is a stronger emphasis at the Digital SO toward the latter stages of the skills pipeline, with three of four key projects engaging directly with workforce skilling, with an explicit and intentional emphasis on outcomes. This purposeful focus on the outcome end of the skills pipeline by the Digital SO was intended to drive active employer engagement with the pilot.

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*... the [Digital SO] has shown that if you do engage employers around outcomes that you get a different level of engagement as opposed to trying to engage them on training package development. (Digital SO Stakeholder)*

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The Digital SO's projects are also largely focused on products and processes that exist outside the national training system. While they are exploring and testing alternative pathways for producing skilled workers (the pipeline endpoint), some stakeholders have concerns that this does not sufficiently address the question of how the VET system can itself be improved and strengthened to this end. The strategies or incentives that drive employers to engage with non-accredited or enterprise-specific training may not, for example, generalise to the accredited training system and therefore operate effectively at scale.

However, it is important to note that the Digital SO has undertaken its work in accordance with its DESE approved work plan and provides a useful case study of an approach that has, from the outset, been more inclusive of non-accredited and enterprise-led training. This is at least partly because these more flexible forms of skilling have greater immediate relevance to digital industries, in contrast to the Human Services SO and the Mining SO where accredited training is predominant. The focus chosen by the Digital SO reflects the autonomy afforded them to develop priorities relevant to their industry.

The choice to focus on non-accredited training, which is a significant feature of the digital training landscape, raises questions for industry and policy makers about how the national training system can be strengthened based on the lessons learnt from the Digital SO and the potential role of non-accredited training in relation to the national training system.

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<sup>40</sup> The 'skills pipeline' is summarised in Figure 2 on page 11 of this report and comprises five stages: 1. Skills forecasting and identification, 2. Skills standard development, 3. Resources development, 4. Training delivery, 5. Skilled workers.

<sup>41</sup> DESE (2020). Guidelines for Skills Organisation Pilots, pp 5-6.

<sup>42</sup> DESE (2020). Guidelines for Skills Organisation Pilots, p 5.

Table 6 – SO activity mapped to the skills pipeline

Skills Organisation projects and key activities*	Skills forecasting & identification	Skills standards development	Resources development	Training delivery	Skilled workers
<b>Human Services SO</b>					
Aged Care Workforce Rapid Response Initiative				•	•
RPL Assessment Toolkit			•	•	
Mandatory work placements guide			•	•	•
Mapping the human services sector	•	•	•	•	•
How to engage guide			•	•	•
Entry into care roles Skill Set evaluation		•	•	•	•
Informing workforce strategy through CILCA360	•				
Positive Humanity – social change campaign					•
Qualification design trial		•	•	•	
<b>Mining SO</b>					
Apprenticeships project hub		•	•		•
Attraction and retention project hub	•	•	•	•	•
Digital transformation project hub	•	•	•		•
Qualifications design trial		•	•	•	
<b>Digital SO</b>					
Skills development	•	•	•	•	•
Digital skills pathways	•	•	•		
Skills standards		•	•		
Train-100 Data Analysts		•	•	•	•
Cremorne Project		•		•	•
Skillup, Skillfinder		•	•	•	•
Digital toolbox	•		•		
Qualification design trial		•	•	•	
Canberra Cyber Hub		•		•	•
Establish Networks Digital Centres of Excellence	•	•	•		
Digiskills academy					•
Implementation Framework & Guidelines		•	•	•	

\* The focus here is on active projects at the date of writing. All SOs have future activity planned not within our scope of inquiry.

A key issue in addressing the skills pipeline for all three pilots is the difference between skills, industries, job roles and occupations. A key skill may be required in more than one job role or one occupation and an occupation may span more than one industry. For example, there are a relatively small number of large employers in the information and communication technology (ICT) industry with unmet demand for ICT skills. There is also a much larger number of employees and employers across occupations and industries with a need for digital skills. The new Industry Engagement Architecture that guides the way forward for the VET system seeks to clarify leadership for cross-cutting skills across industries, and to articulate how coordination between Industry Clusters in areas of mutual interest will be managed.

The skills pipeline and the VET sector in general were described by some stakeholders as overly focused on apprentices and younger workers. Many stakeholders hoped the pilots and any new model would focus more on setting up a system of lifelong learning with qualifications that a person could take from one industry to another and 'refresh' or keep up to date, rather than having to recommence a new qualification from the start to be recognised as skilled. The Digital SO has addressed this issue through engaging in conversations about micro-credentials, and stackable qualifications as well as 'alternative forms of assessment' and non-accredited training that is respected by employers with a focus on digital skills pathways underpinned by digital skills standards.

## Stage 1: Skills forecasting and identification

At the time of this evaluation, the SOs had not yet taken on the technical task of producing quantitative skills forecasts (a role retained by IRCs during the pilot period) but have adopted a role in facilitative engagement with industry that has included emphasis on understanding skills needs in a more qualitative sense. The latter role has focused on the macro and micro factors within each industry that are influencing demand for specific skills and the supply of skilled workers to meet that demand.

In particular, the capacity of each SO to effectively engage with employers, solicit and aggregate information on skills needs and convey these insights to others within the VET system architecture has been a strength of the SO pilot program. This is evidenced through broadly positive feedback from employer stakeholders we spoke to as part of this review.

There are also examples of specific initiatives where SOs have engaged with industry and specialist partners to interrogate skills needs. The Human Services SO, for example, has commenced an initiative focused on understanding the skills required by managers and leaders operating in the human services sector. Partnering with the University of Technology Sydney and Data Drives Insights, the Human Services SO will capture data on leadership capability using the CILCA360 tool.<sup>43</sup> The Digital SO partnered with NCVET to examine international frameworks for describing and conceptualising digital skills pathways.<sup>44</sup> The research resulted in a 'Pathways Model' for digital skills currently being further tested with industry.

## Stage 2: Skills standards development

Skills standards development incorporates processes associated with the design and development, endorsement and review cycles for nationally recognised training products. These include training packages, qualifications, units of competency and skill sets, along with assessment requirements.

Each of the SO has identified projects that have focused on the development of skills standards, including having been specifically commissioned to undertake Qualification Design Trials. While the Qualification Design Trials are outside the scope of the Urbis and ARTD review, SOs are undertaking a number of additional projects in the skills standards development space.

A focus for each SO in their engagement in this stage has been on addressing some of the criticism of the existing system – specifically improving the relevance and appropriateness of training products, while also seeking to shorten the time taken to get new products to the market. An example of SO activity includes the Mining SO's Digital Transformation Project (case study on page 61) which sought to translate an existing accredited course developed by Rio Tinto into a nationally recognised training package, with the ambitious time frame of 90 days.

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<sup>43</sup> Human Services SO (2022). Informing Workforce Strategy Through CILCA360 (web page). Accessible at <https://hssso.org.au/project/view/australias-agedcare-workforce-strategy/> (last accessed 26 February 2022).

<sup>44</sup> Digital Skills Organisation (2022). Driving new approaches to digital skills education in Australia (web page). Accessible at: <https://digitalskillsorg.com.au/pathways/> (last accessed 26 February 2022).



## Qualification design trials

In August 2020, Australian Skills Ministers agreed to priority reforms focused on ‘simplifying, rationalising and streamlining national VET qualifications’,<sup>45</sup> and subsequently (in October 2020) to trial new approaches to qualification design, with each of the SOs engaged to lead the trialling of new approaches that aim to deliver:

- qualifications that recognise common skills, deliver broader vocational outcomes and promote individual mobility and labour market resilience
- a reduction in unnecessary training product duplication
- a reduction in training product complexity
- an enhanced relationship between training products, training needs and employment pathways
- greater training product flexibility and enhanced responsiveness to changing industry needs
- improved articulation and pathways between education sectors<sup>46</sup>
- The Human Services SO trial focused on career pathways for the Personal Care Worker.<sup>47</sup> The Mining SO trial focused on apprenticeships for heavy-duty plant mechanics.<sup>48</sup> The Digital SO explored skills for data analysts and digital fluency.<sup>49</sup>

More information about the Qualification Design Trials is available at <https://www.dese.gov.au/skills-organisations/qualification-design-trials>

## Stage 3: Resource development

Within the skills pipeline, the ‘resource development’ stage is where skills standards are transformed into training and assessment materials and approaches, generally by RTOs in the context of nationally recognised training. The SOs have all placed emphasis in engaging in this space, bringing an employer-led viewpoint working with RTOs to this critical juncture in the skills pipeline. Specific focuses have included the development of specific tools and products for use by RTOs (e.g. the Human Services SO’s RPL Assessment Toolkit),<sup>50</sup> tools to support training providers and employers to better work together to produce job-ready workers (e.g. the Human Services SO’s Guide for employers in the human services sector,<sup>51</sup> and development of employer-customised training resources in partnership with training organisations (Digital SO’s Cremorne Project).<sup>52</sup>

## Stage 4: Training delivery

While SOs were not designed to operate as an RTO and provide training directly,<sup>53</sup> they have engaged with the process of supporting, facilitating or improving training delivery within a number of projects. This included the Digital SO’s Train-100 Data Analysts project, which sought to test a scalable approach to equipping a diverse cohort with employer-required skills. The project involved four cohorts receiving non-accredited

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<sup>45</sup> Department of the Prime Minister and Cabinet (August 2020). Heads of Agreement for Skills Reform. Accessible at <https://www.pmc.gov.au/resource-centre/domestic-policy/heads-agreement-skills-reform>

<sup>46</sup> DESE (2020). Qualification Design Trials (web page). Accessible at <https://www.dese.gov.au/skills-organisations/qualification-design-trials> (last accessed 26 February 2022).

<sup>47</sup> Human Services Skills Organisation (2022). Qualification Reform Trial (web page). Accessible at <https://hssso.org.au/project/view/personal-care-worker-qualification-reform/> (last accessed 26 February 2022).

<sup>48</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). Qualifications Reform (web page). Accessible at <https://ausmesa.org.au/qualifications-reform/> (last accessed 26 February 2022).

<sup>49</sup> Digital Skills Organisation (2022). Qualification Design Trial (web page). Accessible at <https://digitalskillsorg.com.au/qualification-design-trial/> (last accessed 26 February 2022).

<sup>50</sup> Human Services Skills Organisation (2022). RPL Assessment Toolkit (web page). Accessible at <https://hssso.org.au/project/view/rpl-assessment-toolkit/> (last accessed 26 February 2022).

<sup>51</sup> Human Services SO (2022). How to Engage Guide (web page). Accessible at <https://hssso.org.au/project/view/how-to-engage-guide/> (last accessed 26 February 2022).

<sup>52</sup> Digital Skills Organisation (2022). Cremorne Project. Addressing a local problem with a local solution (web page). <https://digitalskillsorg.com.au/cremorne-project/> (last accessed 26 February 2022).

<sup>53</sup> DESE (2020). Guidelines for Skills Organisation Pilots, p 7.

training by a Technical and Further Education (TAFE), an RTO and a non-registered training provider.<sup>54</sup> Similarly the Cremorne Project involves a collaboration between employers in a particular geography with a local RTO – a demonstration project for a Digital Centres of Excellence concept centred on training delivery at the local level.<sup>55</sup>

The Human Services SO is also working with employers and RTOs to help to connect learners undertaking a Certificate III in Individual Support (Ageing) and needing to complete work placements with employers looking to secure potential future workers. The Aged Care Workforce Rapid Response Initiative has been delivered in partnership with the Department of Health. It provides an example of a practical solution brokered by the Human Services SO to an immediate industry challenge, drawing on the organisation's understanding of training and work placement requirements generally and the specific challenges for the aged care sector during the COVID-19 pandemic.<sup>56</sup> The Human Services SO also has several other projects to support training delivery, including the RPL Assessment Toolkit and Guide for Employers in the human services sector.

An expert assessment panel will administer the assessment, which will ensure that it meets the regulatory standards for conducting effective assessments. Also, the involvement of the employer and industry in the design, implementation, and review of the assessments ensures that assessments are authentic to current work environments.

## Stage 5: Skilled workers

Each of the SOs has developed projects that engage directly with workers and workplaces or have focused on innovative strategies for supporting 'job-ready' skilled workers. The DSO Skills Assessment Framework, for example, is intended to provide assessments that benchmark the skills required for specific job functions in accordance with employer-defined skills standards.

The Mining SO's Apprenticeship Project Hub also envisages 'proof point' assessments for trainees and apprentices validated by an independent RTO. A further feature of this project which supports transition of apprentices into the workforce post training involves exploring the extended involvement of the Australian Apprenticeship Support Network (whose role would typically conclude at the end of a training contract).<sup>57</sup>

The Human Services SO commissioned an evaluation of a new *Entry Into Care Roles Skill Set* aimed at equipping learners with the skills and knowledge needed for entry-level roles in the aged care and disability support workplaces (case study on page 33). The model involved faster entry into the workplace - the Human Services SO sought to validate that the pathway delivered workers who met industry requirements for entry-level roles supporting qualified workers.<sup>58</sup>

The partnerships established by all SOs with Year13 represented a 'long-view' approach to attracting the future workforce to the human services, digital and resources sectors (case study on page 58). The three SOs have worked together to build parallel campaigns that showcase the opportunities available in their industries and the training and employment pathways available to potential workers.<sup>59</sup>

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<sup>54</sup> Digital Skills Organisation (2022). Train 100 Data Analysts (web page). <https://digitalskillsorg.com.au/t100/> (last accessed 26 February 2022).

<sup>55</sup> Digital Skills Organisation (2022). Cremorne Project. Addressing a local problem with a local solution (web page). <https://digitalskillsorg.com.au/cremorne-project/> (last accessed 26 February 2022).

<sup>56</sup> Human Services Skills Organisation (2022). Aged Care Workforce Rapid Response Initiative (web page). <https://hssso.org.au/project/view/aged-care-workforce-rapid-response-initiative/> (last accessed 26 February 2022).

<sup>57</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). Apprenticeships (web page). <https://ausmesa.org.au/apprenticeships/> (last accessed 26 February 2022).

<sup>58</sup> Human Services Skills Organisation (2022). Entry Into Care Roles Skill Set Evaluation (web page). Accessible at <https://hssso.org.au/project/view/entry-into-care-roles-skill-set-evaluation/> (last accessed 26 February 2022).

<sup>59</sup> Year13 is an online platform accessible at <https://year13.com.au/> (last accessed 26 February 2022).

# Exercising employer leadership



## Key insights

- Each SO has been successful in establishing a genuinely employer-led model, with the combination of an employer-led board and a skilled and experienced executive team foundational to industry credibility.
- At governance levels, securing the right mix of perspectives spanning sub-sectors, geographies and enterprise scales is important, although acknowledged to be challenging.
- SO pilots have shown that employer-led organisations can avoid perceptions of employer ‘capture’, enabled by expert-led governance, effective processes for engaging diverse industry stakeholders and a focus on outcomes that are inclusive of those that are important to other stakeholders.

The *Guidelines for Skills Organisations Pilots* place emphasis on employer leadership within governance arrangements for SOs, requiring that they operate as ‘employer-led organisations with genuine, transparent and broad representation and support across their industries’.<sup>60</sup> At board level, SOs have expert (rather than representative) boards which comprise individuals with background and experience generally drawing from different areas within their sector.

## The composition of SO leadership structures

The Human Services SO has a five-member board which has remained stable since incorporation. It includes representatives with aged care and disability services expertise, and who span four states. The Human Services Board also includes the current chair of the Disability Support IRC and others with current or past connections with the training system.<sup>61</sup>

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*The board are made up of employer organisations, you know in [the CEO’s] narrative and the narrative of her team that employer focus is really strong ... [they’ve] made some of those conversations that bring employers into the centre of all of this easier. (Industry stakeholder, human services)*

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The Digital SO has the largest board, with eight members. The board includes individuals with experience with some of Australia’s largest information, communications and technology firms, as well as newer industry players and start-ups. Several directors have experience in digital skills development, or technology-enabled education and training and the board includes the chair of the Information and Communication Technology IRC. Members also bring experience in a number of industry peak or representative bodies, including the Technology Council of Australia, the Australian Digital Commerce Association and FinTech Australia.<sup>62</sup>

The Mining SO, as AUSMESA, has established a small but diverse board which includes individuals with current mining and METS sector expertise (including those with workforce development backgrounds), representation from the mining industry peak body (the MCA) and the current chair of TAFE Directors Australia.<sup>63</sup> AUSMESA’s incorporation of VET sector expertise at board level represents a point of difference and represents continuity of engagement with TAFE Directors Australia – which had previously been involved in advising on the establishment of the Mining SO.

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<sup>60</sup> DESE (2020). *Guidelines for Skills Organisation Pilots*, p 3.

<sup>61</sup> Human Services Skills Organisation (2022). The HSSO Team (web page). Accessible at <https://hssso.org.au/about/team/> (last accessed 26 February 2022).

<sup>62</sup> Digital Skills Organisation (2022). Meet our team (web page). Accessible at <https://digitalskillsorg.com.au/team/> (last accessed 26 February 2022).

<sup>63</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). About Us (web page). <https://ausmesa.org.au/about-us/> (last accessed 26 February 2022).

*With the [MCA] behind them it gives them that really strong connection to industry to make sure that their actions are industry led. (Industry stakeholder)*

Figure 4 - Digital SO employer perspectives: board level

Large enterprises	✓	?
Small enterprises	✓	?
	Enterprises for whom ICT is the product or service	Enterprises for whom ICT is a business enabler

Figure 5 – Human Services SO employer perspectives: board level

Larger enterprises	✓	?
Smaller enterprises	✓	?
	Aged care, disability support	Other human services or 'care and support'

A challenge acknowledged by SO stakeholders has been the desire to ensure representation of diverse employer perspectives within sectors at the governance level. While each industry’s structure is unique, there are generally a range of sub-sectors and a diversity of enterprise types which make up an industry. The models chosen by each SO provide a useful illustration of some of the challenges faced in constructing a board with a suitably diverse range of viewpoints.

For the Human Services SO, the organisation’s remit includes a broader set of ‘human services’, including early childhood education and care (ECEC), veterans’ care, allied health and youth and community services. However, at board level, aged care and disability support perspectives are predominant, although the small board has scope to expand.

