

Guidelines for Skills Organisation Pilots

These Guidelines are made by the Department of Education, Skills and Employment in June 2020

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1 The Joyce Review / Delivering Skills for Today and Tomorrow

On 28 November 2018, the Prime Minister announced an independent review of Australia's vocational education and training (VET) sector to examine ways to deliver skilled workers for a stronger economy. The review was led by the Honourable Steven Joyce, former New Zealand Minister for Tertiary Education, Skills and Employment. Mr Joyce delivered the final report, the *Expert Review of Australia's Vocational Education and Training System* (the Joyce Review), to the Government in March 2019.

As part of the 2019-2020 Federal Budget, the Government announced the \$585 million Skills Package – *Delivering Skills for Today and Tomorrow* (Skills Package). The Skills Package, which also includes funds allocated as part of the Mid-Year Economic and Fiscal Outlook (MYEFO), provides the building blocks for reforms identified in the Joyce Review to ensure that the VET system remains responsive, respected and flexible.

Specifically, the Joyce Review recommended creating three new bodies:

- a National Skills Commission (NSC), with responsibility to determine course subsidy levels with state and territory governments, and allocate all Commonwealth VET funding on behalf of the Minister
- a National Careers Institute (NCI), to improve career advice across tertiary education
- Skills Organisations (SOs), to: a) bring more industry experience to the task of developing qualifications (compared with current arrangements); and b) take responsibility for, or seek to influence, other activities along the skills pipeline, to ensure VET graduates have the skills required by employers.

The Australian Government undertook a national consultation process in late 2019 to test these recommendations. Between September and December 2019, more than 520 organisations participated in the consultations, through co-design workshops, targeted interviews, roundtables and online submissions.

Consultations sought stakeholder views on how these three measures could address key challenges for the national training system in terms of responsiveness, relevance and promoting quality. Stakeholders shared their views on what is working well, current challenges and how the system can be improved. While a range of views were heard about the proposals, most stakeholders were united in their support for a stronger training system and expanded career education sector.

2 Skills Organisations pilot program

Joyce recommended that SOs be owned by industry and take a leadership role to support the VET system to better meet the needs of employers, the economy and learners for their respective industries. Consultations found strong support for SOs playing a role not just in developing training product standards, but also in working with the NSC on skills forecasts and supporting the development of quality learning resources and training by registered training organisations (RTOs).

The three agreed SO pilots are Digital Technologies, Human Services Care and Mining.

The goal of the industry-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.

Lessons from these pilots, together with information gained from subsequent consultations, will help inform broader improvements to the national VET system.

3 Purpose of this document

The purpose of this document is to both define the strategic framework of the Australian Government Department of Education, Skills and Employment (the Department) SO pilot program, and to provide details on the program's scope and funding of agreed services. This will support the SO pilots in their design, development and implementation, and assist the Department to ensure that the program achieves appropriate program governance and value for money.

This document consists of the following two sections:

- Strategic Framework – describing the overall program vision, objectives and broader VET operating environment
- Program Guidelines – detailing the scope of work, funding structure and evaluation processes.

Detailed guidance on the basis for funding the services agreements between the SO entities and the Department will be provided in the SO pilot services agreement for each pilot. The SO pilot services agreements, once negotiated, will detail:

- the scope of the pilot to be delivered
- roles and responsibilities of the SO and the Department
- key activities and outcomes funded under the agreement.

Note: Where there is any inconsistency between an SO pilot's services agreement and these guidelines, the terms of the services agreement will prevail.

4 Strategic Framework

4.1 Skills Organisation pilots - overview

The SO pilots provide an opportunity for industry to trial new ways of working within the current national training system, while identifying new opportunities to support high quality and improved training – training that meets the needs of employers, the workforce and the economy.

SO pilot program vision

The SO pilot program aims to achieve the following overarching vision:

“To support quality vocational education and training that is focused on industry needs and will best position Australian businesses, whether urban, regional or rural, to meet changing employer needs, now and into the future.”

SO pilot activities and outcomes

The SO pilots will:

- provide an opportunity for the three chosen priority industries to help shape the national training system to be more responsive to their skills needs, enhance the learner experience and boost industry’s confidence in the quality of graduates
- undertake activities in the best interest of all stakeholders within their industry
- collaborate with current and future VET stakeholders with responsibility for relevant elements of the national training system
- undertake activities consistent with the SO Pilot Principles (refer Table 1 below) and the Skills Pipeline (see Figure 1 below) in support of system-level improvements.