As noted in our Implementation Review, while there have been consistent efforts to consult with the ECEC sector, there were early challenges securing engagement because of stronger alignment in that sector with ‘education’ rather than ‘care’.<sup>64</sup> These experiences highlight the influence of a sector’s (or sub-sector’s) alignment or otherwise with the SO identity, but also reinforce the importance in the longer term of governance arrangements which can accommodate diverse ‘identities’ within a sector.

The challenge of working within a complex, multi-layered sector and establishing credibility and authority as a voice for employers is captured in the observations made by one of the Human Services SO’s government stakeholders about the diversity of sector players and their roles.

Despite the inherent challenges associated with tackling a very broad and diverse set of sub-sectors, the Human Services SO has shown that it is possible to work across the ‘care and support’ sector – several projects span the full gamut of human services.<sup>65</sup> However, without strong sector support and engagement outside of aged care and disability support, the majority of the organisation’s projects have focused on the aged care and disability sectors where the organisation has the clearest mandate for sector leadership.

The Digital SO has an eight-member board, with an experience profile that emphasises larger, ICT-focused employers. There is no representation from other sectors for whom technology is a key business enabler (see Figure 4) and relatively less representation from ‘small players.’ For a small number of stakeholders we spoke

<sup>64</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 32.

<sup>65</sup> These include, for example the Positive Humanity social change campaign, the How to Engage Guide and the Mapping the Sector project, all of which incorporated a broad range of human service industries in their scope.

to, this was cause for some concern that the needs of smaller employers would receive relatively less strategic attention.

The Mining SO experience was quite different again. In its earlier incarnation as an entity auspiced (and co-funded) by industry through its peak body and influenced by a relatively large and diverse steering group, the legitimacy and centrality of employer leadership was largely accepted as self-evident.

Now operating as an independent entity, with a smaller governance group, the Mining SO has adopted an approach that brings peak bodies for the mining, METS and TAFE sectors into governance arrangements (along with two board members bringing a direct employer perspective) – a different model to the boards of the other two SOs.

The Mining SO board structure remained relatively new at the point of our consultations with stakeholders and we did not hear strong views on the appropriateness of the board composition from industry. However, in our view the approach does appear to have potential benefits in terms of leverage and building on the pre-existing credibility, networks and expertise of industry peak bodies – and this might also be ultimately efficiently enabling of a broader set of perspectives spanning different enterprise characteristics (for example, smaller, larger and multi-national operators).

Over the course of their establishment, each SO has also built out their executive and support teams, with our Implementation Review finding the appointment of a CEO highlighted as a critical milestone for each.<sup>66</sup> As the organisations have matured, the importance of the CEO and key executive staff to an SO's capacity to deliver has been further confirmed. The capacity of the executive to deliver on the employer-led model for SOs has been enabled by the appointment of high calibre teams that have garnered the respect of stakeholders – and in particular employers, whose ongoing support plays a key role in legitimising or informally authorising SOs to representing the views of employers.

## **'Metagovernance'**

The executive team is also frequently the 'face' of the organisation and exercises in a practical sense the functions of leadership on behalf of the SO as its agents in complex sector networks, which are made up of formal and informal relationship structures and hierarchies. In this sense, the SOs are bringing employer leadership to what can be loosely generalised as a network governance context and are:

- building, shaping and leveraging support for new norms of thinking and working within industry and the training sector that are enabling of employer leadership embodied in SOs
- establishing directions and goals and allocating resources through SO work plans that represent an agreed response (as established through considered employer engagement, and supported by DESE) to shared problems or issues
- actively facilitating constructive collaborations within industry and between industry, the training sector and government to advance agreed priorities across the skills pipeline
- contributing at a well-informed, expert level to key policy discussions and dialogues in the sector, by actively listening to a range of voices and adding value through thought leadership.

These four functions are broadly consistent with what Ayres describes as key tools of 'metagovernance',<sup>67</sup> which provide a useful frame for conceptualising employer leadership as a network governance activity in the skills and training context.

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<sup>66</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 37.

<sup>67</sup> Ayres S. How can network leaders promote public value through soft metagovernance? Public Admin. 2019;97:279–295 page?

## Tools of metagovernance

<b>Institutional design</b>	The institutional design of rules, norms and procedures to determine the scope, character and composition of governance networks as well as the time horizon for accomplishing the mission and tasks.
<b>Goal and framework steering</b>	Giving direction to the interactive governance processes and facilitating systematic auditing by allocating resources, defining the overall objectives, specifying the legal parameters and constructing the discursive storyline that frames the problem and possible solutions.
<b>Process management</b>	Facilitating collaboration and ensuring progress toward goal achievement by means of strengthening the relations of mutual dependence, resolving internal and external conflicts, building trust, selectively empowering particular actors and lowering transaction costs.
<b>Direct participation</b>	Seeking to influence the agenda, the decision-making premises and negotiated solutions through leadership, argumentation and coalition building.

Source: Ayres S. How can network leaders promote public value through soft metagovernance? *Public Admin.* 2019;97:279–295, p282.

Effective sector engagement outside of ‘governance’ arrangements is also important to securing the necessary support and authority to lead. We note that this section has focused primarily on SO leadership structures; wider engagement across sectors and touchpoints with industries established by SOs is addressed in the next section.



# Engaging industry and the VET sector



## Key insights

- The SO pilot has confirmed there is not a one-size-fits-all strategy for sector engagement. Each SO has taken an industry-tailored approach to engagement and each has been largely successful.
- The SO pilot has shown that respectfully engaging existing industry structures – state-based ITABs, industry peaks – is important both as a relational strategy but also to leverage existing sector networks’ deep knowledge and expertise.
- Where SO project activity has created value for industry by addressing here-and-now issues for industry, this helped established credibility and SO status as a voice for industry.
- The SO pilot has shown the importance of investment by employer-led entities in understanding and engaging the training sector from the outset.

While tasked with establishing an employer-led model, SOs were also required to build and improve ‘sector networks and feedback loops’ to help ensure that the voices of key stakeholders from industry (broadly defined) and the VET sector were heard.<sup>68</sup> Implicit in the guidelines is the goal of strengthening how industry and the training sector engage with each other, to bridge a key deficit observed by Joyce about the existing system. Guidance for the SOs also highlighted the importance of securing broad support for SO governance and activities and these goals set the context for the development of a Communications and Engagement Strategy (CES) for each SO.

## Communication and Engagement Strategies

The initial establishment of the Mining SO within the MCA – and the co-contribution made by industry in terms of in-kind – meant that establishing a brand and industry credibility were less of a focus, with the SO having a head start in this respect.<sup>69</sup> However, the transition to a new entity, with its own brand and governance has required an updated approach.

The Mining SO’s CES has been refreshed following the establishment of AUSMESA and incorporates a forward-looking agenda covering the remainder of the funding period through to June 2023.<sup>70</sup> The emphasis of the plan is on securing public support for key project activities, industry developments and engagement in the VET system. The revised strategy also includes specific focus on public-facing efforts to promote VET pathways and the Mining SO’s industries. Engagement approaches for the Mining SO have been designed with reference to the Prosci ADKAR model for change management,<sup>71</sup> and reflect the fundamental role that these activities are expected to play in the reform process.

The Human Services SO also developed a CES with a change management lens.<sup>72</sup> Their CES has strong emphasis on building brand and trust, establishing relationships, channels and tools and communications governance. While the strategy is broad in its consideration of audiences, it also includes a specific objective that is focused on establishing the ‘trust of *employers* to be their “voice” regarding workforce challenges, requirements and solutions’ (emphasis added).<sup>73</sup> The specific call out among the key objectives of the strategy reflects the engagement task for the Human Services SO in establishing a position of credible leadership among employers within a highly diverse sector.

<sup>68</sup> DESE (2020). Guidelines for Skills Organisation Pilots, pp 5, 12-13.

<sup>69</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 33.

<sup>70</sup> AUSMESA (January 2022). Communications and Engagement Strategy. Version 4.0.

<sup>71</sup> Prosci (2022). The Prosci ADKAR Model (web page). Accessible at <https://www.prosci.com/methodology/adkar> (last accessed 26 February 2022).

<sup>72</sup> Human Services Skills Organisation (March 2021). Communication and engagement strategy and implementation plan.

<sup>73</sup> Human Services Skills Organisation (March 2021). Communication and engagement strategy and implementation plan, p 10.

The Digital SO's early-stage strategy for engaging stakeholders had a different tenor, but describes two aims. The first was to 'invite and progress' relationships with broader industry and different employer/sector representatives in identifying core issues, foster new ways of thinking and help trial new approaches. The second was to invite and progress relationships with the VET sector with emphasis on 'gaining and valuing' their expertise and experience. These approaches are closely aligned to the SO guidelines' delineation of employer-leadership within industry and broader engagement with the VET sector.<sup>74</sup>

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*The industry engagement and the level of engagement [Digital SO] have most recently [undertaken] with the [Technology Council of Australia], IBM and others ... [and] using that to inform their data strategy and their digital skills framework ... [it] is quite impressive. (Australian Government stakeholder)*

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The Digital SO has engaged with key stakeholders at multiple levels. It has established a small number of active relationships through a matrix of working groups and through relationships with key stakeholders, notably key peak organisations in the VET sector. The Digital SO also engages more broadly through its website, social media, and public activities such as webinars and industry gatherings. For instance, the Digital SO has a strong relationship with industry peaks, including those with small to medium enterprises (SMEs) as members.

In partnership with the Tech Council of Australia, the Digital Employment Forum has provided early success in engaging in a strategic manner with the tech sector; employers, training organisations, and industry presentation.

## Engagement in practice

As explored in our Implementation Review, stakeholder engagement has been a significant focus for all SOs during their design and establishment period.<sup>75</sup> This has continued in what can be framed as the consolidation and delivery stages of their pilot life cycles. In late 2021 and early 2022 we spoke with a diverse range of stakeholders for each of the SOs, including industry, government and training sector representatives to canvass their perspectives on the extent to which SOs were fulfilling their objectives around engagement.

As we heard during consultation for the Implementation Review, stakeholders have varying levels of understanding of the work of the SOs. We did observe an increase in general awareness of the SOs among those we spoke with and we consider this to be attributable to the continued progression of engagement work, greater visibility of project activity and the clarity brought to the reform strategy through the announcement of Industry Clusters. However, there are still aspects of the SO pilot that remain uncertain for some stakeholders.

We note that our engagement approach was not a random or representative sampling of industry more broadly and was focused on those who had some intersection with the scope of SOs' work. Consequently, we cannot offer definitive insight into the 'on-ground' awareness of SOs' purpose and work. However, among those with awareness of the SOs' engagement approaches we heard a number of key observations about that work.

### The Prosci ADKAR model

The Prosci ADKAR model is a proprietary change management approach describing five key stages of change.

- **Awareness** of the need for change
- **Desire** to participate and support the change
- **Knowledge** of how to change
- **Ability** to implement the desired skills and behaviours
- **Reinforcement** to sustain the change

Source: Prosci (2022). The Prosci ADKAR Model (web page). Accessible at <https://www.prosci.com/methodology/adkar> (last accessed 26 February 2022).

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<sup>74</sup> SO Pilot Secretariat (January 2020). Digital Technology Skills Organisation Pilot Engagement Strategy (Version 0.1), p 4.

<sup>75</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review.

## Reach of engagement activity

Each of the SOs is a relatively small organisation in a very large sector; the effectiveness of engagement in this context does depend to at least some extent on the reach achieved. There were many stakeholders that spoke positively about the nature and reach of engagement, contrasting this in some cases with their experience of the existing system. Where SOs were perceived to have made investments in building relationships across breadth and depth of sectors, this was a major plus for many industry stakeholders.

Some constraints in the strategic environment on sector engagement that were highlighted in our Implementation Review have continued to impact engagement work by SOs, particularly including the impacts of the pandemic.<sup>76</sup> While in some ways increased capability and normalisation of virtual engagement platforms provides an opportunity to more efficiently increase reach without the ‘transaction costs’ of travel, SOs have reflected that it can be more difficult to build relationships and collaboration without the opportunity to connect in person.

The scale of activity within the SOs has continued to build over their lifetime. The Mining SO reported approximately 400 engagement activities in the period October to December 2021, primarily geared toward government and industry stakeholders, but also including the training sector, unions and the other SOs.<sup>77</sup> The Human Services SO reports connecting with close to 800 organisations in 2021, leveraging digital communication platforms (including 300% growth in e-news subscribers between July and December 2021), 16 virtual ‘Roadshows’ across Australia,<sup>78</sup> and a wide range of presentations and meetings with government (ministers and public servants), employers and peak bodies, and the education and training sector. The Digital SO has developed linkages with over 700 organisations, ranging across broad sectors and industries. Representation from employers, industry peaks, training providers and services and federal and state governments. Through these linkages, the Digital SO has progressed toward twelve active pilots anticipated to impact over 2,000 students.

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*Being able to sustain the level of engagement that they have from the steering committee of the skills organisation pilot all the way down is a big achievement. (Industry representative, mining)*

*There has been real and very active reaching out into the sector right across the country going around ... networking with the industry in each of the states and territories was really very successful. (Industry representative, human services)*

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## Effectiveness

The extent to which SOs can influence through engagement is dependent on the quality of their interactions and the receptiveness of stakeholders. We heard that stakeholders valued purposeful engagement that was respectful of their knowledge and experience and which came from a clear position of understanding of stakeholders’ role in the system.

Where SOs were able to listen, aggregate and reflect what they heard and ultimately add insight and value to the dialogues with stakeholders, this was also regarded as a strength and key to establishing credibility and leadership bona fides. This was particularly the case for state-level industry bodies (ITABs) and training sector organisations, who were generally appreciative of the intent of consultation and the desire to engage across the skills pipeline.

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<sup>76</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 35.

<sup>77</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). DESE quarterly progress report. Period October to December 2021.

<sup>78</sup> Human Services Skills Organisation (January 2022). DESE 6-monthly report. Reporting period 1 October 2021 – 31 December 2021, P 5.

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*From day one they've gone, 'well you guys are the ones that are talking to industry we want to work collaboratively with you and acknowledge the role that you have to play' ... for me that's been the most positive thing. (Industry representative, human services)*

*Often from a [training sector] perspective you'd have these industry reference groups making decisions ... these training packages were being designed by industry with absolutely little reflection whether they were implementable, or what it would take to implement them (Training stakeholder, all sectors)*

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Being able to engage widely from a position of credibility and inclusiveness was important. The Digital SO was observed in the early days by a number of stakeholders to have engaged with the training sector without the right platform of VET system expertise, initially placing them on the back foot with some training system stakeholders. While the Mining SO described early engagement efforts with unions and the training system, we also heard from some state and territory government and training sector stakeholders that this engagement may have been hampered by perceptions that the Mining SO was driving an 'industry agenda'.

Two state and territory government stakeholders also observed that the engagement strategies adopted by SOs were well suited to the particular issues SO pilots had chosen to address, but may not work as well in the more structured environment and formalised role of Industry Clusters. In the Industry Cluster context, some state and territory representatives indicated that a more structured and consistent engagement mechanism would need to be put in place.

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*For the purpose of the pilot and for them really being able to define their own agenda, [the engagement approach] has been ok .... Would that work for Industry Clusters? No. (State Government stakeholder)*

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## **Delivering value**

SOs were tasked with delivering projects with both shorter and longer-term horizons, with the expectation that short term or demonstration projects would assist them to secure traction and support in their sectors, in addition to providing some immediate value-add. However, few projects have been fully delivered to date. The SOs are as yet still in the delivery phase for most of their projects and perhaps as a consequence we heard mixed views about the value delivered for stakeholders.

For some in the industry, training and government sectors, the fact that SOs have not yet completed many projects has made them less certain of the benefit of the SOs' activities to them as system stakeholders. Many stakeholders we spoke with were eager for SOs to impact training products, although this was outside of the scope of SO activity under the program guidelines.

At the same time, we also heard a more optimistic perspective from others – more commonly those involved in industry – who have been the primary 'audience' for each SO's engagement strategies. These stakeholders commonly highlighted projects underway as a demonstration of SOs' ability to tap into issues that were concerning industry and look for novel solutions. Being able to engage industry, identify a problem and then develop a practical response leveraging the brief to work across the skills pipeline has been a positive development and builds the value proposition for industry to engage.

# Gathering intelligence on the industry environment



## Key insights

- The SOs have shown that strong and engaged networks within their sectors are a fundamental strategic resource that is foundational to intelligence gathering.
- The SOs have demonstrated different mechanisms for securing data and information on industry trends, including leveraging existing peak body relationships; establishing panels of employers; and conducting intelligence gathering projects.
- The SOs have demonstrated that an employer-led model can build reputation as a 'go-to' organisation among government stakeholders for bringing a credible, value-adding perspective to discussions about skills and training.

A function of SOs within the program guidelines was a form of strategic industry scanning to capture information that signalled a need for changes in industry skills needs and to monitor existing training packages to ensure their appropriateness and effectiveness in addressing industry needs.<sup>79</sup> Our Implementation Review describes the initial establishment of steering groups, working groups and consultative mechanisms including roundtables comprised of key industry representatives within each of the SOs, and the early work that was undertaken to develop early priorities and work plans.<sup>80</sup>

All SOs have engaged in a diverse range of individual meetings, network activities, committees and other forums and are active at industry events. These activities serve the dual purpose of enabling the SOs to raise their profile and demonstrate their capability, but also as information gathering and testing forums.

In addition, as they have established core capabilities, the SOs have deployed several different strategies to maintain a line of sight on key industry trends.

The Mining SO's origins within and continuing connection to the MCA leverages the pre-existing networks of the industry peak body. The auspicing arrangements enabled a relatively fast start for the SO, with prior work and industry thinking being leveraged to support early assessment of priorities, issues and challenges in the training system.

Digital SO's engagement has been structured around four working groups: 'Programme & Strategic Guidance', 'Large Scale Employers', 'SMB Employers' and 'VET Sector'. Cross sector and industry representation is a theme of each group. Further working groups were developed in conjunction with TAFE Directors Australia and Independent Tertiary Education Council Australia (ITECA), along with new partnerships with the Tech Council of Australia and the formation of the Digital Employment Forum.

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*I think [the Digital SO has] probably got a better understanding about what's going on in government in regard to digital initiatives than what we do sometimes. (Australian Government stakeholder)*

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Specific projects have also focused on industry contexts, interrogating the strategic environment albeit in different ways. The Human Services SO commissioned sector mapping research to capture information about workforce development initiatives and published the data as a searchable clearinghouse of projects spanning

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<sup>79</sup> DESE (2020). Guidelines for Skills Organisation Pilots, pp 5-6.