The three SO pilots being developed and implemented are:

- **Digital Technologies** – This SO pilot began its four year program in December 2019. Digital Technologies was chosen as an SO pilot based on the significant role of digital technologies, and associated skills, across the entire Australian economy. The demand for ICT professionals and telecommunications technicians is projected to increase by an additional 71,000 workers by 2024, with significant increases also needed in cyber skills to meet that sector’s full potential.¹
- **Human Services Care** – This SO pilot also began its four year program in December 2019, and was selected as a result of increasing demand within the Australian population for care-related services. Occupations within this sector are expected to increase by over 100,000 jobs in the next five years alone.²
- **Mining** – This two year SO pilot, scheduled to begin by mid-2020, was selected as mining continues to be one of the largest areas of GDP growth for Australia. The industry currently employs over 242,000³ individuals across the country. Mining is at the forefront of industries undergoing large-scale skills shifts as a result of changing technologies and future global demands.

¹ <https://www.employment.gov.au/SO>

² <https://www.employment.gov.au/SO>

³ <https://lmip.gov.au/default.aspx?LMIP/GainInsights/IndustryInformation/Mining>

The SO pilot program will focus on three key principles and outcomes, as detailed in Table 1 below.

Table 1: SO Pilot program outcomes

Area	Improvements
1. Improving quality and responsiveness of nationally recognised training for their industry	SO pilots will undertake scalable, value-for-money activities aligned to the Skills Pipeline ¹ to ensure VET is fit for purpose, including: <ul style="list-style-type: none"> • development of nationally recognised training • new methods of assessment • developing standards for industry (i.e. employers) to endorse high quality RTOs.
2. Embedding employers within the VET sector architecture and functions	SO pilots will operate as employer-led organisations with genuine, transparent and broad representation and support across their industries. SO pilots 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	SO pilots 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 pilots will also provide specific advice, input and feedback to guide and inform the Commonwealth Government's consideration of national reforms.

4.2 Skills Pipeline

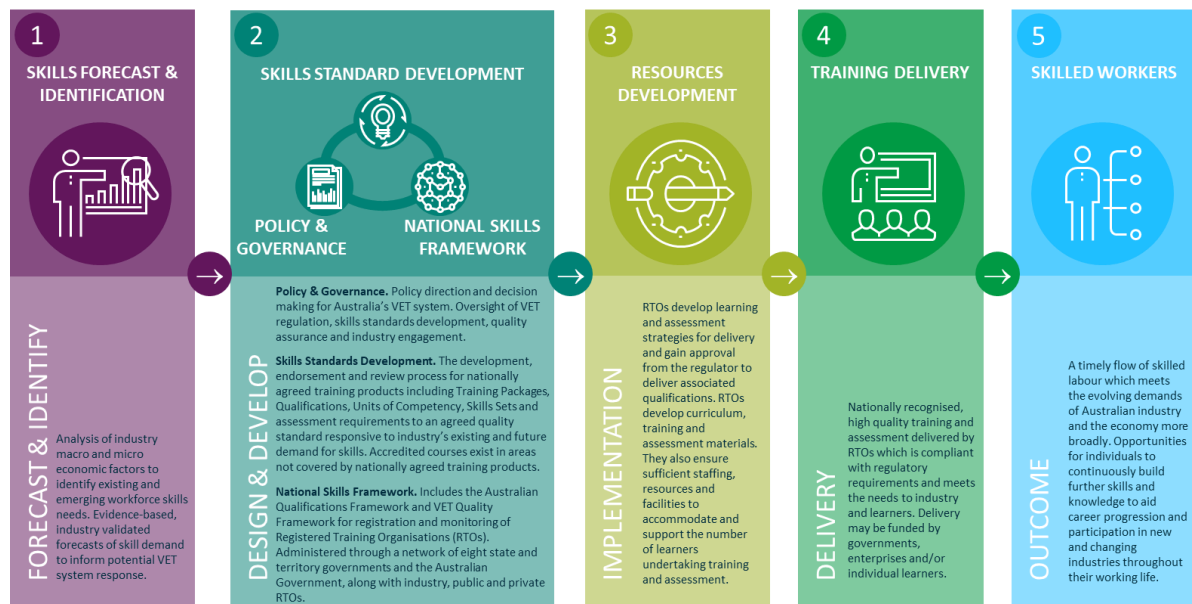
Australia's VET system can be conceptualised as a Skills Pipeline (see Figure 1 below), and this will underpin the development of SO pilots. The VET Skills Pipeline is a **five stage process** which describes the key elements of the skills process, from skills identification through to the delivery of skilled workers that meet the evolving demands of Australian employers and the economy more broadly.

The SO pilots will adopt and/or support a range of functions along this Pipeline in order to enhance the VET system. The Pipeline provides a useful visual of the skills development process and will assist the SO pilots to identify areas where they can influence and, in particular, apply new and innovative industry-focused and employer-guided approaches to the five pipeline elements:

- Skills forecasting and identification
- Skills standards development
- Resources development
- Training delivery
- Skilled workers.

In this pilot phase, business as usual (BAU) activities and SO pilot activities will occur in parallel, with the SO pilots testing their expanded role within each stage.

Figure 1: Five stage VET Skills Pipeline



4.3 Urban and regional focus

Equal consideration will be given to industry training requirements in urban, regional and remote areas. SO pilots will take the lead in the development of appropriate approaches to training package development and other activities to improve the quality of training delivered. This will include considerations around ensuring that learners and employers are not disadvantaged or discriminated against based on location.

If SO pilot activities are proposed for particular sub-sectors or geographical regions, the Work Plan will identify how these activities can be scalable in order to provide full coverage for the relevant industry.

4.4 Equity for learners focus

Equal consideration will be given to industry training requirements specific to the characteristics of different learners, for example, gender, Aboriginal and Torres Strait Islander peoples, people with disability. These characteristics will be considered by the SO pilots in all activities to ensure that learners and employers are not disadvantaged or discriminated against based on personal characteristics.

4.5 Common SO pilot characteristics

While there will be characteristics unique to each priority industry, the SO pilots will share some operational characteristics, these being a requirement to:

- work collaboratively with existing Industry Reference Committees (IRCs) and Skills Service Organisations (SSOs), who currently prepare Industry Skills Forecasts and manage training package development (i.e. Stages 1 and 2 of the VET Skills Pipeline, refer Figure 1 above) under the AISC:
 - within their industry; and/or
 - where there are areas of commonality; and/or
 - where there are opportunities for efficiency or improved effectiveness through greater collaboration

- undertake continuous VET environment scanning and be prepared to influence the development of new training to address required skills, or to adapt existing training to changing circumstances
- undertake careful planning and regular, meaningful consultation to maximise the benefits to the Department, industry (including peak bodies and unions), employers and learners
- regularly monitor and review current relevant training packages for appropriateness and effectiveness of meeting employers' skills needs.

It is important to note that a range of activities are considered to be outside the scope of funded SO pilot activities. Specifically, an SO pilot:

- does not have an advocacy role within or on behalf of a particular industry (although it does have an overall advocacy role for training and potential program funding)
- will not use Commonwealth funds for activities to directly resolve staff shortages or recruitment issues for individual organisations
- will not operate as an RTO
- will not provide commercial benefit to an exclusive group of organisations
- is not an industry grants program.