<sup>80</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 46.

all human services sectors (see case study on page 64).<sup>81</sup> The Digital SO also commissioned NCVER to examine contemporary frameworks for digital skills, and build an Australian-specific adapted model (see case study on page 69).<sup>82,83</sup> These projects demonstrate knowledge *collation* and knowledge *creation*, and *dissemination* functions.

We also consistently heard from the stakeholders from industry, the training sector and government that senior SO staff are generally able to leverage industry standing and relationships to actively and passively capture insights into the issues or trends that are front of mind for industry. In general, the capacity of the SOs to engage with employers in an ongoing way and to aggregate insights around what is happening in the sector has been increasingly well regarded, and they have established 'standing' for some stakeholders as the 'go-to' organisations at the intersection of skills and industry.

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*[Human Services SO] is the body that other government agencies are going to, to discuss their training needs which is a really positive step I guess because in the old system I don't think that really would have happened. (Australian Government stakeholder)*

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<sup>81</sup> Human Services Skills Organisation (2022). Mapping the Human Services Sector. Accessed at: <https://hssso.org.au/project/view/mapping-the-human-services-sector/>; HSSO. (2022). Workforce Development Initiatives Portal. Accessed at: <https://hssso.org.au/workforce-development-initiatives> (Last accessed 26 February 2022).

<sup>82</sup> Digital SO (2022). Driving new approaches to digital skills education in Australia (web page). Accessible at: <https://digitalskillsorg.com.au/pathways/> (last accessed 26 February 2022).

<sup>83</sup> Scheuler, Jane. National Centre for Vocational Education Research (2021). Digital Pathways Identification Project. Accessible at: [https://digitalskillsorg.com.au/assets/pdf/NCVER\\_DSO\\_Pathways\\_Consultancy\\_Final\\_Report.pdf](https://digitalskillsorg.com.au/assets/pdf/NCVER_DSO_Pathways_Consultancy_Final_Report.pdf) (last accessed 26 February 2022).



# Collaborating with new and existing stakeholders



## Key insights

- The SO pilot has shown that relatively small, agile organisations can leverage partner capability and expertise to extend their impact through collaborative approaches to project delivery.
- SO-led projects have demonstrated approaches to collaboration at both the national, regional and local scales which are addressing issues of concern to industry.
- Notwithstanding their pilot status, SOs have successfully established connections and in some cases joint projects with other new or established system stakeholders (for example, National Skills Commission (NSC), NCVET, TAFEs and RTOs) based on bringing insight and value to the table.
- This engagement and collaboration supports SOs' relational and influencing goals, but also enables harnessing the accumulated body of knowledge and expertise within the system.

Each of the SOs has employed a delivery model focused on partnering with other organisations, building on and extending core capability through collaboration. The expectations established in the program guidelines were for SOs to invest in such collaborative approaches,<sup>84</sup> partly as a mechanism for strengthening engagement with the pilot and partly as a practical strategy for supplementing SO capability.<sup>85</sup>

## Diverse partners and collaborators

Most of the project-based case studies examined in Chapter 4 involve multiple partners, including examples of employers, training sector organisations and specialised contractors working with the SOs. A particular feature in several projects has been the bringing together of industry and training providers, either through formal partnership on projects or project-level consultation and engagement.

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*They've been very willing to be part of the conversations [with training sector bodies] in a way that the previous service skills organisations were neither tasked to do ... nor indeed to some extent were as willing ... (Training sector stakeholder)*

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There have been differences in approach in terms of the scale and focus of project-based collaboration. Adopting a more place-based or local approach to undertaking proof-of-concept testing, the Digital SO has partnered with local employers and a local RTO to engage with the Cremorne Project, an example of their Centres of Digital Excellence approach. This work is place-based and focused on a particular area and its industry and training ecosystem.<sup>86</sup> Similarly, the Digital SO connected with three training providers within its Train-100 Data Analysts project, who in turn engaged with potential employers both to understand need and

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<sup>84</sup> DESE (2020). Guidelines for Skills Organisation Pilots, p 11.

<sup>85</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 46.

<sup>86</sup> Digital Skills Organisation (2022). Cremorne Project to address the digital skills gap in Melbourne tech sector (web page). Accessible at: <https://digitalskillsorg.com.au/blog/cremorne-project-blog/> (last accessed 26 February 2022).

create pathways to employment for graduates; early signs are that this is likely to achieve strong post-training employment rates.<sup>87,88</sup>

The Human Services SOs commissioned PwC to independently evaluate one of its key projects, the Entry Into Care Roles Skill Set. The Skill Set was designed as a response to critical workforce challenges in the aged and disability care sectors in the context of COVID-19, and as a mechanism for providing employment opportunities for displaced workers during the pandemic. The evaluation focused on the utility of a nationally recognised Skill Set and, as such, its findings had national implications and informed the removal of the end date for the Skill Set trialled by the Australian Industry and Skills Committee (AISC),<sup>89</sup> and the AISC's affirmation of the value delivered by the Skill Set.

The Mining SO has also focused on engaging and collaborating with stakeholders at the national level, with its flagship projects specifically focused on building changes into nationally recognised training packages. This emphasis on influencing the redevelopment of key training products has required the SO to engage many of the current training system players in addition to industry representatives.

Specifically, the Mining SO's work on streamlining the heavy-duty mobile plant mechanics apprenticeship is engaging major industry partners (Rio Tinto, BHP, FMG, MacMahon, WesTrac), state training authorities in WA, SA and Queensland, and unions. The work is also anticipated to progress as a new stream within the AUR Automotive training package, with engagement to occur with the SSO (and appropriate Industry Cluster).<sup>90</sup> The Mining SO is also working with Rio Tinto, three IRCs (and their supporting SSOs) and a range of government bodies (including DESE and state and territory training agencies) to progress the Digital Transformation Hub project involving translation of an existing accredited qualification into a training package.<sup>91</sup>

In our view, the Mining SO's key projects represented the most ambitious and direct efforts among the SOs' projects to influence and reform training products and both provided useful insights into the challenges of trying to do this within the limitations of the existing system, many elements of which will remain a part of the Industry Cluster future. Their work highlights the importance of sustaining engagement with stakeholders wielding influence over training package development, and whose support or backing is ultimately required to realise a fast-tracked or streamlined process.

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*State training authorities and unions are probably the ones that have the biggest impact in time to market ... a framework that allows for early engagement with those stakeholders is really important. (Industry representative, mining)*

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## Practical collaboration solving here-and-now issues

The guide for employers in the human services sector was developed by the Human Services SO with support from a contracted provider and involved consultations and workshops with over 60 industry stakeholders from both the employer and training sector perspectives. The Aged Care Workforce Rapid Response Initiative was a partnership of government, the SO, employers and the training sector coming together around a significant challenge affecting the aged care workforce pipeline. The RPL Assessment Toolkit – also in process at the time this report was written – has been recognised as a valuable initiative important to employers in the context of increased focus on upskilling of workers in aged and disability care and to the training sector who conduct the RPL assessments.

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<sup>87</sup> Digital Skills Organisation (2022). Train 100 Data Analysts (web page). Accessible at <https://digitalskillsorg.com.au/t100/> (last accessed 26 February 2022).

<sup>88</sup> Digital Skills Organisation (2021). T100 Evaluation Training Organisations September 21. Accessible online at [https://digitalskillsorg.com.au/assets/pdf/T100\\_Evaluation\\_Training\\_Organisations\\_September\\_21.pdf](https://digitalskillsorg.com.au/assets/pdf/T100_Evaluation_Training_Organisations_September_21.pdf) (last accessed 26 February 2022).

<sup>89</sup> Australian Industry and Skills Committee (November 2021). AISC Communique - 12 November 2021 Meeting. Accessible at <https://www.aisc.net.au/download/3372/aisc-meeting-communique-12-november-2021/281/aisc-meeting-communique-12-november-2021/pdf> (last accessed 26 February 2022).

<sup>90</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). DESE quarterly progress report. Period October to December 2021.

<sup>91</sup> Australian Minerals and Energy Skills Alliance Ltd (2022). Digital Transformation Hub (web page). Accessible at <https://ausmesa.org.au/digital-transformation/> (last accessed 26 February 2022).

Each of these projects has been recognised by stakeholders as addressing an area of shared need at the juncture of employers and the training system. They tackle the interface of employers, training organisations and learners in a very practical way; two Australian Government stakeholders observed that these were approaches that the existing system could not have readily delivered.

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*[the Rapid Response Initiative is] something that the existing system just couldn't do. It had no capacity, capability whatsoever, it was never funded to do it, wasn't within scope whereas this allows that scope so it gives a much broader remit for the [Human Services SO]. (Australian Government stakeholder)*

*[Prior] to the HSSO coming on board we'd hit a brick wall saying 'RPL is too hard' whereas I think they were prepared to look and say let's look at a way of developing a streamlined system. (Australian Government stakeholder)*

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The Digital SO's partnership with NCVER represents a different form of collaboration with a key research body to produce a key insights report that informed the development of the Digital Skills Pathways (see case study on page 69).<sup>92</sup> The NCVER's research capabilities were paired with the Digital SO's connections and insight into the digital industry to produce a rapid scan of select international frameworks and development of a recommended model for the Australian context.<sup>93</sup>

Finally, all SOs have had engagements with the National Skills Commission (NSC) in the context of the development of the Australian Skills Classification (ASC).<sup>94</sup> The NSC reported multiple points of engagement in the context of leveraging the SOs' capacity to advise on and support industry engagement and provide feedback from an industry perspective on the development of the ASC and other key projects of the NSC.

## Industry Reference Committees and Skills Service Organisations

Collaboration by SOs with the IRCs and SSOs was outlined within the program guidelines, particularly in the context of work anticipated to touch on training packages and products that remain formally within the remit of the existing system. As observed in our Implementation Report, SOs encountered some early challenges where there was resistance from some stakeholders to the emergent employer-led model, particularly prior to the announcement of Industry Clusters.<sup>95</sup> There were a number of existing relationships between IRCs and SOs at establishment, with steering groups and subsequently boards at all three entities including members who were key players on IRCs in their sectors.

IRC's have also been contributors to several SO-led projects, particularly those of the Human Services and Mining SOs. SSOs have directly engaged with SOs in a range of projects, although those projects have predominantly been outside of training package development work. For example, the Digital SO has worked directly with Australian Industry Standards in relation to the development of a *Digital Skills for Workforce Skills Framework* which provides a common language for describing and identifying generic digital capability requirements in different occupations. Direct engagement with SSOs in relation to training package development has been less consistent, perhaps with the exception of the PwC Skills for Australia which is working with the Mining SO to advance the Digital Transformation Hub project, taking on the role of transforming the existing accredited automation training material into a form that can be considered by the relevant IRCs and ultimately AISC. PwC Skills for Australia were also involved in early workshops on the establishment of the Mining SO work plan.<sup>96</sup>

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<sup>92</sup> Digital Skills Organisation (2022). Driving new approaches to digital skills education in Australia (web page). Accessible at: <https://digitalskillsorg.com.au/pathways/> (last accessed 26 February 2022).

<sup>93</sup> Scheuler, Jane. National Centre for Vocational Education Research (2021). Digital Pathways Identification Project. Accessible at: [https://digitalskillsorg.com.au/assets/pdf/NCVER\\_DSO\\_Pathways\\_Consultancy\\_Final\\_Report.pdf](https://digitalskillsorg.com.au/assets/pdf/NCVER_DSO_Pathways_Consultancy_Final_Report.pdf) (last accessed 26 February 2022).

<sup>94</sup> National Skills Commission (2021). Australian Skills Classification. Accessible at <https://www.nationalskillscommission.gov.au/our-work/australian-skills-classification> (last accessed 26 February 2022).

<sup>95</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 36.

<sup>96</sup> Urbis and ARTD (2021). Skills Organisation Pilots. Project 1 - Implementation Review, p 24.

# Influencing the quality and extent of training



## Key insights

- With one exception, SO-led projects have not yet produced nationally recognised training products, although several projects will culminate in new products and training approaches.
- The SOs have shown that facilitative projects that focus on better communication and collaboration between training organisations and employers may have potential to improve training quality.
- The Digital SO's approach to working largely outside the training system through 'disruptive collaboration' is challenging for some stakeholders, but has shown the possibilities of taking a wider brief.
- SO projects have not materially impacted the extent of training available for their industries, although workforce development projects and communications connecting learners to industry opportunities and training have potential to drive longer-term demand.
- While SO guidelines signal attention to equity issues within all projects, only two have incorporated an explicit focus on disadvantaged learners.
- The SOs have shown national presence and geographic diversity in their projects, although only the Mining SO has specifically engaged with remote contexts.

Operating within the existing system and with IRCs and SSOs still in place, SOs were not given the authority to directly shape recognised training products and the associated development and approval processes. As a result, there have been few substantive outcomes in this area to date, although there are multiple projects which, when complete, will provide a more complete evidence base for the influence of the SO model. In the interim, there is a degree of scepticism among some stakeholders who are focused on these types of outcomes as markers of success.

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*There have been mixed outcomes from them. I don't think they have delivered much on the ground as a whole ... And if you want to translate that to qualifications reform and industry engagement reform, there are some fairly big leaps that would need to be made. (State government representative)*

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However, the SO pilots were established with a brief to trial new ways of working and influencing and as pilots, the lessons and observations from the opportunities they have created is equally, if not more useful than a summative assessment of their ultimate impact. Opportunities to influence the quality and extent of training have generally fallen into three categories – and each SO has perhaps taken a lead role in demonstrating one of the three. In addition, the SOs have also engaged with workforce development strategies that may ultimately drive uptake of training.

Ultimately, the SOs have usefully addressed a range of industry functions that can influence the quality and extent of training:

- directly influencing the faster development of better training products
- supplementing AQF by influencing non-accredited training pathways
- influencing the way development and delivery mechanisms (and sector relationships) work
- workforce development activities that identify needs, duplication and gaps with respect to training.

## Better and faster product development

At the date of this report, the Human Services SO's initial development work and subsequent evaluation of the Entry Into Care Roles Skill Set remains the only completed project directly related to a specific training product.<sup>97</sup> However, each of the SOs is undertaking work that will lead to amended qualifications through the qualification reform trials (outside the scope of this evaluation).

The Mining SO's work has from the outset focused substantially on improving the speed to market and employer-appropriateness of qualifications. Along with the qualifications reform trial, the Digital Transformation Hub and the Apprenticeships Project Hub mean that three of the Mining SO's four project hubs are geared toward qualification improvement.

This orientation is consistent with the early emphasis within the Mining SO on pursuing tangible outcomes that are a priority for its sector and in re-engaging some of the major players in the mining and METS sectors with the national system. Some of the earlier aspirations for delivery on these priorities have been affected by delays to the projects, but ultimately the emphasis remains on addressing speed to market and relevance.

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*The [Mining SO] has spent a lot of time trying to work out well 'why isn't this in the national training system and why can't we bring these companies back into using the national training system.'* (Australian Government stakeholder)

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## Training pathways outside the AQF

While the Mining SO has focused on trying to develop ways to work differently – but ultimately within – the VET system, the Digital SO has adopted an alternative approach. The Digital SO's approach to thinking about skills is further from the AQF and the national training system than the work of the Mining and Human Services SOs. It is arguably closer to the microcredential marketplace promoted by government as an approach to addressing skill shortages and a rapidly changing labour market.<sup>98</sup> This different focus reflects the strategic environment, industry settings and specific challenges for digital skills, including the pace of change and the proliferation of product-specific training by technology vendors.

In this context, the Digital SO's focus was to begin with the challenge of redefining what constitutes 'digital skills' and to rebuild a conceptual model for a redesigned system comprising centres of excellence (networks of endorsed training providers), employer-led digital skills standards that are independent of training pathways and digital skills pathways which provide an organising framework for skills relevant to learners, employers and training providers that is independent of occupations or industries.<sup>99</sup> The Digital SO's approach has explicitly adopted a 'disruptive collaboration' model designed to drive new thinking and capture learning about what does and does not work.<sup>100</sup>

We heard from many stakeholders who recognised the Digital SO's approach as an attempt to try something new, to rethink how the skills pipeline should be configured to deliver skilled workers and who saw in the digital space the right environment in which to take a more disruptive approach. Supporters of the Digital SO model tended to be industry stakeholders who saw a welcome focus on employer-desired outcomes in the model.

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<sup>97</sup> The Skill Set itself was developed by the Human Services SO Board prior to incorporation.

<sup>98</sup> Tehan, D and Cash, M (22 June 2020). Marketplace for online microcredentials (media release). Available at: <https://ministers.dese.gov.au/tehan/marketplace-online-microcredentials> (last accessed 26 February 2022).

<sup>99</sup> Digital Skills Organisation (2022). About Us (web page). Accessible at <https://digitalskillsorg.com.au/about/> (last accessed 26 February 2022).

<sup>100</sup> Digital Skills Organisation (December 2020). Master 2 Year Work Plan (Version 8.0), p 31.



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*The fact that they are developing a framework for digital skills and they have prototypes for digital skills, standards and a data strategy for the framework ... I would consider that a significant achievement. (Industry stakeholder, digital)*

*Really big companies are saying 'hold on, their skills-based approach is actually what we need'... so I think particularly from the DSO perspective I think the people that are backing in their partnerships are showing that industry says they're doing the right things. (Australian Government stakeholder)*

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Equally, there were strong counterviews which held that the absence of connection into the national training system means that their current framework for developing qualifications 'will die the moment the Digital SO goes' (training sector stakeholder). While testing scalability of projects is an explicit component of the Digital SO's workplan, some stakeholders queried the scalability of the Train-100 Data Analysts and Cremorne Project focus on unaccredited training or particular local contexts and their utility as exemplar or demonstration projects.

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*It's harder to see how some of where [the Digital SO] is going is scalable ... so how do you actually take a small exemplar with a few industry players and a few students involved into scalability. (Training sector stakeholder)*

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## **Better training and delivery mechanisms**

The Human Services SO has adopted a slightly different emphasis than the Mining and Digital SOs. Their focus has been proportionally less on training product development, with a range of projects addressing sector knowledge capture and communication, supplementing training delivery mechanisms and collaborative relationships. To date, these have included projects focused on:

- improving how employers and RTOs can work better with each other
- connecting employers and students looking for work placements
- developing tools to enable consistent assessment of RPL
- producing guidance on mandatory work placements for the Cert III in Individual Support.

Each of these projects addresses a specific issue or friction point for the training delivery system. We would characterise these projects as facilitative projects which aim to respond to immediate needs and enhance existing processes and relationships, rather than adopting a more transformative approach to underlying training products or processes. They further reflect the more expansive 'toolkit' of solutions available to the SOs, demonstrating their thinking outside training product development in addressing emerging issues of problems within their sectors. However, the highly applied nature of the work and the opportunity to create marginal benefits by simply helping the system work better together mean these projects are valued for their practicality, relevance and immediacy.

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*Engaging with employers has sort of been bouncing around for a few years now and for somebody to lead that piece of work, enabling [regulators and others] to leverage off that ... is a really good strategy. (Industry stakeholder, all sectors)*

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## Workforce development

Each SO is also engaging in workforce development activity including workforce attraction and 'entry point' strategies primarily through the Year13 project.<sup>101</sup> The project is a digital campaign which showcases each of the human services, digital skills and resources areas, and represents a foray into nationally coordinated, sector-level promotion of career opportunities and training pathways. The project itself is not addressing training system products or quality, but if successful in catalysing demand for training, may help to broaden the extent of training uptake.

The Digital SO's work in creating a digital toolbox is also linked to workforce development, including offerings for learners to explore, test and enhance their digital skills through short form, unaccredited micro-training and aptitude testing, and provides an easy entry point for learners.<sup>102</sup> Similarly, the Human Services SO's evaluation of the Entry Into Care Roles Skill Set is also supporting an initiative that is specifically seeking to lower the barrier to employment for young people and to create a simpler pathway into the aged care workforce.<sup>103</sup>

In addition to these sector entry focused projects, there are examples of work focused on a broader suite of workforce development issues. The Human Services SO is also examining the skills profile of frontline leaders, which is also early stage exploratory work that may contribute to the development of skilling or training approaches<sup>104</sup> and their sector mapping project sought to make more efficient the capture and exchange of information about workforce development projects and activities occurring across their sectors.<sup>105</sup>

## Working with consciousness of equity issues

The SO program guidelines indicate that SOs are expected to operate with attention to equity issues, including issues relating to people with disability and Aboriginal and Torres Strait Islander peoples. SOs were also guided to consider a diversity of geographic context, including rural, regional and remote Australia.

SO boards show reasonable diversity across different states and territories and SO executive teams are also based out of five different states and territories. There is also substantial diversity in project locations, although only the Mining SO has specifically engaged with remote contexts.

Through early consultation the Mining SO identified a range of under-represented groups which should be supported including veterans, women and Aboriginal and Torres Strait Islander peoples. The Mining SO's projects, although broader in nature, were developed with specific consideration of supporting workforce mobility and pathways into the mining workforce for those groups. In terms of direct action to support disadvantaged cohorts, at the time of analysis two projects had incorporated an explicit focus on learners from Aboriginal and Torres Strait Islander populations.

The Human Services SO's Mapping the Sector project captured data on cohort-specific initiatives and Digital SO's Train 100 DAs project included an Indigenous-specific training stream. Additionally, the Human Services SO's Entry into Care Skills Set was evaluated through a trial with a cohort of disadvantaged youth (see case study). The evaluation confirmed that the Skill Set did provide a pathway to work and/or further study for many of the individuals involved.

There are aspects of each SO's future project pipeline where SOs are actively engaging and consulting on equity issues, although these sit outside our scope of inquiry.

It will be important to ensure that Industry Clusters have clear directives to focus on equity groups through their workforce development planning processes and other activities to ensure they are considering the needs of these groups in the delivery of their functions.

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<sup>101</sup> Year13 is an online platform accessible at <https://year13.com.au/> (last accessed 26 February 2022).

<sup>102</sup> Digital Skills Organisation (2022). Digital Toolbox (web page). Accessible at: <https://digitalskillsorg.com.au/digital-toolbox/> (last accessed 26 February 2022).

<sup>103</sup> Human Services Skills Organisation (2022). Entry Into Care Roles Skill Set Evaluation (web page). Accessible at <https://hssso.org.au/project/view/entry-into-care-roles-skill-set-evaluation/> (last accessed 26 February 2022).

<sup>104</sup> Human Services Skills Organisation (2022). Informing Workforce Strategy Through CILCA360 (web page). Accessible at <https://hssso.org.au/project/view/australias-agedcare-workforce-strategy/> (last accessed 26 February 2022).

<sup>105</sup> Human Services Skills Organisation (2022). Human Services Workforce Development Initiatives portal (web page). Accessible at <https://hssso.org.au/resources/view/human-services-workforce-development-initiatives-portal/> (last accessed 26 February 2022).

# 3. REFLECTIONS ON INDUSTRY DIVERSITY



# Five key reflections on industry diversity

People participating in the evaluation were very clear that each industry is different and a one-size-fits-all model for future industry engagement models (including Industry Clusters) was unlikely to be effective – however, there were a common set of key issues that engagement models will need to address to be effective. The following are some core areas for consideration that were identified as important lessons from stakeholders' experiences of the SO pilots that are of relevance to future reforms.

## **Stakeholder mapping of all relevant interests.**

The appreciation of all viewpoints of stakeholders was considered necessary in reforming the skills development system. Vertical inclusion refers to the needs and interests of employers of different sizes within each 'slice' of industry included in a cluster. Horizontal inclusion refers to the inclusion of all the interests of industry with knowledge, expertise and interests relevant to the work of the reform agenda. This includes training organisations and the needs of disadvantaged students and workers.

Inclusion does not mean 'representation' in the political sense as it was considered to be a virtue of the SO pilots that the organisations themselves were modelled more clearly on a professional services model, with a board and an executive that is contractually accountable to government, rather than a grouping of volunteers in an arena ripe for political manoeuvring. The analogy was made with effective corporate governance where information is gathered from diverse stakeholders and all relevant viewpoints addressed, but when conflicts of interest arise these were dealt with on a case-by-case basis rather than by the permanent exclusion of a certain view or stakeholder from the work of the organisation.

## **Lifelong learning and catering to workers at different stages in their employment trajectory in a rapidly changing world.**

The VET system is traditionally focused on defining the skills needed for a certain job and then providing a means of training apprentices and younger entrants to obtain those skills. The pace of change means that existing employees in an occupation or industry need to retrain to keep skills relevant for their current job, while at the same time some jobs will be less relevant in the future and other new jobs that did not exist a decade ago will emerge. These forces are putting huge pressure on a system designed to provide apprentices with the skills they can rely on to enter and progress in a career

A focus on foundational vocational skills is necessary to equip people with the ability to upgrade and/or transfer skills across the labour market.

Meeting the skills needs of Australia requires attention to older workers who are retraining for jobs or skills that did not exist when they transitioned from secondary school into VET and the workplace. There is potential for 'micro credentials' or 'stackable' qualifications that allow workers to upskill or retrain in ways that recognise the skills they already have while providing them with the training they need to perform new and emerging jobs.

**Consideration of different ways of recognising skills.**

The purpose of the VET reforms is ‘ensuring Australians can access high quality and relevant training and employers can access the skilled workers they need.’<sup>106</sup> This includes but is not limited to the development of training packages and regulation of the delivery of training and qualifications.

Qualifications are intended to provide employers with confidence that an individual holds the skills required to perform a role. Qualifications may act as a ‘signal’ that someone holds a particular skill. As the workforce evolves so must the system that ‘warrants’ if a person holds a necessary skill. There is the potential for non-accredited training or alternative forms of skill assessment if these meet the key criteria of providing employers with confidence that a person has the skills necessary to perform a role. Qualifications also act as a ‘screen’ that prevents someone without those qualifications from entering or progressing in an industry – in these cases whether a person holds a particular qualification will determine a person’s wage. These are complex issues that will require different solutions to safeguard and promote quality training but require attention in all industries.

**Balancing ‘listening’, ‘planning’, and ‘doing’.**

Through the evaluation it was clear that the potential scope of work within an industry engagement context was enormous. Many stakeholders observed a tension for a new organisation between taking time to listen to diverse views and build trust and identifying projects that are of strategic importance and obtaining agreement and ‘buy in’ to ensure a project can be executed to deliver tangible benefits. It also requires a process for balancing competing priorities such as can be achieved with an annual work plan approved by government.

Many stakeholders commented on the breadth of the potential scope of work for the SO pilots and the necessary scope of work for future engagement models as they mature: think tank, peak body, and professional services. This requires developing a reputation as the ‘go-to’ organisation in an industry for advancing the skills agenda, having the networks and ability to interface with organisations such as DESE, NCI, NSC, NCVET, ASQA to align with intelligence on current and future skills and training needs and to manage projects that make tangible differences to the way people obtain skills. Stakeholders were keen to see these organisations sufficiently resourced to perform these roles.

**Coordination across clusters, occupations, and skills.**

The Industry Clusters have reduced the number of different entities that need to consider a qualification. There are skills that cross occupations and occupations that span Industry Clusters. For example, skills related to digital, blockchain, supply chains, wholesaling, environmental traceability, financial literacy and many others will cross multiple clusters. Identifying overlaps and having governance mechanisms in place to resolve training needs for skills of this type will be crucial to a coherent and efficient system.

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<sup>106</sup> <https://ministers.dese.gov.au/robert/landmark-vet-reforms-drive-our-skills-led-economic-future>



# 4. CASE STUDIES



# Introduction

Case studies were developed in consultation with key staff and stakeholders and through review of documentation provided by DESE and SOs. Case studies were selected in collaboration with DESE and SOs to provide a broad overview of the functions and operations of the SOs. A brief synopsis of each case study follows.

Table 7 – Case Study Overview

Case Study	Synopsis
<p><b>Evaluation of the Entry into Care Roles Skill Set</b></p> <p>Human Services</p>	<p>The Entry to Care Roles Skill Set (the Skill Set) was developed in the early stages of the COVID-19 pandemic to respond to acute staff shortages in the care sector. It was intended to enable new workers to be rapidly deployed with the necessary entry-level skills. The evaluation found the Skill Set equipped learners with the skills, knowledge and training required to meet industry skill needs in relation to basic entry-level care and provided a pathway to further qualification attainment.</p>
<p><b>Year13</b></p> <p>Digital, Human Services, Mining</p>	<p>For varying reasons, all sectors represented by the SOs will need to expand their workforce over coming years to ensure that supply can meet forecast demand. The three SO pilots partnered with Year13 to promote opportunities and careers in mining, digital technology and human services, with the aim of attracting young workers. The three SO pilots have developed and launched their campaigns and learning modules on the Year13 website. The reach of these campaigns has been facilitated by Year13's existing footprint with young people aged 15-25 and extensive experience with this market.</p>
<p><b>Digital transformation project hub</b></p> <p>Mining</p>	<p>A recent report by Ernst and Young commissioned by the Minerals Council of Australia found that development and accreditation of new automation-related vocational education and training products could benefit the changing skills landscape. In response, the Mining SO is developing a digital transformation project hub to develop and test a mechanism to fast-track accreditation of digital-related training products for the sector and for the application of digital technologies to become part of Australia's nationally recognised training product library.</p>
<p><b>Mapping the sector</b></p> <p>Human Services</p>	<p>The multitude of workforce development and training initiatives and projects underway at any given time creates the potential for duplication and without a mechanism to identify and track these initiatives, can create a barrier to knowledge sharing across sectors. A digital platform was developed to identify and describe workforce development and training programs and pilots currently underway across the sectors the SO has responsibility for (Disability, Aged Care, Health and Child &amp; Family Services). The platform is now live and represents all target sectors in the mapping, with even distribution across the various sectors.</p>
<p><b>Guide to VET for human services employers</b></p> <p>Human Services</p>	<p>There are varying expectations among RTOs, employers and learners for training content, delivery and assessment of learners and few pathways for feedback from employers to RTOs to express concerns about quality and content of training. In response, the SO developed a 'Guide for human services employers' to support and enable collaborative relationships and align expectations between employers and RTOs. In-depth stakeholder engagement as part of the guide's development enabled</p>



	the SO to reach stakeholders who had previously not been consulted and resulted in strong stakeholder engagement.
<b>Digital pathways identification</b>  Digital	The Digital SO engaged NCVET to create a model of pathways from education to employment across all industries employing people with digital skills in Australia, involving a review and synthesis of comparable international frameworks that may apply to the Australian landscape. The report found international frameworks were centred on critical non-technical skills such as problem solving, creativity and collaboration. In light of these findings, the Digital SO and NCVET developed an Australian model outlining seven different pathways.
<b>Prioritising projects</b>  Mining	Mining SO undertook an extensive ideation and planning process with the Steering Group, Working Group and broader industry consultation through the Mining SO's 'hub and spoke' governance model and the MCA's Workforce and Innovation Committee to identify priority projects and develop its Forward Work Plan to ensure these activities were aligned with the skills pipeline outlined in the program guidelines. The process involved a series of stakeholder workshops shortly after the SOs' inception to seek input, expertise and buy in for the key functions and activities of the SO. Following endorsement by the Steering Group, the three hubs were formalised into the Mining SO Forward Work Plan.
<b>Leveraging an industry peak</b>  Mining	In the context of the Mining Council of Australia's long-term interest in education, skills and training, the MCA approached the then Minister for Employment, Skills, Small and Family Business in mid-2019 to advocate for the establishment of an SO pilot in the mining sector. The MCA proposed that the Mining SO be established through a co-contribution model, whereby the MCA would auspice the Mining SO during the initial establishment period before transitioning it to a standalone entity in the second year of operation. The Mining SO was formally established in May 2020 through the proposed co-contribution model. On 1 November 2021, the new entity, AUSMESA, commenced operations.
<b>Employer engagement</b>  Digital	The nature and scope of firms that require their employees to have digital skills makes industry engagement difficult. The Digital SO developed a structured approach to engaging with employers focused on both larger and smaller entities through the establishment of two 'sampled' reference groups of employers. We explored satisfaction within the sample with Digital SO's approach.

# Evaluation of the Entry into Care Roles Skill Set



## Key insights

- Evidence building through applied research and evaluation helps regulators and other decision makers gauge the effectiveness of programs and products designed to build and sustain the workforce.
- Well-designed evaluations of training and workforce programs and products may also help to build product and delivery quality and contribute to improved confidence in the system for employers and learners.
- Skills Organisations have a broad remit across the skills pipeline, which positions them well to oversee or lead applied evaluations of training products and their real-world implementation.

## Background

The Entry to Care Roles Skill Set (the Skill Set) was established under the leadership of the Human Services SO. It was designed as a response to critical workforce challenges in the aged and disability care sectors in the context of COVID-19, and as a mechanism for providing employment opportunities for displaced workers during the pandemic.

In this context, the Skill Set aimed to equip individuals with critical skills and knowledge required to provide basic client care for a range of roles and purposes in aged care and disability support sectors. It was also intended that the individuals who completed the Skill Set would gain new training pathways and meaningful employment.

The Skill Set was endorsed on 14 May 2020 through a fast-track process under the AISC Emergency Response Sub-Committee. It was originally valid until 30 June 2021 however this was subsequently extended to 31 December 2021 to allow learners to complete the Skill Set in the face of ongoing disruption related to the pandemic, and to allow for an independent evaluation of the Skill Set to be completed.

The Skill Set was evaluated through analysis of its delivery by three RTOs involved in the Brotherhood of St Laurence's (BSL) Skilled Pathway Pilot Program. The BSL pilot sites were selected on the basis of them being areas with high levels of unemployment and youth unemployment, and strong demand for roles in aged care and disability support (Adelaide North (SA), Darwin (NT) and Logan and Gold Coast (QLD)). Approximately 47 participants aged 15-30 from disadvantaged backgrounds were involved.<sup>107</sup>

Based on the findings of the evaluation (see below), the AISC agreed on 12 November 2021 to remove the end date of the Skill Set, making it an ongoing component of the CHC Community Services Training Package.<sup>108</sup>

## Purpose and SO contribution

In 2020, the Board for the Human Services SO identified the evaluation of the Skill Set as a priority project for inclusion in the organisation's work plan.

The evaluation sought to assess whether the Skill Set was achieving its intended objective: to equip learners with entry-level skills needed to obtain employment in the aged care or disability support sectors.

<sup>107</sup> PwC (2021). Entry into Care Roles Skill Set Pilot Evaluation: Final Report.

<sup>108</sup> Australian Industry and Skills Committee (November 2021). AISC Communique - 12 November 2021 Meeting.

To inform this assessment, the evaluation of the Skill Set focused on four key questions:<sup>109</sup>

- Can RTOs effectively deliver the Skill Set so that learners meet industry requirements for basic entry-level care in aged care and disability support contexts?
- Are learners equipped with skills and knowledge required to support fully qualified carers within aged care and/or disability support environments?
- Does the Skill Set offer the appropriate combination of units of competency and build towards attaining qualifications in aged care and disability support?
- Is the Skill Set scalable?

This research would provide the Human Services SO with an evidence base to consider whether the Skill Set should continue beyond its 31 December 2021 expiry date, which would inform recommendations to the AISC about its ongoing value and utility. By examining the effectiveness of an innovative approach to creating a workforce entry pathway, using existing 'building blocks' within the training system, the project contributed to the Human Services SO's objectives to ensure industry is connected to appropriately skilled workers.

## Activity

**Procurement.** The Human Services SO conducted a competitive procurement process to identify an appropriate consultant to undertake the evaluation. PwC was selected to deliver the work through this process.

**Evaluation design.** Led by the Human Services SO, PwC worked with BSL to develop a program logic – a theoretical model for how activities through the Skill Set trial would result in change, and ultimately outcomes for learners and employers. They then developed an evaluation framework which set out key research questions and guided data collection required to support a robust, systematic analysis.

**Data collection.** The approach included analysis of qualitative and quantitative data associated with program delivery and a consultation process to understand the utility and effectiveness of the Skill Set. This included consulting with three RTOs, four transition-to-work organisations, three employers and eight participants. An online questionnaire was also developed for participants to complete.<sup>110</sup>

**Reporting and analysis.** Evaluation data was collected and analysed, with a drafting process capturing feedback and insight from the Human Services SO within the report. The Evaluation Report was finalised in August 2021.