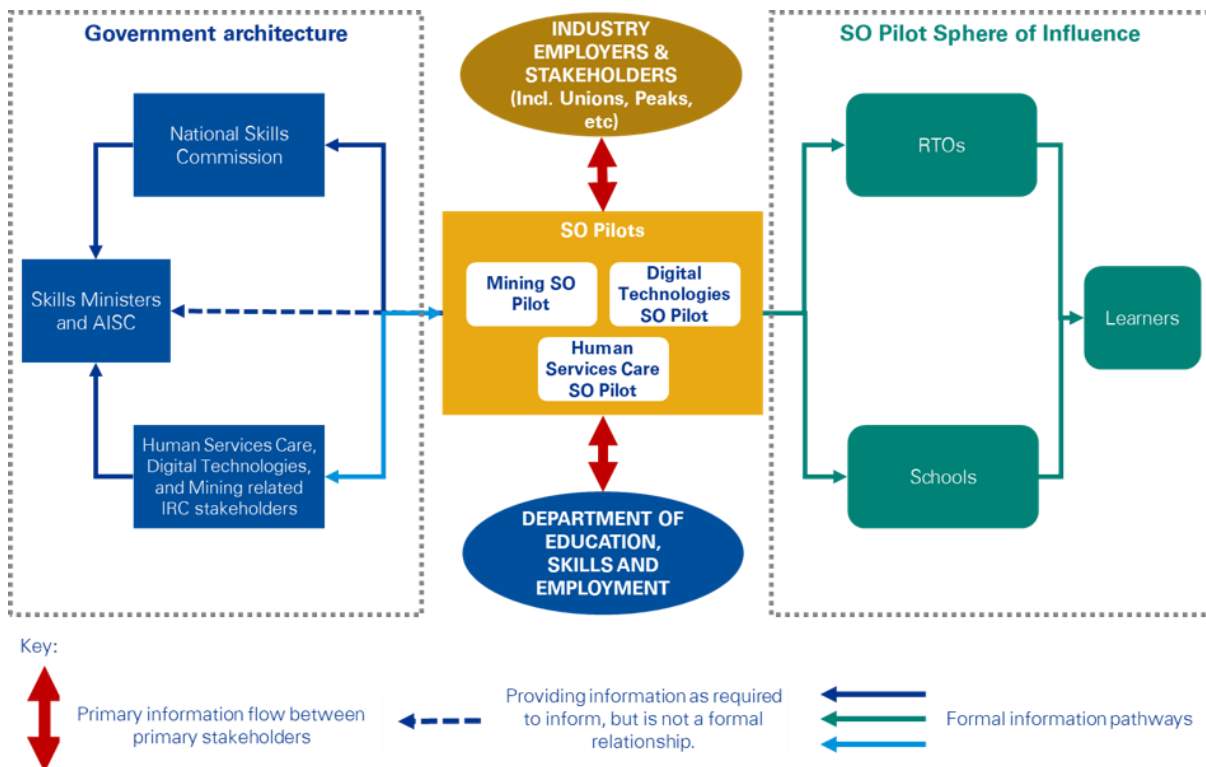
5 Governance

5.1 SO pilots and existing VET stakeholders

During the SO pilot program, SO pilots will develop and manage their focused projects alongside, and whilst collaborating with, existing and new VET stakeholders. See [Attachment A](#) for common acronyms and abbreviations associated with VET.

Figure 2 below illustrates, at a high level, the relationship between the SO pilots and key stakeholders. This is elaborated on further in this chapter.

Figure 2: SO pilots and key stakeholder information and influence pathways



Existing stakeholders include IRCs, which are the current formal channel for considering industry skills requirements in the development and review of training packages, and providing advice to the Australian Industry and Skills Committee (AISC). Unlike SO pilots, IRCs are comprised of a cross section of entity types, not just employers. [Attachment B](#) provides a list of definitions and descriptions of the existing VET related organisations and stakeholders.

Depending on Government decisions, SOs may, in the future (and as suggested by the Joyce Review), take on the responsibilities of IRCs and their supporting SSOs. Contrary to the current membership of IRCs (which tend to include stakeholders from across industry), it is likely that SO Boards will consist only of industry employers (the SO pilots will, however, seek advice from and engage closely with all industry stakeholders).

During the SO pilot, IRCs are expected to continue to:

- advise the AISC about the skills needs of their industry sector
- ensure training packages meet the needs and concerns of employers, employees, training providers, and people seeking training qualifications
- gather information across industries – including challenges, opportunities, trends and industry requirements for training to advise on training packages
- use industry-based information to develop and review training packages to enable the national training system to provide the qualifications, knowledge and skill sets that their industry needs
- promote the use of VET in the industry sectors they represent.

5.2 SO pilot operating governance

The SO pilot Boards will be representative of their industry coverage, with representation (where possible/relevant) across sectors, locations, employer size, etc. The Board structure will enable opportunities for new industry employer representatives to join, as applicable.

The SO pilot's operational governance (i.e. Board arrangements) is proposed to be predominantly, if not entirely, composed of employers, in keeping with the overall objective for these organisations to be industry-led. Board appointments will be transparent and include:

- Board member identification, selection and appointment processes
- clear terms of engagement, including length of appointment
- representative substitution procedures.

Each SO pilot will adhere to its Constitution and Rules.