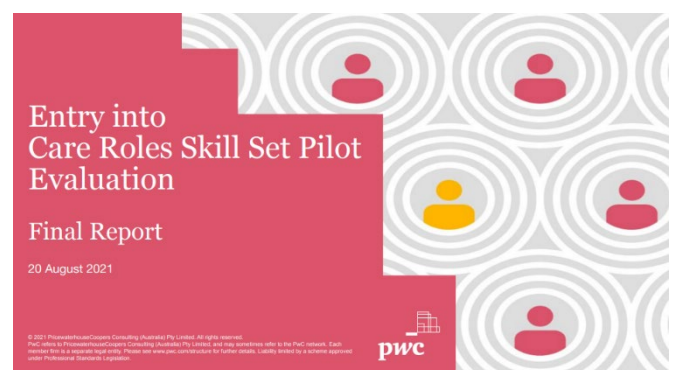
## Outcomes and achievements

**Affirming Skill Set appropriateness.** One of the issues within the national training system highlighted in the Joyce Review was the disconnect between prescribed training standards, their implementation by RTOs and ultimately what skills learners are equipped with.

The evaluation design sought to take a holistic, 'pipeline view' of the Skill Set under real world conditions, and tested aspects of the design, delivery, and learner and employer outcomes.

The evaluation found that:

- providers are able to effectively deliver training that meets industry requirements for basic entry-level care in aged care and disability support contexts
- the Skill Set broadly equips learners with the intended skills and knowledge
- the Skill Set offers the appropriate combination of units of competency that build toward attaining qualifications in aged care and disability support.



<sup>109</sup> PwC (2021). *Entry into Care Roles Skill Set Pilot Evaluation: Final Report*, p 7.

<sup>110</sup> Ibid.

**Confirming utility to accelerate workforce entry.** Viewed through an evaluation lens, the project captured key insights about whether the Skill Set could deliver the right skills to ensure employability outcomes for learners and a faster pathway into entry-level roles.

As indicated above, the evaluation confirmed that the Skill Set did provide a pathway to work and/or further study for the individuals involved (for example, of those who completed a work placement as part of the BSL pilot, 61 per cent are completing a related qualification and 29 per cent were offered a role in the sector).

**Insight into scalability.** A benefit of adopting the trial-and-evaluate approach was the diversity of settings and stakeholders involved, which allowed for exploration of how well the Skill Set might apply in different environments. While this was a small scale and limited trial, the evaluation demonstrated the utility of the Skill Set for the individuals involved, providing evidence to support its broader roll out.

**Informing decision making.** Although the evaluation was based on a relatively small sample in a particular context, it provided sufficient evidence to demonstrate to the AISC that the Skill Set was supporting the outcomes intended. This evidence formed the basis of a decision to remove the expiry date on the Skill Set, ultimately making it available Australia-wide.

## Lessons

**Evaluation governance:** The evaluation was commissioned in the early days of the Human Services SO, and prior to the onboarding of the executive team, and there were some key transitions within the evaluation team. Design and delivery of the evaluation may have benefited from more active and continuous evaluation governance, and specifically the regular convening of a small evaluation reference tasked with supporting and guiding the evaluators and providing improved continuity.

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*Industry needs to learn from and incorporate more evaluation ... it builds organisational understanding. (Human Services SO)*

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### Key insights

- Partnering with a well-known organisation with extensive reach allows for SOs to draw on their networks to communicate with and engage the learners they are trying to reach (young people).
- SOs can collaborate effectively on projects with similar goals and there are also benefits from sharing project governance arrangements in some cases.

## Background

A key focus for the SOs is to address issues of attraction and retention for their industries, each of which face their own specific challenges.

Since the 1990s, Health Care and Social Assistance (Human Services) has been the largest contributor to labour growth in Australia. It is now the largest employment sector in Australia, representing over 14% of Australia's total employment sector (1.9 million people).<sup>111</sup> It is expected to be the fastest growing sector through to 2025, requiring more than 250,000 additional workers to meet heightening demand.<sup>112</sup> The sector continues to face challenges in attracting and retaining appropriately trained staff, and the evidence indicates this is particularly the case in the younger cohorts (20–24-year-olds are underrepresented).<sup>113</sup>

In the digital sector, it is expected that the number of technology workers needed will continue to grow significantly and Deloitte has estimated that by 2025, Australia will need to upskill and train more than 150,000 digital professionals – an average growth rate of 3.1%.<sup>114</sup> This substantially outstrips the expected growth rate for the workforce in Australia (expected to increase by 0.8% annually).

The mining industry currently employs approximately 250,000 people in Australia. Despite this, there is a lack of students and graduates entering tertiary mining courses. By way of example, a 2018 study from Monash University found that in 2017, 171 people were expected to graduate from a mining engineering degree.<sup>115</sup>

## Purpose and contribution

The three SOs have partnered with Year13 to promote the value and array of career opportunities in mining, digital technology and human services sectors through a digital and social media campaign. The Human Services SO's Year13 Positive Humanity Campaign aims to improve awareness and knowledge of the sector and to encourage more young people (15 to 24 year-olds) to consider opportunities in the sector. Similarly, Digital SO and MSO are working with Year13 to promote the value and diverse opportunities of careers in their sectors, as well as industry insights and key skills.

The Year13 project emerged from conversations the three SO CEOs and executive teams had with Year13 concerning how they could work together to address attraction and retention in their sectors. For each SO, Year13 developed a proposed approach, outlining suggested learning modules and campaign strategies which would leverage Year13's significant existing footprint with young people (including reach into schools), their capabilities in content presentation, and their access to existing data, technology and research.<sup>116</sup>

<sup>111</sup> Australian Industry and Skills Committee. (n.d.). Industries – Health. Accessed at: <https://nationalindustryinsights.aisc.net.au/industries/health> (Last accessed 26 February 2022).

<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

<sup>114</sup> Deloitte. 2020. ACS Australia's Digital Pulse. Retrieved from:

<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-australias-digital-pulse-2020-230920.pdf> (Last accessed 26 February 2022).

<sup>115</sup> Monash University. 2018. *Mining Engineering Graduates in Short Supply*. Retrieved from:

<https://lens.monash.edu/2018/04/16/1346398/mining-story> (Last accessed 26 February 2022)

<sup>116</sup> Year13. (2021). *HSSO & Year13 Proposal*.

## Activity

The Year13 platform is hosting an ‘academy’ (a range of e-learning modules) for each SO pilot’s sector on the Year13 website, as well as social media and promotional activities, an online expo, targeted engagement to Year13’s database of young people, lesson plans for 800 schools, online profiling of 15 employers (per SO) and the opportunity to engage with employers that could lead directly to jobs. Each SO’s academy of learning modules were designed through an iterative process. The SOs met regularly with Year13 to discuss and refine content to ensure it was suitable and digestible for its audience. The academies are now live on the Year13 website.

### Positive Humanity

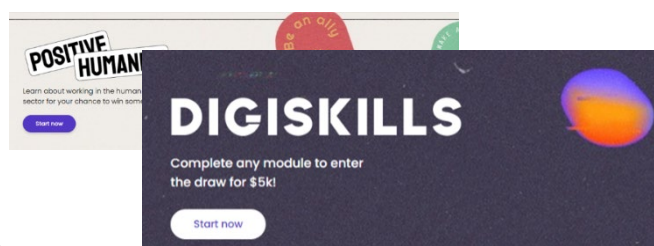
The Positive Humanity academy aims at stimulating interest among young people in a career in the human services sector. Learning modules offer insights into the sector and its various career opportunities. The academy also comprises interviews with young people currently working in the sector to provide relevant and practical advice to school leavers.<sup>117</sup> The learning modules include:

- **Embracing Diversity:** provides an overview of the myriad of career opportunities, clients and organisations in the human services sector and also suggests the diverse personal backgrounds which may be a good match for the sector
- **Helping You Help Others:** describes the personal values and key skills needed to work in the sector
- **Humans of Human Services:** contains three interviews with young people working in different parts of the sector. Each interview provides insights into how and why they pursued a job in the sector, their qualifications and training, what their typical day looks like and other advice
- **Looking Ahead:** advises on key qualifications and government initiatives to help school leavers enter the sector and insights into the anticipated role of technology in the sector.

### DigiSkills

The DigiSkills Academy was designed to broaden young people’s mindset about the plethora of career opportunities in the digital sector. The learning modules include:

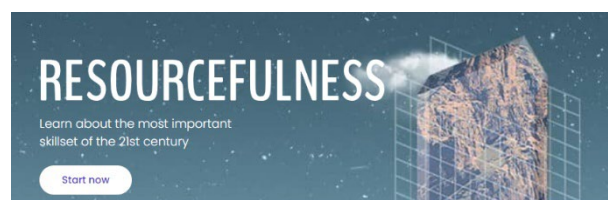
- **The 4<sup>th</sup> Industrial Revolution:** draws attention to the way in which the COVID-19 pandemic has emphasised the importance of digital skills. It uses examples of retail, logistics and business services to demonstrate changes in the way we work, both now and into the future
- **Transferable Skills:** gives practical advice on potential digital and soft skills needed in future careers, such as using cloud-based tools, productivity software, cybersecurity and big data analytics
- **Upgrading Your Education:** focuses on how to align and upskill to initiate a career in the digital sector. The module covers multiple ways to gain experience, such as passion projects, online courses and vocational education and different pathways for different competencies of digital skills.<sup>118</sup>



### Resourcefulness

The Resourcefulness Academy promotes resource and energy career pathways, the range of opportunities across the sector and how new technologies are shaping the future. The learning modules include:

- **Unearthing the Facts:** promotes the range of work opportunities in the resources sector, providing information about the digital evolution of the sector, a growing focus on sustainability and roles that are not site based



<sup>117</sup> Year13. (2022). *Academy: Positive Humanity*. Accessed at: <https://year13.com.au/academy/positive-humanity>

<sup>118</sup> Year13. (2022). *Academy: DigiSkills*. Accessed at: <https://year13.com.au/academy/digiskills>



- **Surveying the Field:** outlines the different career options and in-demand jobs in the resources sector and the key skills and qualifications they require
- **The Ground Level:** contains interviews with professionals already working in the resources sector. They outline their journey to the role, what they find fulfilling, misconceptions and general advice for young people looking to get a start in the industry
- **Future Prospects:** outlines how the sector is evolving to become more sustainable and technology-driven and ways that young people can contribute to this in future jobs.<sup>119</sup>

Alongside the academies, the SOs have been working with Year13 to develop social media and marketing campaigns focused on increasing awareness of career opportunities in each of the SO pilot's sectors.

## Outcomes and achievements

**Leveraging partner capabilities.** Year13 have extensive experience and an existing footprint with young people aged 15-25. For example, they have over 1.6 million users annually, of which 80% are aged between 13 and 24.<sup>120</sup> This is likely to be a key facilitator for ensuring a diverse range of young people are reached and engage with the academies. It may also help ensure website content is youth friendly.

**Campaign launch.** While the campaigns only launched early in 2022 and the uptake and level of engagement was not known at the time of reporting, all three campaigns are now 'live' on the Year13 website. Academy resources are available to more than 1000 schools, and to young people within Year13's extensive national footprint.

**Monitoring for impact.** Campaign data collection is being supported by a baseline survey which focuses on perspectives on employment in the sectors. Early data captured by Year13 indicates that the project objectives and intended reach are on track to be achieved. Longer term, the availability of this data will enable the subsequent assessment of campaign effectiveness and impact on young people, creating opportunities for SOs to learn from the experience and tailor future campaigns to build on the findings.

## Lessons

**Campaign design.** The broad sectors covered by SOs – particularly the human services sector – presented some challenges to the design of a campaign with clear messaging and simple language to be digested by young people. The development process with Year13 required several iterations of content. This involved Year13 uploading documentation onto the online collaboration portal, and the SOs reviewing and providing feedback to Year13. This required multiple refinements to ensure content was fit for purpose. Audience-appropriate messaging ensuring clarity of message without losing the nuances of career choices within broad sectors warranted separating campaigns into sub-sectors.

**SO collaboration.** The Year13 campaigns are different for each SO, but the organisations worked together to create collective governance and oversight and to share lessons and reflections as the campaigns were designed and developed. Direct benefits also emerged, with the SOs able to negotiate better pricing with Year13 due to efficiencies associated with working together on campaigns sharing similar elements.

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*... being able to work together... [it was] really about sharing learnings along the way, but certainly, maximising the return on investment and building some efficiencies into how we managed the campaign more broadly. (Human Services SO)*

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<sup>119</sup> Year13 (2022). *Academy: Resourcefulness*. Accessed at: <https://year13.com.au/academy/resourcefulness>

<sup>120</sup> Year13 (2021). HSSO and Year13 Proposal.

# Digital transformation project hub



## Key insights

- Innovating in a highly regulated environment requires the availability of a pre-existing authorising environment and agreement on process steps with key system stakeholders.
- Pre-existing accredited training can be ‘ported’ into the national training system to address speed to market where existing products can fill emerging gaps. Porting will, however, require alignment with national training standards.

## Background

EY’s report ‘The Changing Skills Landscape for Miners’, commissioned by the MCA in 2018, explores the influence and impact of technology across the mining industry. It outlines several key impacts on the workforce, including a reduction in traditional occupations due to the rollout of robotics and automation, an increase in demand for data and digital literacy skills and changes to the nature of work caused by advances in cloud computing, information sharing and big data.<sup>121</sup>

The report outlines that to benefit from the changing skills landscape, there is a need to develop and accredit new automation-related vocational education and training products.<sup>122</sup> However, speed to market is a key issue, with current training package development and review processes taking 12 to 24 months from when an industry need is identified to the national availability of a training product addressing this need.<sup>123</sup>

## Purpose and contribution

The digital transformation project hub is one of the four distinct projects the Mining SO is undertaking in support of its vision for an industry-led approach to education and training for Australian mining. The digital transformation project hub, which was selected and scoped through the iterative planning process described in the ‘Prioritising projects’ case study contributes to the following Mining SO system improvement activities:

- forecasting and workforce development
- responsive pathways and skills acquisition
- industry confidence in the VET system
- improved delivery of VET qualifications and enhanced outcomes.

The overarching aim of the digital transformation project hub is to develop and test a mechanism which will enable accredited digital-related training products developed for the sector and the application of digital technologies to be part of Australia’s nationally recognised training product library.<sup>124</sup> The mechanism aimed to facilitate an enhanced speed-to-market response in migrating accredited content into training packages and in doing so, contribute to closing the gap between technology implementation and availability of a skilled workforce.<sup>125</sup>



<sup>121</sup> Fyusion (2018). *Training Package Development, Endorsement and Implementation Process: Current State Report* (prepared for the AISC).

<sup>122</sup> Ibid.

<sup>123</sup> Mining SO (2021). *Forward Work Plan*.

<sup>124</sup> Mining SO (2021). *Forward Work Plan*.

<sup>125</sup> Ibid.

The initial phase of the digital transformation project hub focused on embedding three existing accredited automation-related VET products into the national training package framework. The products were developed in 2018 and 2019 by Rio Tinto in partnership with the WA Government, Southern Metropolitan TAFE and in collaboration with industry to create Australia's first qualifications in automation and remote operations.<sup>126</sup>

## Activity

Following DESE's endorsement of their Forward Work Plan in October 2020, the Mining SO undertook a procurement process to engage a project partner to support hub activity. In early 2021, Avenir Consulting was engaged to develop two consultation papers, one focused on embedding accredited course content into training packages in 90 days or less,<sup>127</sup> and the other focused on a model for gathering industry intelligence to feed innovation and early adoption of technology into training package content and design.<sup>128</sup>

The 'Embedding Accredited Course Content in Training Packages' consultation paper was provided to DESE in September 2021. The paper contrasts the processes for accredited course and training package development and sets out a draft process to test the concept of embedding accredited course content.<sup>129</sup> The Mining SO and DESE engaged in extensive discussions regarding the draft process, with several issues emerging that slowed progress:

- changes to the training package approval policies in late 2020 had built in sufficient flexibility to import accredited material into training packages under a 'fast-track' training product development approach, provided those materials meet national standards
- trialling an alternative consultation and approval approach would require the agreement of Skills Ministers to set aside existing approval policies, including the responsibility of IRCs and SSOs for national training packages
- following approval of the work plan in October 2020 the broader reform agenda had picked up pace. While the consultation paper was completed and considered by the Department in the second half of 2021, Skills Ministers were already considering reforms to the national VET system which included potential changes to approval processes. The introduction of another approach at that point may have confused broader reforms and impacted the broader agenda.

Given the flexibility inherent in the existing approval processes and complications with engaging with Skills Ministers, including in relation to 'standing' in the system of Skills Organisation Pilots, the Department advocated for testing whether the processes could apply. In October 2021, an agreement was reached between DESE and the Mining SO to utilise the AISC's existing fast-track process and test whether that approach could meet the 90 day goal that had been established for the project, which would also provide broader learnings.<sup>130</sup> This process involves rapid consultation with IRC networks, broader industry stakeholders and State and Territory Training Authorities (STAs) on whether to include the accredited training products within the relevant training package.<sup>131</sup>

Once agreed, the Department, the Mining Skills Organisation Pilot and the relevant Skills Service Organisation (PwC's Skills for Australia) worked collaboratively to map out a project plan which would have allowed for the 90-day target to be met. As part of that process, PwC engaged two independent quality assurance panellists to review the products against training package requirements, finding that the units of competency did not meet the requirements detailed in the standards for training packages, but could be reviewed to meet the Standards and other policy requirements.<sup>132</sup> This would require further industry consultation and validation, meaning the 90-day target could not be achieved. The Mining Skills Organisation Pilot, the Department and PwC with the support of the three relevant IRCs agreed to continue the process to import the training packages, but it was agreed that the key outcome for the project was learning about the process and how the 90-day target could be met. The AISC, SSO and IRCs were supportive of striving to meet the 90-day timeframe but were required to adhere to relevant standards and processes.

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<sup>126</sup> Ibid.

<sup>127</sup> Mining SO (2021). Consultation paper: Embedding Accredited Course Content in Training Packages.

<sup>128</sup> Mining SO (2021). Consultation paper: Identification and Prioritisation of New Digital and Technology Content in Training Packages.

<sup>129</sup> Mining SO (2021). Consultation paper: Embedding Accredited Course Content in Training Packages.

<sup>130</sup> Mining SO (2021). Quarterly Report 5.

<sup>131</sup> AISC (2021). Agenda paper – Mining SO Pilot – Digital Transformation Project (December).

<sup>132</sup> PwC (2021). QA Panellist Advice re: Accredited Autonomous Training Products.

At the date of writing, the Mining SO (now being delivered by AUSMESA) is working with PwC, the Metalliferous, Drilling and Coal IRCs and DESE to progress the project, which will include revising and transferring the products into the national training framework templates and undertaking broader consultation with industry.<sup>133</sup> A Case for Endorsement is planned to be presented to the AISC in August 2022. Consultation on the other key component of the digital transformation project hub, the 'Identification and prioritisation of new digital and technology content in training packages' paper, has taken place within the research and innovation community resulting in a validation of the approach.

## Outcomes and achievements

**Industry contribution.** The project has leveraged in excess of \$2 million of intellectual property developed by industry, and has developed a pathway for enterprise-developed, state-accredited training to become more widely accessible within the national training system. The project has also demonstrated the willingness of industry to share training assets in some circumstances, where there is a mechanism and a pathway to do so under the guidance of the SO.

**Stakeholder engagement.** The Mining SO built strong and trusting relationships with key stakeholders and successfully secured their early support for the embedding accredited course content component of the digital transformation project hub. Productive and consistent engagement has been sustained, despite the training products not being available for review until January 2022.

## Lessons

**Alignment of standards.** When assessed in detail, the accredited training content was found to require further development and consultation to address the requirements of national training packages and slowed the process. The experience highlights the value of systematic analysis of the degree of alignment or otherwise between accredited training requirements or standards in different jurisdictions and the standards for training packages.

**Speed-to-market challenges.** The process to date highlighted a range of factors that contribute to the total time to market outside the 'fast-track' IRC and SSO processes. While some of these represent the process of navigating toward the final pathway, other factors have also contributed, including the negotiation of release of intellectual property and the repackaging, consulting and testing of the training products. Porting existing materials into the national system may not always result in the realisation of time (and potentially development cost) savings desired.

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*There were systematic things in the current process that prevented them from being able to move forward with what they'd set out to do. [The work] needed to go back through the SSO because they were the only ones empowered by the current regulatory framework to be able to take it forward. (VET/industry stakeholder)*

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<sup>133</sup> Mining SO (2021). Quarterly Report 5.



## Key insights

- There is a significant diversity of workforce development activity occurring in most sectors and taking a structured approach to identifying what is happening can inform planning to reduce duplication of effort and enable knowledge transfer.
- Building a centralised clearing house of workforce development activity serves multiple purposes, including signalling SOs' sector leadership role and creating opportunities to have productive conversations with stakeholders across sectors.

## Background

There are numerous workforce development and training programs and projects underway in the human services sector. These initiatives exist at the local, state and national level and are provided by employers, peak bodies, governments, research institutions and other organisations. The Human Services SO identified that the breadth of activity in the sector can cause sector stakeholders – including employers – to feel overwhelmed and confused as to the most appropriate and useful program/initiative for their needs. The absence of coordination across projects and initiatives creates the potential for duplicated effort for organisations striving to respond to the sector's challenges.<sup>134</sup>

## Purpose and contribution

The 'Mapping the Sector' project was prioritised in the Human Services SO's work plan as a strategy to reduce effort duplication and to encourage knowledge sharing within the sector. The project aims to address these goals by mapping all workforce development and training activities across the sector. This aligns with the Human Services SO's broader objective to improve industry collaboration with the VET sector by engaging industry in conversations that generate ideas to solve workforce issues.

It is intended the platform will:

- support employers, and in turn, RTOs to identify opportunities to build relationships and potential partnerships with employers
- enable funding bodies to identify what programs and initiatives have previously been funded and whether they are a good return on investment
- support the Human Services SO to identify appropriate stakeholders to consult in the sector, allowing them to broaden their network
- as human resources and learning and development teams in human services organisations tend to have high levels of churn, this platform may assist them to identify possible solutions to this challenge.

## Activity

To support project delivery, the Human Services SO partnered with an organisation to identify programs and pilots underway across the sectors the Human Services SO has responsibility for (Aged Care, Disability Support, Veterans' Care, Allied Health, Youth and Community Care and Early Childhood Education and Care). The SO's existing deep and strong relationships in parts of the human services sector supported them to identify and understand existing activity across parts of the sector. The Human Services SO also invested time in their relationships, regularly meeting with stakeholders (such as via the HSSO's roadshow) to learn about new initiatives.

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<sup>134</sup> Human Services Skills Organisation (January 2022). DESE 6-monthly report. Reporting period 1 October 2021 – 31 December 2021.



The platform is now live and represents all target sectors in the mapping, with even distribution across the various sectors.<sup>135</sup> Most initiatives target new or existing workers, or employers, with a minority targeting training providers and students/learners.<sup>136</sup> Almost half the initiatives are national, which includes those accessible online.<sup>137</sup> The platform has been established as a fully searchable database with functionality enabling sector stakeholders to put forward new projects. The intent is that the resource remains a 'living' resource that is continuously refreshed and updated.

The technology deployed for the digital platform has good functionality and usability, and facilitates regular monitoring for broken links. Additionally, it allows the Human Services SO to connect to an analytics platform, supporting them to track metrics such as key search terms used, average website session duration and page view duration. Data from the analytics platform informs ongoing adjustments to the platform to ensure it is fit for purpose for all audiences.

At the time of consultation, the Human Services SO were intending on implementing strategies that ensure strong awareness of and engagement with the platform, as well as the Human Services SO more broadly. The Human Services SO plans to evaluate the effectiveness of the platform.

## Outcomes and achievements

**A comprehensive portal.** The Human Services Workforce Development Initiatives Portal is now operational, drawing on an initial sample of well over 500 initiatives from 200+ organisations to capture approximately 120 curated entries. These include a good diversity of sectors, geographies and initiative types. The portal provides an up-to-date resource for the sector and also serves to highlight the sector coordination functions and leadership interests of the Human Services SO.

**Connections to all sectors.** The process of engaging across all the SO's sectors to harvest information about programs and initiatives provided benefits beyond populating the portal. The engagement process has raised the profile of the organisation and created opportunities to connect with a wide range of stakeholders, also providing an ongoing reason for organisations to connect with the SO.

**Harvesting knowledge.** The portal was designed as a resource for the sector but also provides the Human Services SO with a deep resource to understand what is happening in the sector and where investments are being made that connect with the SO's workforce development mandate. If the SO is able to maintain the currency of resources as anticipated, the dataset will be a key source of intelligence for the SO in the long term.

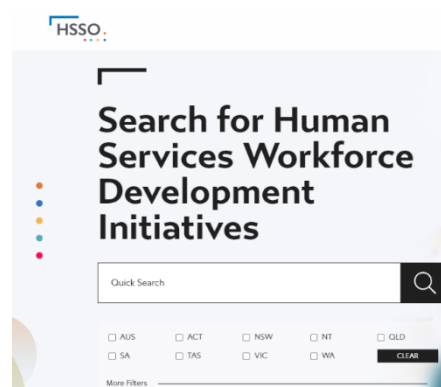
## Lessons

**Design for value-add:** The initial sweep of data included capture of information about training courses as a program that might be included in the database. However, there are several other online repositories which collate information about training programs and opportunities, which led the Human Services SO to make a decision to omit accredited and nationally recognised training from the resource, except in select instances.

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*We are a new organisation and so we've got deeper and stronger networks in some parts of Human Services than others, so we've needed to spend the time talking to our stakeholders and developing those networks in the sectors that we didn't bring with us ... one of the massive benefits of the types of projects that we're doing is how quickly we are building those relationships and that network broadly across all of the sub-sectors. (Human Services SO stakeholder)*

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<sup>135</sup> Ibid.

<sup>136</sup> Ibid.

<sup>137</sup> Ibid.



# Guide to VET for employers in the human services sector



## Key insights

- Projects which focus on improving the everyday experiences and interactions of employers and RTOs have high grassroots relevance and traction.
- Working collaboratively with the project delivery partners enlivened complementary capabilities, created opportunity for the SO to maintain a 'hands-on' role, and facilitated the capture of spill over benefits in terms of stakeholder engagement.
- Well-designed consultation processes can capture key insights from employers and other stakeholders that can be efficiently 'recycled' into other work, reducing the consultation burden on the sector.

## Background

Employers and RTOs can have different expectations of workforce development, training content and delivery and assessment. Misaligned expectations can contribute to dissatisfaction with both process and outcome for stakeholders. Conversely, where both parties have a shared understanding, training and the experience for learners can be enhanced.

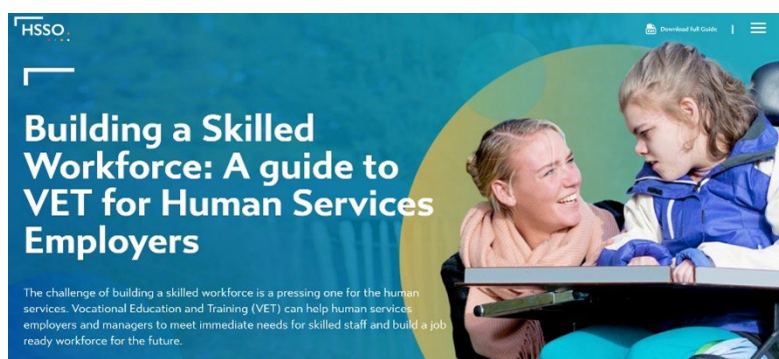
However, there are few structured feedback processes which allow for employers and RTOs to share reflections on training with each other. From an employer perspective, it can be difficult to voice their concerns regarding the quality and content of training.

## Purpose and contribution

The 'Guide to VET for Human Services Employers' (originally referred to as the How to Engage Guide) project was an early priority project in the Human Services SO work plan. It aims to 'enable and accelerate collaborative relationships between RTOs and employers, such that expectations for training content, training delivery and assessment of learners are shared and cohesive'.<sup>138</sup> This aligns with the Human Services SO's overarching objective to support improved communication, information and data sharing between industry and RTOs.

## Activity

The Human Services SO engaged a contractor to partner in the design, and development of the guide. The procurement process did not prescribe a required method and output for the project and instead, outlined a series of questions for suppliers to respond to and propose their ideas for how best to deliver this project. The Human Services SO utilised this approach in the hope they would receive tenders that outlined innovative approaches to the project.



<sup>138</sup> HSSO (2022). *How to Engage Guide*. Accessed at: <https://hssso.org.au/project/view/how-to-engage-guide/>; HSSO. (n.d.). *HSSO Work Plan 2020-2023*.

The project was undertaken in three stages: The first was an initial scan of relevant literature, and an initial phase of consultations comprised of the key informant interviews with peak employee and employer associations for each of the sectors. This initial phase focused on identifying known barriers to engagement in the sector, what has worked well, what has not worked well and key learnings for how best to engage. In these first phase interviews, those consulted were asked to identify further stakeholders to engage and requested they promote consultations via their newsletters and other relevant communications channels.

The HSSO sourced stakeholders through its network and together with the contractor undertook a second phase of consultations. Based on the stakeholders identified by the key informants, employers, RTOs, learners and regulators were invited to attend workshops. Workshops focused on:

- how each sector engages with VET for training and workforce development
- motivations for engagement with VET
- the types of stakeholders who would receive most benefit from the guide
- best practice examples and approaches for engaging with stakeholders in the sector
- testing and refining the content of the guide.<sup>139</sup>

The workshops also discussed the ideal format for the guide – with the majority of stakeholders indicated a preference for a more contemporary and engaging format such as a digital platform. Accordingly, the Human Services SO has decided to develop a microsite platform but there is still the option to download and print the guide for those who prefer hard copy. The next stage for the project involved testing the prototype of the guide/microsite and finalising the content. Different stakeholders used the prototype (the microsite) to test its usability. The Human Services SO received feedback and are finalising the content, with the guide launched early in 2022. So far, stakeholders have been overwhelmingly positive about the content and usability of the guide.

## Outcomes and achievements

**A new resource launched and in use.** The guide is now online and available to the sector, in interactive and downloadable form, providing multiple ways in which individuals can engage with content in linear or non-linear ways. At the date of writing, six case studies have also been developed based on stakeholders' reported experiences that emerged during the process.

**Collaboration with expert partners.** The selected contractor was a specialist educator, highly skilled at effective consultations. The Human Services SO brought technical depth in the subject matter and shadowed each consultation to capture opportunities to build relationships with key stakeholders in the sector. The success of the model in this case was an important outcome for the Human Services SO and will inform future procurement and collaborative project delivery strategies.

**Complementary projects.** The 'Guide to VET for Human Services Employers' has been designed to complement and intersect with the Mandatory Work Placements Guide which is also under development.<sup>140</sup> The projects reinforce key messages around alignment of expectation and the intent to enable employers and RTOs to shape a better training experience and outcome for learners. In addition, there have been practical efficiencies: stakeholder input on the right language choices and messaging for the guide was able to be repurposed for the Mandatory Work Placement project.

**Engaged and enthused stakeholders.** The Human Services SO played a key role in stakeholder engagement alongside the contracted partner, and this provided an opportunity for the Human Services SO to increase their connection with stakeholders across all sectors. Engagement opportunities were oversubscribed, captured several stakeholders who had not been engaged with SO activity previously, and ultimately engagement occurred with over 60 organisations across all of the human services sectors.<sup>141</sup> Many stakeholders followed up after consultation signalling continued interest in contributions, demonstrating continued motivation to engage and indicating the value inherent in the project.

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<sup>139</sup> Ibid.

<sup>140</sup> Human Services Skills Organisation (January 2022). DESE 6-monthly report. Reporting period 1 October 2021 – 31 December 2021.

<sup>141</sup> HSSO (2022). *How to Engage Guide*. Accessed at: <https://hssso.org.au/project/view/how-to-engage-guide/>

## Lessons

**Procurement for partnership.** The procurement process employed by the Human Services SO was effective in soliciting a diversity of potential project delivery approaches from the market. A non-prescriptive approach placed emphasis on a collaborative intent which respected the expertise of the partner service provider. Emphasising outcomes required and questions to be explored rather than on tightly specifying services provides a more attractive brief to market and opportunity for creativity and innovation.

**Projects as relationship starters.** While the project was focused on developing a particular resource, the focus on a specific and practical issue of relevance to key stakeholders at 'grassroots' level created an opportunity for the HSSO to connect with the sector. The practicality of the work, and clarity of its purpose, and the resonance with stakeholder experiences serves to bolster the SO's reputation as a credible and useful leader in the sector.

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*[We have] developed relationships with people that we haven't met before ... that has proven to be fantastically powerful, because those [stakeholders] have continued to look for opportunities to be involved or promoted on our behalf, or participate in other workshops. (HSSO staff)*

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## Key insights

- A career pathways model is beneficial, especially for those industries, sectors, and skillsets that don't have clearly defined roles such as emerging industries.
- The Digital SO created a model that unifies technical language, is holistic, flexible and adaptable.
- Engagement with key stakeholders is necessary to ensure that the model meets the needs of industry and government.

## Background

Digital skills are defined as a set of abilities to use digital devices, communication applications and networks to access and manage information.<sup>142</sup> These skills are needed across all industries, with the technology sector specifically being Australia's seventh largest employer, contributing \$167 billion to GDP and employing more than 800,000 workers.<sup>143</sup> Given the sector's nature and scope, it is important that Australia's technology sector is internationally competitive. However, recent studies indicate that Australia's technology sector is lagging behind other OECD countries.<sup>144</sup> One reason for this lag relates to an excess demand for skilled workers (i.e. the demand for skilled workers is exceeding supply).<sup>145</sup> Increasing the supply of digitally skilled workers to meet this demand is, however, predicated on a clear link between skill development and jobs (i.e. digital skills pathways).

## Purpose and contribution

The Digital SO has undertaken work to create a clear definition of such pathways to understand digital skills in Australia. The overall purpose of the digital pathways model is to create a clear link between digital skills and jobs whilst codifying this across all industries that employ people with digital skills in Australia. The Digital Pathways Identification Report is the first step of this pursuit. The project lays the high-level foundations of the pathways which will later be incorporated in training of digital skills and better linked to job roles. Going forward, the Digital SO's hope is that this will be embedded into the VET system nationally to make digital skills more accessible.

## Activities

The Digital SO commissioned the NCVET to design a digital transformation pathways model that would relate to the Australian landscape. To begin the development of the digital transformation pathways framework, the NCVET and the Digital SO had a workshop where they collaboratively identified international frameworks relevant to Australia. This collaborative approach was beneficial due to the unique information each organisation was able to bring to the workshop. That is, while the NCVET has access to an extensive library of information around the VET sector, the Digital SO is more across the latest developments in the VET sector in Australia. After identifying six international frameworks that are of relevance to Australia, the NCVET worked to identify similarities and differences between the six digital pathways. The NCVET also examined Australian federal and state level government digital skills initiatives.

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<sup>142</sup> UNESCO (2022). Digital skills critical for jobs and social inclusion. Available at: <https://en.unesco.org/news/digital-skills-critical-jobs-and-social-inclusion>, reviewed 31 March 2022.

<sup>143</sup> Accenture (2021). The economic contribution of Australia's tech sector, Accenture available at: <<https://techcouncil.com.au/wp-content/uploads/2021/08/TCA-Tech-sectors-economic-contributionfull-res.pdf>>, viewed 24 August 2021

<sup>144</sup> Ibid.

<sup>145</sup> AlphaBeta (2019). Australia's Digital Opportunity, available at: <<https://digi.org.au/wpcontent/uploads/2019/09/Australias-Digital-Opportunity.pdf>>, viewed 24 August 2021.

The end result was a report that creates a foundation for further work into the link between training and skillsets required for a range of employment opportunities in digital skills.

The key results of the report include:

- critical non-technical skills such as problem solving, creativity, collaboration being the centre of all six international models
- most international frameworks had six to seven pathways and included proficiency levels
- current Australian digital initiatives were duplicative and lack a common language due to their independent nature
- there is no single international framework that can be directly applied to the Australian context.

These key features have informed the development of the Digital SO's Australian digital pathways model. Underpinning this model are seven different pathways – digital fluency, digital design, digital innovation, digital intelligence, digital transformation and digital technology.<sup>146</sup> These all have proficiencies allowing anyone to be able to look at a scenario such as 'data specialist upgrading skills' and understand the skillset and level required of each pathway.