The governance model should identify the core functions and required capabilities for the proposed entity to be established as a legal, funded organisation, and thereby will include designated key operational positions, including financial, human resources and legal. This will be underpinned by robust procedures and documentation for:

- **Risk Management** – A documented Risk Management Matrix will ensure quality development and delivery of their industry specific targeted services. SO pilots will also apply and be mindful of industry and VET risk management requirements in their development, including in all stakeholder engagement. Specific escalation triggers will be outlined in each individual contract between the SO pilot and the Department.
- **Records Management** – Processes and procedures will be established to manage the control, safekeeping, proper preservation and (where relevant) appropriate disposal of the SO entity's records, and ensure that the records are usable and accessible for as long as they are needed for official and public purposes. Appropriate physical storage measures are necessary to enable this requirement to be met, for all types of recorded media.

The SO entities will ensure appropriate policies and procedures are in place for compliance with legislative and reporting obligations. For example, health and safety – it is a legal requirement under the *Work Health and Safety Act 2011* to report all work accidents/incidents and document processes for managing health and safety within their own entity and business activities.

As SO pilots develop increased capacity and capability to address industry vocational training needs, they will also increase their functions.

5.3 Funding model

A tailored funding model will be developed for the SO pilot program. The following section provides an overview of the proposed funding model principles and activities to be delivered, as a minimum, through the services agreement for each SO pilot.

Proposed activities that do not align to the Skills Pipeline or are deemed out of scope by the Department will need to be funded by the SO entity (i.e. not using Commonwealth Government funding) or through other appropriate sources (e.g. cost recovery).

Funding approach

The Department is proposing to fund the SO pilots through an initial mobilisation payment for the provision of services relating to the establishment and commencement of planning activities.

In addition to the mobilisation payment, the services agreement provides for the flexibility to include additional service fees, agreed through a proposed variation. Additional service fees, through a contract variation proposal, will require agreement by the Department and SO pilot on the nature and scope of services to be delivered through the Work Plan.

The Department is proposing to fund the SO pilots on the following basis:

Table 2: Proposed fee and payment schedule

Funding	Frequency	Timing
1. Initial mobilisation payment for the establishment and commencement of planning activities for the SO pilot	One off payment	Within 20 business days from the commencement date
2. Additional service fees (including transition out costs, if any)	Ad-hoc basis, based on the identification of the nature and scope of additional projects / activities to be delivered by the SO	Agreement and execution of the contract variation proposal

5.4 Contract management

Process for varying or terminating the arrangements

The governing bodies of the SO pilots will be responsible for guidance of the SO pilots and their activities, and will be responsible for the decision to request of the Department any variations to the pilot or discussions regarding termination of arrangements.

As part of the ongoing review process, an SO pilot must re-negotiate the agreement for any change in circumstances affecting its ability to take a leadership role to support the VET system so that it better meets the needs of employers, the economy and learners.

Failure to comply with obligations

Where an SO pilot fails to comply with its obligations as specified, other than because of circumstances beyond its control, the Department will engage with the SO pilot to take all reasonable steps to support and negotiate a mutually agreed resolution. As a last resort, consistent with the SO pilot services agreement, the Department reserves the right to terminate the agreement.

Impact on the national VET operating environment

The SO pilots will be established and operate within an ongoing, dynamic VET environment. As the AISC and IRCs are the key bodies currently responsible for the development of quality VET training packages, they will have an impact on the development and implementation of the SO pilot program, and will be key stakeholders in any training package development work that is undertaken by the SO pilots.

A description of each of these two groups can be found at [Attachment C](#) – Key stakeholders.

5.5 Collaboration

The SO pilots are being conducted in conjunction with the normal operation of the IRCs and the six independent Skills Service Organisations (SSOs) that support IRCs in developing training packages. SO pilots will work collaboratively with relevant VET bodies when implementing the SO pilot program. Collaborative activities include those that will support quality industry skills training and employment within the target pilot industries, and may include (but are not limited to):

- consideration of activities and responsibilities of existing IRCs, regulators and other current and future industry stakeholders
- strengthening the links between industry and schools by advising on suitable VET qualifications and endorsing RTOs
- brokering relationships with employers to secure work placements and apprenticeship opportunities
- engagement to improve the quality of career advice, and other activities
- collaboration with those SSOs that are already, or will be, involved with the specific SO pilot sectors of Digital Technologies, Human Services Care or Mining.

It is important that the relevant IRCs/SSOs and SO governing bodies maintain regular collaboration and consultation, particularly throughout the establishment and monitoring stages of the SO pilots.