Initial findings based on the Digital SO's consultation with external stakeholder engagement groups were that it was well received. The report met its purpose of being able to provide a high-level entry point that the industry and other programs could continue to be built on.

## Outcomes and achievements

**Collaboration between NCVET and the Digital SO:** Strong collaboration between the NCVET and the Digital SO was seen by both parties as a key enabler to the success of the project. This allowed the NCVET to leverage the Digital SO's understanding of the contemporary digital skills landscape and ensure that the pathways could adapt to meet the changing landscape.

**Engagement of external stakeholders:** The Digital SO's existing relationships with industry peak bodies, educators and employers was vital to the project. It allowed the Digital SO and NCVET to incorporate the expectations and needs of the end users of the model directly into the model enabling its success. Once designed, the model is being tested and evaluated with stakeholders to provide critical feedback. Whilst the supporting research provides the robust conceptual basis for the work, stakeholders' viewpoints and real-world examples are imperative to ensure that the pathway meets the need of the industry and sectors.

**Synthesis of a large skillset:** Digital skills are ubiquitous across the economy and do not fit into just one category, industry or sector. As such, this presented a challenge for the Digital SO and the NCVET in terms of synthesising all aspects of digital skills into the model. The NCVET's circular digital pathways mitigated this risk by making the digital pathways flexible and fit-for-purpose.

**Applicability to emerging industries:** A clear mapping of digital skills pathways can be useful for some organisations, industries or sectors interested in reforming the VET sector. However, both the Digital SO and the NCVET felt that it would be most beneficial for areas that don't have well established roles, namely roles in emerging industries. Through the creation of the digital skills pathway, learnings were found that can be generalised to a variety of industries.



**Preliminary digital pathways model**

Source: Digital SO (March 2022). Forging pathways for technology careers. p6.

<sup>146</sup> ibid



## Lessons

**Unification (and simplification) of technical languages.** The NCVET report found that Australian digital initiatives lacked a common language across the sector, and this presented challenges to the development of a model that would be universal and understood by all. The focus of NCVET and Digital SO's efforts were to produce a model that is simple in its nature and relatively easy and intuitive to explain.

**Conceptual models need to be inclusive.** The model sought to incorporate all skillsets from the skills ecosystem, which means that critical skills that are non-technological are imperative across all industries and have been considered a core component. This will reduce the need for other initiatives or frameworks to be created and in turn will reduce duplication.

**Consider proficiency markers.** Incorporating of proficiency into the model allows an extra layer that can differentiate profiles and scenarios, allowing for the model to be applied universally. This will ensure that there is a guide for each profile and scenario which will set a benchmark for what constitutes as necessary knowledge across the industry. This means the pathway is accessible to everyone – employers, students, training staff.

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*The clear definition of pathways enables national skills priorities to be identified and recognised and for specific pathway actions to be developed and progressed. (Digital SO stakeholder)*

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## Key insights

- Early and effective engagement supported broad buy-in. The involvement of all relevant groups supported broad stakeholder commitment to the Mining SO and gave the MCA confidence they were pursuing the right work.
- Industry appreciated an ambitious ‘process-to-outcome’ agenda, and the vision for the Mining SO to become a centre point for industry to share innovations, ideas and concerns helped to build early optimism for the pilot among employers.
- The MCA’s existing sector credibility supported deep engagement throughout the prioritisation process.

## Background

As outlined in the program guidelines, SO pilots were established to adopt and/or support a range of functions along the skills pipeline with the aim of enhancing the VET system.<sup>147</sup> In the context of these flexible parameters, the Mining SO undertook an extensive ideation and planning process to identify priority projects and develop its Forward Work Plan. The process involved a series of workshops and development sessions with the Steering Group and the Working Group and broader industry consultation through the Mining SO’s ‘hub and spoke’ governance model and the MCA’s Workforce and Innovation Committee.

## Purpose and contribution

The overarching aim of the prioritisation process was to seek broad input and expertise on the function of the Mining SO through the lens of the skills pipeline. The process aligns to the program guidelines which specify that SO pilots must engage with industry and other VET stakeholders to gain their agreement for proposed activities.<sup>148</sup>

## Activity

Following the announcement of the Mining SO in November 2019, the first stage of the project prioritisation process involved a series of workshops with representatives from industry, education and training providers, government, current structure entities (IRCs and SSOs) and other professional bodies. Three workshops were held in February 2020 in person (and via WebEx) which focused on eliciting stakeholders’ views on five key questions:

- What does your idealised VET system look like?
- What is unique to your experience, sector, company, or region that could inform the overall training effort across the skills pipeline?
- Which aspects of the skills pipeline are a priority to you and why?
- Of these, which should the Mining SO be responsible for delivering?
- What would you see as the key functions of the Mining SO in your ideal VET system?<sup>149</sup>

More than 100 stakeholders attended the workshops, with key themes regarding potential functions of the Mining SO including long-term forecasting/workforce development and short-term, ‘pilot’ projects across the skills pipeline.<sup>150</sup> Importantly, the MCA were able to effectively leverage their previous work in skills development to drive these early conversations about potential areas for influence.

<sup>147</sup> DESE (2020). *Guidelines for Skills Organisation Pilots*.

<sup>148</sup> DESE (2020). *Guidelines for Skills Organisation Pilots*.

<sup>149</sup> Mining SO (2020). *Workshop agenda and background paper*.

<sup>150</sup> Mining SO (2020). *Reflections from workshops*.

In May 2020, following the workshops, the inaugural meeting of the Steering Group agreed to five priority areas for further exploration: apprenticeships, automation, workforce planning, veterans and transferable skills. The following month, a steering group/working group joint planning session for the MSO was held virtually (due to COVID-19 restrictions) to progress goals, map activity and confirm milestones for the Mining SO. The session was delivered in three phases:

- Phase one: Pre-session preparation – Papers provided to all participants on each priority area agreed at the Steering Group meeting.
- Phase two: Live session – 105-minute session run by Essence consultancy and five concurrent sessions run on each priority area, based on the pre-session reading.
- Phase three: Post-session development – Facilitator reporting of session findings, streamlining of priority areas.<sup>151</sup>

Following the Joint Planning Session, synergies were identified across the five priority areas resulting in the development of three distinct but related project hubs: digital transformation, attraction and retention and apprenticeships. Project hub summaries were then prepared outlining the vision for each hub to challenge elements of the existing VET framework.

In September 2020, the Steering Group endorsed the three hubs in principle, subject to confirmation of resourcing and any relevant strategic guidance.<sup>152</sup> Following this, Project Plan Sessions were held with steering and working groups to develop detailed project proposals setting out the issue/problem/opportunity statement, project scope and clarity, objectives, outputs and outcomes, milestones and timelines, measures of success and evaluation and project risks.

## Outcomes and achievements

In September 2020, with the guidance of the Steering Group and in conjunction with the Working Group, the MCA developed the Mining SO Forward Work Plan. The work plan includes four project hub proposals, three of which were the result of the prioritisation process discussed above, with the fourth (qualifications design trial) developed in collaboration with DESE. The work plan was approved by DESE in October 2020 and updated in March 2021.

The structured approach to industry engagement, leadership from the industry peak body and the transparent funnelling approach used to ultimately converge on key priorities has meant the work plan and activities of the Mining SO (now AUSMESA) continues to enjoy the tacit support of the industry it represents.

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<sup>151</sup> Mining SO (2020). *Joint Planning Session: Approach, agenda and papers.*

<sup>152</sup> Mining SO (2020). *Steering Group Meeting 2 Minutes.*

## Lessons

**Involvement of diverse stakeholder groups:** As outlined in the program guidelines, the SOs were required to develop and manage their focused projects alongside and whilst collaborating with, existing and new VET stakeholders.<sup>153</sup> Actively involving diverse stakeholders in the prioritisation process enabled the Mining SO to think more laterally and innovatively about what work would be both ambitious and achievable. Further, with the work plan reflecting industry priorities but informed by input from other relevant groups, the prioritisation process was critical to securing broad stakeholder buy-in for the model from the outset.

**MCA auspice arrangements:** The Mining SO was able to leverage the MCA's internal processes and supports and move quickly to stakeholder engagement and work plan development. This helped to build enthusiasm and momentum for the model among key industry stakeholders, which ultimately supported strong engagement throughout the prioritisation process. In addition, the MCA's previous work in the skills space meant they already had a strong understanding of sector challenges and workforce needs.

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*The way we [engaged with stakeholders as part of the prioritisation process] with separate rooms in the virtual world ... that all worked and the technology worked and the engagement worked, but we would have got a lot richer engagement if we could have been in the same geography. (Mining SO stakeholder)*

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<sup>153</sup> DESE (2020). *Guidelines for Skills Organisation Pilots*.

# Leveraging an industry peak



## Key insights

- Auspice arrangements serve as ‘incubator’ and ‘accelerator’: The Mining SO benefitted from its position within the sector peak by effectively leveraging the MCA’s existing relationships, credibility and internal support functions to fast-track planning, stakeholder engagement and work plan development.
- Incorporation is time and resource intensive. As a relatively small organisation with limited resources, the level of work required for the Mining SO to transition to the new entity impacted work plan execution.

## Background

The MCA is the peak industry body of Australia’s exploration, mining and minerals processing sector, representing companies that produce more than 85 per cent of Australia’s minerals output.<sup>154</sup> For more than two decades, the MCA has advocated for a higher quality and more responsive training system capable of delivering a job-ready workforce that can meet the needs of industry now and into the future.<sup>155</sup>

Since 2000, the MCA has invested more than \$65 million in skills development initiatives, spanning a range of tertiary and vocational education programs aimed at building a pipeline of skilled workers to support the sector’s future success.<sup>156</sup> In 2018, the MCA commissioned EY to review the ‘Future of Work’ trends in the mining industry to 2030 and to assist in the development of the industry response to the changing landscape. The initial phase of this work included two reports: The Economic Implications of Technology and Digital Mining and the Changing Skills Landscape for Miners (both released in 2019).



## Mining SO establishment

In the context of the MCA’s long-term interest in education, skills and training, the MCA advocated for the establishment of an SO pilot in the mining sector. This followed the Australian Government’s earlier announcement of the Digital and Human Services SOs as part of its *Delivering Skills for Today and Tomorrow* package in the 2019-20 Budget.

In November 2019, the Australian Government announced the Mining SO following discussions with the MCA. The Mining SO was formally established in May 2020 through a co-contribution model, with the MCA matching the Australian Government’s investment by providing in-kind support to the pilot, including three full-time staff, office space and access to internal support functions such as finance, communications and marketing.

During establishment, the MCA worked closely and iteratively with DESE to co-design a funding tracker to monitor the contributions of both parties in real time. In developing the funding tracker, the MCA was committed to ensuring the highest level of transparency and integrity regarding the equity of the co-contributions.

<sup>154</sup> MCA (2022). *MCA Membership*. Retrieved from <https://www.minerals.org.au/mca-membership>

<sup>155</sup> MCA (2022). *Workforce, innovation and skills*. Retrieved from <https://www.minerals.org.au/workforce-innovation-and-skills>

<sup>156</sup> MCA (2022). *Minerals industry focussed on attracting and retaining highly skilled workforce*. Retrieved from <https://www.minerals.org.au/news/minerals-industry-focussed-attracting-and-retaining-highly-skilled-workforce>



## Path to incorporation

The MCA's contract with DESE set out the requirement that the Mining SO transition to a separate legal entity prior to the end of the funding agreement (initially prior to June 2022).<sup>157</sup> The Mining SO commenced planning for incorporation in early 2021 and developed a Transition Out Framework to guide the process. In developing the framework, the Mining SO and DESE conducted a risk assessment and identified key risks including relating to stakeholders lobbying against change in VET system architecture, problems attracting effective foundational board members and industry not engaging with the new entity.<sup>158</sup> The MCA worked closely with DESE to manage these risks during the transition period.

As outlined in the Transition Out Framework, a considerable amount of work was required as part of the Mining SO's transition to a separate legal entity. Key tasks included transition planning and approval by the Mining SO Steering Group, recruitment of board members and staff, trademark and business name registration, among other legal and governance activities necessary to incorporate as a company limited by guarantee.<sup>159</sup> On November 1, 2021, the new entity, Australian Mineral and Energy Skills Alliance Limited (AUSMESA), commenced operations.

## Benefits

**Less investment in legal and governance processes associated with establishment:** The Mining SO's position within an established organisation meant they could defer the investment of time and resources required in establishing an entity. As such, they were able to get early 'runs on the board' in terms of stakeholder engagement and work plan development, which helped to galvanise industry around the model.

**MCA authority and sector credibility:** The MCA's existing relationships and credibility within industry and government supported stakeholder engagement and early commitment to the pilot's success. The MCA also had a focus on the VET system for many years and a deep understanding of key issues facing employers, which they were able to leverage as part of their early engagement.

**Ambitious vision for the pilot:** The MCA expressed an ambitious vision for the Mining SO to challenge and reform the existing VET framework for the benefit of industry, individuals and participating organisations. Industry responded positively to the vision, which was shaped in large part by the MCA's existing understanding of industry concerns and the complexity of the VET system.

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<sup>157</sup> DESE (2020). Contract in relation to the establishment and administration of the Mining Skills Organisation Pilot.

<sup>158</sup> Mining SO (2021). *Transition Our Framework*.

<sup>159</sup> Mining SO (2021). *Transition Our Framework*.

## Challenges

**COVID-19 disruptions:** While an external factor unrelated to the Mining SO's position within the industry body, the timing of the first wave of COVID-19 coincided with the pilot's establishment. There were some initial delays in establishment as MCA and DESE were responding to the pandemic and further delays as a result of their planning work needing to be undertaken almost exclusively online. In addition, COVID-19 created a distraction among sector stakeholders in the context of needing to identify and manage risk.

**Broad focus of MCA Board:** As the industry association, the MCA has a broad work program that extends beyond the scope of the Mining SO. With the MCA Board required to oversee the entire work program, there was inevitably less attention paid to the pilot than would be the case for an incorporated entity in which the board had a singular focus. In recognition of the need for a governance body to provide strategic oversight and direction for the pilot, the Steering Group was established.

**Ongoing implementation of work plan:** In the context of the Mining SO being a relatively small organisation with three full time staff, the significant amount of work required to establish as an entity meant implementation of the Mining SO's Work Plan slowed during the transition period. Further, AUSMESA resourcing was constrained as it could not employ new staff until 1 November 2021 and there was a considerable amount of additional work for the MCA as part of the transition, including finalising reporting, contract and funding arrangements.

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*While the other two SOs had the establishment upfront, they did their work program and then they're executing their work program, [the Mining SO] has been the reverse, we developed the work program, we've separated, we're now trying to scale ... those two different approaches will give you vastly different outcomes ... I think the learning ... is the sequencing of things and the importance of adequate resourcing and adequate scale. (SO stakeholder)*

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# Industry & Employer Engagement



## Key insights

- There are many players in an industry. Employers are one group that are central to achieving the goals of the skills reform agenda.
- The nature and scope of firms that require employees to have digital skills makes industry and employer engagement on digital skills difficult.
- The Digital SO's industry and employer engagement approach has evolved over time. This is because it takes time to become an established, trusted organisation with good relationships while at the same time developing sufficient input from the wide variety of industry stakeholders.
- Industry stakeholders surveyed are, by and large, satisfied with the Digital SO's approach to employer engagement.

## Background

A principal finding of the Joyce Review was that industry needs to be more involved in the development of VET qualifications. A key aspect of any industry is the employers. This creates challenges due to the sheer number and diversity of firms within any industry and their varying appetites and ability to engage with policy development. As the Australian Government moves from the existing system of industry representatives to an Industry Cluster model there is potential to exacerbate the problem of ensuring a sufficient scope of employer consultation both in terms of the industries within a cluster, as well as the relative size of employers.

The purpose of this case study is to examine the Digital SO's approach to employer and industry engagement. During the early phase of the Digital SO's operations, the Digital SO communicated with employers through two groups: the E-20 and G-20. The E-20 consisted of 20 large firms and the G-20 consisted of 20 small-medium size firms. During the early stages of operation, the Digital SO's intention was to use the E20 to generate ideas and the G20 as a testing ground for ideas. Firms within both groups were identified through a partnership with Momentum Media. That is, prior to establishment, Momentum Media had developed a vast network of employers, some of which were relevant to the Digital SO's engagement strategy, and Momentum Media facilitated an introduction between the Digital SO and each organisation within the E-20 and G-20.

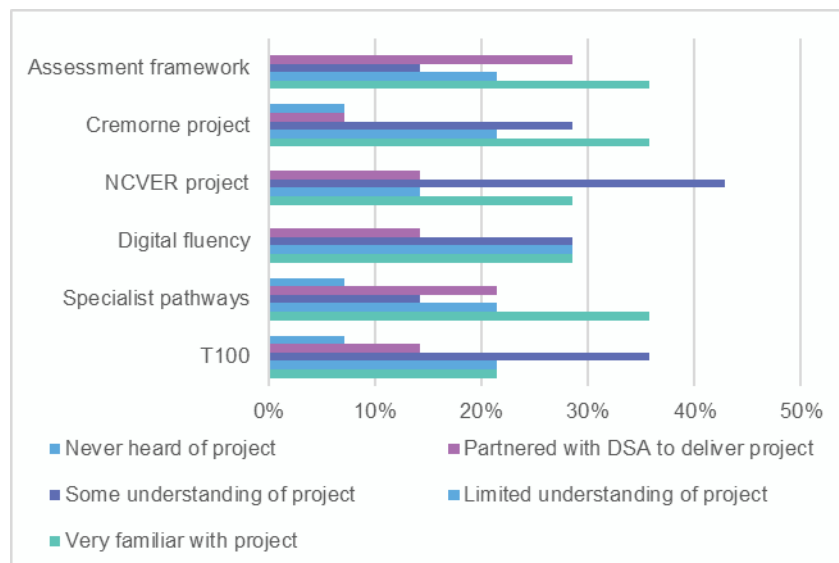
## Purpose and contribution

This early-stage engagement with employers has evolved over time. The Digital SO has established itself as a stand-alone entity, implemented several projects and developed relationships with a greater variety of firms and industry groups in addition to the easily accessible group of employers that allowed them to develop 'quick wins'.