Steering Groups, comprising a small number of senior leaders from employers within the industry, have already been established for all three SO pilots, to guide the development and implementation of the SO pilot entities. It is expected that the SO pilot Steering Groups will initially facilitate the collaboration as outlined above (until the SO pilot entity is established), in line with the approved detailed design of each SO pilot, ensuring alignment with pilot and broader reform objectives. The SO pilots will adapt scope and practice, where requested by the Department, to support any changes to the broader VET architecture.

Following establishment, each SO pilot will need to consider the ongoing role for the Steering Group, if any. If the Steering Group is to continue, Terms of Reference for the group should be documented for transparent and effective governance arrangements.

5.6 Impact on states and territories

The SO pilots will provide an opportunity for industry to trial new ways of working within the current national vocational training system, while looking for new opportunities to ensure training is able to meet the skills needs of employers and the economy.

- The SO pilot scope will have a national focus, but will be flexible and responsive to state and territory industry needs.
- The development of SO pilots will be informed by the 2019 COAG agreed vision for VET to position the sector as responsive, dynamic and trusted.
- The development and characteristics of SO pilots will therefore be influenced by the VET [Reform Roadmap](#).
- SO pilots will invite industry employers to be involved in research and analysis of future skills needed across the industry to ensure the VET system addresses labour market priorities.
- SO pilot projects that focus on improvements to systems and processes will be mindful of state and territory abilities and industry needs.

5.7 Legislative impacts

All RTOs delivering nationally recognised training are required to meet the VET Quality Framework in order to ensure Australia's VET system provides nationally-consistent, high-quality training and assessment. The national regulator, the Australian Skills Quality Authority (ASQA) audits RTOs for compliance with the VET Quality Framework. The VET Quality Framework is defined under the *National Vocational Education and Training Regulator Act 2011* and comprises the following legislative instruments and policy:

- [Standards for Registered Training Organisations 2015](#)—standards to ensure nationally consistent, high-quality training and assessment across Australia's VET system
- [Fit and Proper Person Requirement 2011](#)—which specify the suitability requirements of individuals involved in the operation of an RTO
- [Financial Viability Risk Assessment Requirements 2011](#)—which relate to an RTO's ability to meet financial viability requirements
- [Data Provision Requirements 2012](#)—which sets out the requirement for providers to supply ASQA with data upon request, and to submit quality indicator data annually
- [Australian Qualifications Framework](#)—which is the national policy for regulated qualifications in Australian education and training.

State and Territories

States and territories also have relevant legislation and regulations relating to vocational education and training. Relevant legislation can be found at [AustLII](#). Refer [Attachment D](#) – Relevant State and Territory legislation (as at 30 March 2020).

5.8 Communication, knowledge management and stakeholder engagement

SO pilots will need to engage with many of the same stakeholders as IRCs and SSOs.

To be effective and successful in improving the quality of training packages and skills development, SO pilots will require strong and consistent communication practices, a structured and effective knowledge management plan and a focused stakeholder engagement process.

Separate stakeholder engagement, communication and knowledge management strategies will provide details of the approaches to effectively involve stakeholders and streamline processes.

Together with the governance model and implementation plan, these will identify methods and touch points for the SO pilots to engage with industry and VET stakeholders, to gain:

- industry support for the proposed governance
- industry support for the proposed entity representatives
- initial industry and VET stakeholder agreement for proposed activities
- ongoing industry and VET stakeholder agreement as activities expand.

The proposed industry engagement methods and touch points will explicitly identify opportunities for participation or contribution of:

- small and medium employers within the sector
- employers from a diverse range of geographical locations
- relevant IRCs.

In addition to the broader industry, the following VET stakeholders will also be engaged where appropriate:

- RTOs and other relevant training providers (including higher education institutions and schools)
- relevant VET regulators
- organisations providing training-related services, e.g. Group Training Organisations, Australian Apprenticeship Support Network providers
- current or prospective learners.

6 Reporting, monitoring and evaluation

6.1 Regular reporting

The SO pilot programs will run for initial periods of two to four years and each will have regular reporting, as detailed in their services agreements.

There are a number of reporting processes to be conducted throughout this time which may include regular progress reports to the Department, project/activity reports, evaluation reports and a final report. The specific objectives, KPIs and reporting requirements will be detailed in the services agreement for each SO pilot.