At this stage, the Digital SO engages government and non-government stakeholders through a variety of forums and working groups. For example, the Digital SO's recent partnership with the Technology Council of Australia has led to the creation of the Digital Employment Forum, which consists of representatives from a collection of technology firms. The Forum is used to facilitate the establishment of specific working groups tasked with solving issues related to the skills needs of Australia. At the time of writing, there are four working groups: a data analysis working group, to support the work of the forum; a workforce strategy working group, to define and communicate the digital

workforce strategy and roadmap; a training design working group, to identify best practice training models; and a pathway to jobs working group, to identify common pathways, compile major programs and recommend options to improve pathways and models. The Digital SO program working group is another example of a working group that is used to test new ideas with industry stakeholders (e.g. the Business Council of Australia) regarding various projects the Digital SO intends to implement. In addition to these groups, the Digital SO also engages with a variety of organisations through ‘showcases’ and communities of practice. The purpose of the showcases is to demonstrate what can be achieved through effective collaboration (e.g., one recent showcase demonstrated the value of the Cremorne Project). The purpose of the Communities of Practice is to give stakeholders from diverse backgrounds a platform to discuss the issues facing the VET sector (e.g. the TAFE Community of Practice consists of representatives from TAFEs working toward improving TAFE qualifications).

Figure 6 – Stakeholder familiarity with Digital SO projects



Source: Urbis/ARTD Digital SO stakeholder survey

## Outcomes

To examine the effectiveness of the Digital SO’s approach to stakeholder engagement, we conducted a survey of individuals from organisations engaging with the Digital SO. The survey was distributed to 25 such representatives, with 14 responses. Some of the organisations that responded to the survey include: the Australian Computer Society, Atlassian, Canberra Cyber Hub, Randstad, SAP Goanna Education and TAFE QLD.

The results of stakeholder familiarity with the work of the Digital SO are summarised in *Figure 6*. The majority of respondents had, at a minimum, some understanding of the Digital SO’s key projects.

We then turned to the quality and quantity of information provided by the Digital SO. Here we found that the vast majority of respondents reported the volume and clarity of information provided by the Digital SO was ‘about right’ and the information the Digital SO provides to be ‘somewhat useful’ or ‘very useful’.

Using the survey, we also gave respondents the opportunity to rate the Digital SO’s quality in relation to delivering each of these projects. From *Figure 7* we can see that, by and large, industry stakeholders that the Digital SO is involved with rated the Digital SO’s quality highly.

At this point we have established that, in the view of survey respondents, the Digital SO is providing clear, timely information and delivering quality projects. There is, however, an unanswered question around whether these projects would have occurred in the absence of the Digital SO’s involvement. To answer this question, we asked respondents to state whether they thought the project would have occurred without the Digital SO’s involvement. The results from this question are provided

in Figure 8, which shows most organisations felt the program either wouldn't have occurred without the Digital SO or would have occurred at a much slower pace.

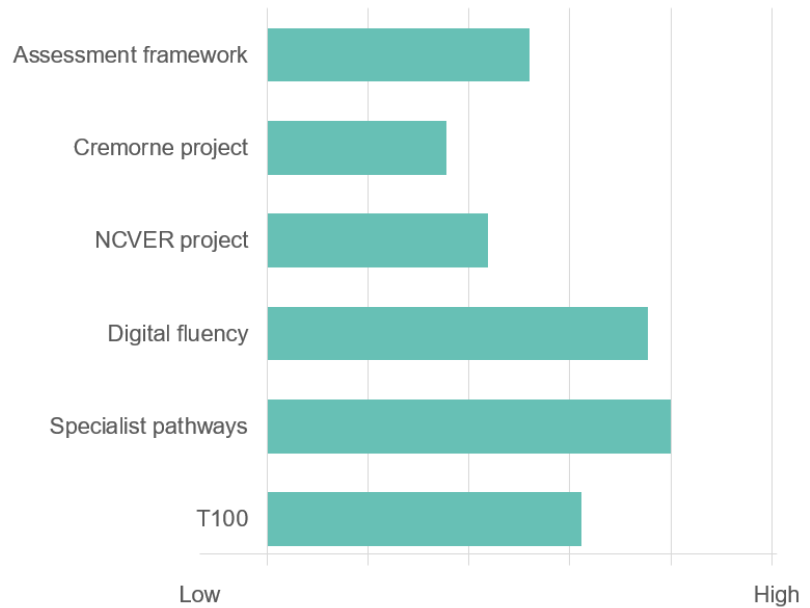
## Enablers

'Digital' skills are ubiquitous in the modern economy. This has contributed to the relative absence of a formal governance structure for digital skills and challenges for differentiation between the digital sector and digital 'skills' more broadly. On the one hand this allowed the Digital SO to leverage the networks it has access to in an effort to engage a diverse range of industry stakeholders across multiple industries – on the other, it made it hard to satisfy all stakeholders for digital skills. Another enabler to the Digital SO's engagement approach is a shared understanding of the key issues facing the VET sector (i.e. the system does not produce students equipped for the jobs of today) and the high-level solution (i.e. a move toward skills-based training). This shared understanding has enabled the Digital SO to take a collaborative approach to stakeholder engagement across a variety of industries.

## Barriers

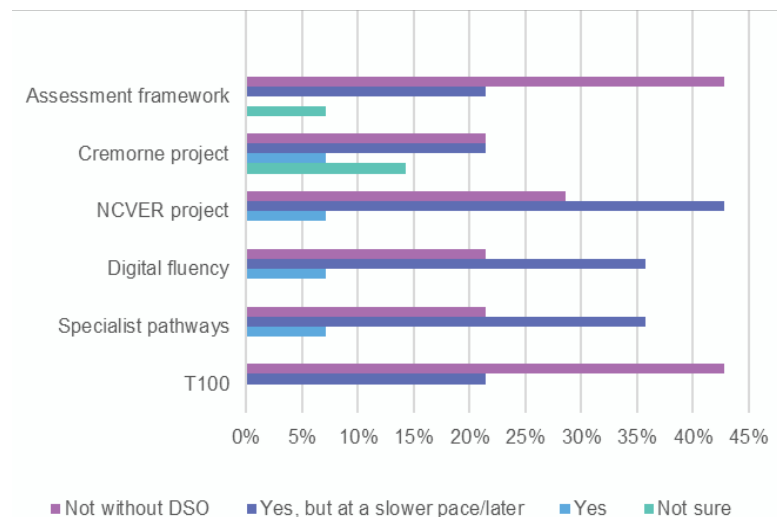
The Digital SO has faced two challenges in terms of implementing its stakeholder engagement strategy. The first relates to the nature and scope of firms involved in 'digital'. To address this first issue, the Digital SO leveraged pre-existing networks by partnering with Momentum Media. This partnership gave the Digital SO the network it needed in the early stage of operation to test ideas and begin to develop the relationships it needed to implement its work plan. The second issue relates to the Digital SO being a pilot. That is, during the interviews, it was revealed some stakeholders were initially hesitant to invest too much time in a relationship with the Digital SO as they weren't sure whether the Digital SO would still be around in a few years. However, the Digital SO's approach to stakeholder engagement has allowed them to overcome this challenge and the Digital SO is now a well-established organisation that partners with many firms to deliver projects in accordance with their work plan.

Figure 7 – Stakeholder perceptions of Digital SO work quality



Source: Urbis/ARTD Digital SO stakeholder survey

Figure 8 – Stakeholder perceptions Digital SO project impact



Source: Urbis/ARTD Digital SO stakeholder survey



## Lessons

The primary lesson to be drawn from the Digital SO's approach to employer and industry engagement is the need to balance the time and focus it takes to develop relationships of trust with a manageable number of project partners with the need to engage with diverse interests across an industry. The Digital SO did this by starting with a smaller group of employers and building out to engage with more industry stakeholders over time. Attention to governance structures and stakeholder engagement strategies that balance the need for quality delivery of projects with broad consultation will be relevant to other organisations with a similarly broad scope of activity.

Another key lesson is that clarity on the role and 'boundaries' of an organisation such as the Digital SO is crucial to managing expectations and reducing confusion. The potential for confusion resulted from the intentional broadening of the scope of activity for the SOs from training package development to a more strategic focus and management of projects to benefit an industry (while the current system for training package development remained in place). While this source of potential confusion has been resolved with the announcement of Industry Clusters, there is still potential for confusion due to the potential overlap between entities with similar goals in some areas, such as the NCI, NSC and NCVET. The Australian Government can further support the development of similar organisations by consistently communicating and clarifying the role and scope of operations, allowing time for the development of relationships, and providing effective stewardship and guidance on the priorities for collaboration between related entities and across industries, especially where there is overlapping interest in a particular occupation or set of skills that are in demand.

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*'Collaboration and agreement across all stakeholders to directly address the worsening skill shortage' (Industry stakeholder)*

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# **APPENDIX A: EVALUATION FRAMEWORK**

The Evaluation Framework has been built with reference to the *Pilot Skills Organisations: Draft Evaluation Framework* (2020) and aims to answer the three key evaluation questions defined for Project 2.

Key evaluation questions	Lines of inquiry	Data sources
How has the work undertaken by SOs contributed to achievement of the goals and anticipated outcomes of the SO pilot program, as set out in the program guidelines?	<ul style="list-style-type: none"> <li>• Design and implementation of key work program activities</li> <li>• Factors that have influenced how each pilot SO designed and delivered their work program</li> <li>• Factors that have impacted the achievement of outcomes (barriers and enablers)</li> <li>• Opportunities for improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews – Staff from the Department and Commonwealth Government agencies</li> <li>• Interviews – Staff from pilot SOs</li> <li>• Interviews – Other stakeholders</li> <li>• Pilot SO documentation</li> <li>• Industry survey</li> <li>• Case studies</li> </ul>
What have the SO pilots demonstrated can be achieved through an employer-led model?	<ul style="list-style-type: none"> <li>• Number and type of industry stakeholders that have been engaged</li> <li>• Approach to and expected outcomes of industry engagement</li> <li>• Factors that have impacted industry engagement (barriers and enablers)</li> <li>• Outcomes achieved as a result of engaging with industry, including:               <ul style="list-style-type: none"> <li>– Facilitating an awareness of the purpose, roles, responsibilities and potential value of the SO model</li> <li>– Facilitating an awareness of the opportunities to provide input to VET</li> <li>– Increased efficiency or effectiveness of the SO model over existing model</li> </ul> </li> <li>• Contribution of collaboration between pilot SOs to achieving intended outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews – Staff from the Department and Commonwealth Government agencies</li> <li>• Interviews – Staff from Pilot SOs</li> <li>• Interviews – Other stakeholders</li> <li>• Pilot SO documentation</li> <li>• Industry survey</li> <li>• Case studies</li> </ul>
What lessons can be drawn from the SO pilots that might be used to inform ongoing development and implementation of Industry Clusters?	<ul style="list-style-type: none"> <li>• Reflections on the potential of SOs to influence viable employer-led delivery models</li> <li>• Considerations to inform how the implementation of Industry Clusters can improve the existing SSO model.</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews – Staff from the Department and Commonwealth Government agencies</li> <li>• Interviews – Staff from pilot SOs</li> <li>• Interviews – Other stakeholders</li> <li>• Pilot SO documentation</li> <li>• Industry survey</li> <li>• Case studies</li> </ul>

# **APPENDIX B: STAKEHOLDERS CONSULTED**

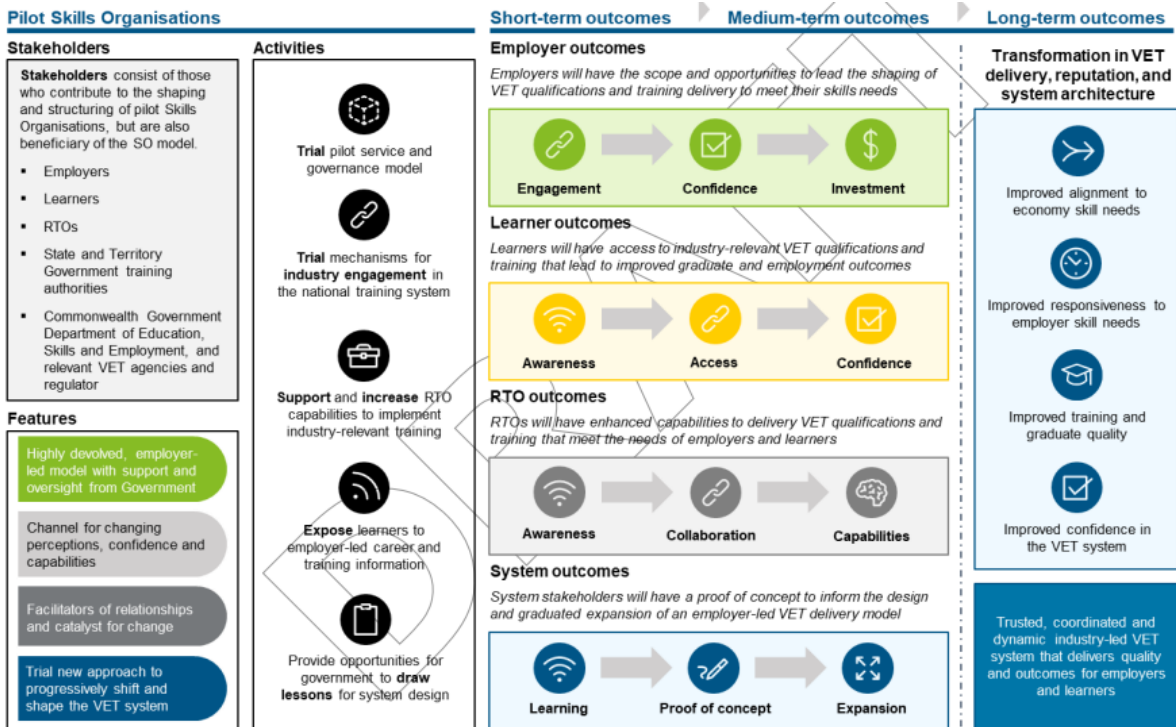
<b>Government stakeholders</b>
Department of Health - Aged Care Workforce
Department of Social Services - Market Development Branch
Department of Education, Skills and Employment
National Careers Institute
National Skills Commission
NSW Government representatives
NT Government representatives
Queensland Government representatives
SA Government representatives
WA Government representatives
<b>SO staff/consultants/project partners</b>
Anglicare Australia
Anglicare Sydney
ARC Disability Services
AUSMESA
Avenir Consulting
Baptistcare
Brotherhood of St Laurence
Cara
Digital SO
General Assembly
Goanna
Human Services SO
Ithaca Group
MCA
Meyvn Group
NCVER
PwC
Queensland TAFE



<b>VET/industry stakeholders</b>
ACWIC
Adobe
ASQA
Australian Chamber of Commerce and Industry
Australian Childcare Alliance
Australian Industry Group
Australian Nursing and Midwifery Federation
Australian Unity
Ballycara
Benatas
BHP
Business Council of Australia
Community Services & Health ITAB (NSW)
Community Services Industry Alliance
Community Services, Health & Education Training Council Inc
CSIA
Early Learning and Care Council of Australia
Ernst & Young (Building the Local Care Workforce)
Independent Tertiary Education Councils of Australia
Li-Ve
Resources and Engineering Skills Alliance
Rio Tinto
SSO Australian Industry Standards
TAFE Directors Australia
ThinkPlace
Torrens University

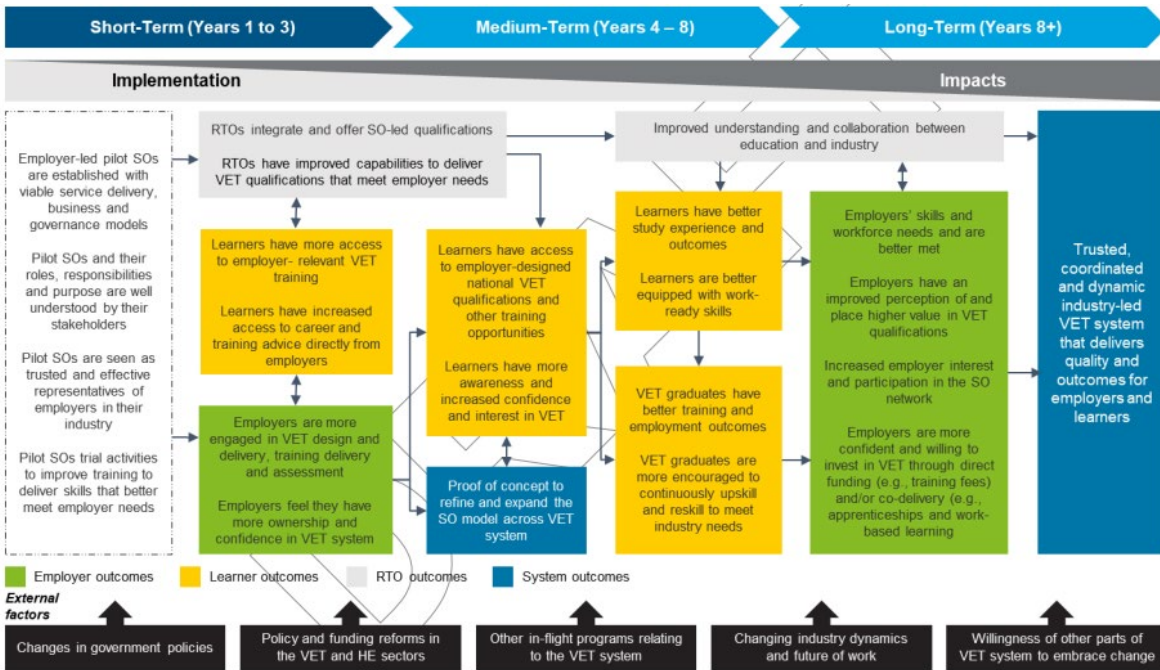
# **APPENDIX C: DRAFT PROGRAM LOGIC AND OUTCOMES**

Figure 9 – Draft theory of change for the Skills Organisation Pilot program



Source: Deloitte (2020). Pilot Skills Organisations: Draft Evaluation Framework, page 6.

Figure 10 – Draft outcome indicator roadmap for the Skills Organisation Pilot program



Source: Deloitte (2020). Pilot Skills Organisations: Draft Evaluation Framework, page 7.

# **APPENDIX D: REFERENCES**

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