Reporting, monitoring and evaluation processes will consider each SO pilot's performance against its vision, obligations, objectives and measurable goals, its qualitative and quantitative indicators, and the SO pilot's plans for the next phase.

6.2 SO pilot self-monitoring and assessment

Self-monitoring by the SO pilots will be ongoing. It is recommended that internal self-assessments be undertaken by each SO pilot at least every six months from establishment, focusing on progress made against the Work Plan (such as activities, deliverables, consultations, any risks or issues arising, progress of pilots projects) and the success of the SO pilot's influence on the quality, suitability and applicability of relevant training packages.

This will enable any challenges to be identified and addressed in a timely manner, support the achievement of the scope of outcomes detailed in the SO pilot SA with the Department, and ensure compliance with legislative, security, and health and safety requirements.

The evaluation timeline and specific details will be part of the SO pilot's services agreement.

6.3 Department external assessment

The Department will monitor and evaluate the performance of the SO pilots, including through an external evaluation conducted in parallel with the pilots. This will include:

- evaluator-led one on one interviews
- case studies
- outcomes harvesting
- regular bi-monthly meetings with the Department and the evaluators.

SO pilots funded under the SO pilot services agreement will be asked to provide data to the Department for the purposes of supporting robust evaluation.

Specifically, evaluation will:

- collect process-based evidence on a regular basis to support analysis of the SO pilots operations, activities and outcomes
- evaluate stakeholder impact and any unintended consequences (positive and negative) resulting from the SO pilot activities and the program as a whole
- identify the key enablers and barriers to the trialled elements of the recommendations of the Joyce Review for SOs

- gather insights and capture lessons learned from the pilot experience and performance to inform the potential design (including system architecture), transition to and expansion of the SO network.

External monitoring and evaluation will require SO pilots to, at their own cost, cooperate with any evaluation of the SO pilot program undertaken by the Commonwealth Government or independent third parties. This may include providing information requested by the Commonwealth Government or a relevant third party through, for example, stakeholder surveys, participation in discussions or other evidence of activities.

Application of lessons learned

Following each formal review, an accurate record of lessons learned and the proposed strategic application of that information will be formally presented to the Board and SO Steering Group for consideration. Lessons learned will come from both the internal and external monitoring and evaluation of the SO pilot Work Plan, outcomes and influences, and will cover all of the activities of the SO pilot, from governance, to how employers are driving the change, and the quality and scope of training being delivered.

7 SO Pilot Program Guidelines

7.1 Scope of funding

SO pilot activities proposed for Commonwealth funding must align with the Skills Pipeline and demonstrate a clear benefit to the national training system and its end users. The Work Plan should identify any activities where an industry co-contribution has been negotiated (noting there will be activities that are solely funded through the SO Pilot services agreement). The SO pilots should provide details on the type of contribution (e.g. in-kind contribution or cash contribution) and information on the process for obtaining it.

The Department is proposing the following key services, at a minimum. Depending on negotiations, these may be Commonwealth or industry funded:

- development of a Communications and Engagement Strategy
- communications activities for each SO pilot
- development of a Work Plan
- monitoring, evaluating and reporting on SO pilot projects
- transition out services.

7.2 Performance measurement and key performance indicators

Performance measurements provide an opportunity to measure the health of the SO pilots, to review goals, and to consider how new opportunities and challenges are being addressed. Success will be measured by the extent to which an SO pilot can demonstrate its:

- development and implementation of a Communications and Engagement Strategy
- development and implementation of the Work Plan
- transition out services.

The SO pilot services agreements will include specific details of performance measures and associated key performance indicators.

Attachment A – Common VET abbreviations and acronyms

Acronym	Meaning
AAIP	Australian Apprenticeships Incentive Program
AASN	Australian Apprenticeship Support Network
ACSF	Australian Core Skills Framework
Ai Group	Australian Industry Group
AISC	Australian Industry and Skills Committee
AMEP	Adult Migrant English Program
AQF	Australian Qualifications Framework
ASbA	Australian School-based Apprenticeship
ASQA	Australian Skills Quality Authority
ATSI	Aboriginal and Torres Strait Islander
AVETMISS	Australian VET Management Information Statistical Standard
AVETRA	Australasian Vocational Education and Training Research Association
BCA	Business Council of Australia
CEDA	Committee for Economic Development of Australia
COAG	Council of Australian Governments
FSAT	Foundational Skills Assessment Tool
IRC	Industry Reference Committee
LLND	Language, literacy, numeracy and digital (skills)
MCA	Minerals Council of Australia
NASWD	National Agreement for Skills and Workforce Development
NCI	National Careers Institute
NCVER	National Centre for Vocational Education Research
NPASR	National Partnership Agreement on Skills Reform
NPSAF	National Partnership Agreement on the Skilling Australians Fund
NSC	National Skills Commission
NSNL	National Skills Needs Lists
NSPLA	National Skills Priority List for Apprentices
NVETR Act	National Vocational Education and Training Regulator Act 2011 (Cth)
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Co-operation and Development
PIAAC	Programme for the International Assessment of Adult Competencies (OECD)
RTO	Registered Training Organisation
SO	Skills Organisations
SSO	Skills Service Organisations
TAC	Technical Advisory Committee (for IRCS)
TAC WA	Training Accreditation Council Western Australia
TAE	Training and Assessment
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality Standards Agency
TPS	Tuition Protection Service
USI	Unique Student Identifier
VET	Vocational education and training
VRQA	Victorian Registration and Qualifications Authority
VSL	VET Student Loans
VSLO	VET Student Loans Ombudsman

Attachment B – Definitions

Word/Term	Definition
Australian Industry and Skills Committee (AISC)	The AISC was established by the COAG Industry and Skills Council in May 2015 to give industry a formal role in approving vocational education and training (VET) training packages for implementation.
Australian Skills Quality Authority (ASQA)	ASQA is the national regulator for Australia’s VET sector. Note that WA and Victoria have their own regulators for VET activities in their jurisdictions (the Training Accreditation Council WA and Victorian Registration and Qualifications Authority).
COAG Skills Council	COAG established the COAG Skills Council to develop and implement high-level policies that help Australian industry to be competitive, create jobs and attract investment. The Council focuses on major policy reforms that require Commonwealth-State collaboration. <i>Note that the Prime Minister recently announced that COAG (and its Councils) would be replaced by National Cabinet, with a number of sub-committees reporting to it on priority issues, including Skills.</i>
Department of Education, Skills and Employment (the Department)	The Department of Education, Skills and Employment works to ensure Australians can experience the wellbeing and economic benefits that quality education, skills and employment provide. The Department’s primary focus is to equip Australians — at all life and career stages — with knowledge, skills and attributes to live well, thrive at work and contribute to community life.
Employer	Industry businesses located and operating in a location within Australia.
Industry engagement	For engagement purposes, “industry” is defined as: <ul style="list-style-type: none"> • small, medium and large employers • peak associations • employee associations • relevant industry regulators or accrediting bodies.
Industry Reference Committees (IRC)	IRCs consist of stakeholders linked to industry and are the formal channel for considering industry skills requirements in the development and review of training packages
(the) Joyce Review	<i>Strengthening Skills – Expert Review of Australia’s Vocational Education and Training System 2019</i> Led by the Hon. Steven Joyce, 2019
Legislation/Act	The <i>National Vocational Education and Training Regulator Act 2011</i> (in force, latest version) and related Commonwealth, State and Territory legislation, together with any future related legislation, underpin the activities, governance and legal requirements of VET in Australia.
National Careers Institute (NCI)	The NCI was established in July 2019 to provide leadership in the delivery of high quality, evidence-based career development to help Australians make informed decisions about their learning, training and work pathways.

Word/Term	Definition
National Skills Commission (NSC)	The NSC is a new body recommended by the Joyce Review that would work with the states and territories to develop a new, nationally-consistent funding model based on a shared understanding of skills needs.
Registered Training Organisation (RTO)	RTOs are private and public training providers that are registered with ASQA (or the Victorian or WA state regulators) to deliver nationally recognised quality VET services. In early 2020 there were over 5,000 ⁱⁱ RTOs in Australia. The national register, training.gov.au , maintains a complete list of RTOs.
Skills Organisation (SO)	SOs are entities proposed by the Joyce Review, which would be owned by industry and take a leadership role to support the VET system so that it better meets the needs of employers, the economy, and learners.
SO pilots	SO pilots refer to the three industry SO pilot trials to be conducted between 2019 and 2023 in the sectors of: <ul style="list-style-type: none"> • Human Services Care • Digital Technologies • Mining.
SO Steering Group	The initial phase of each SO pilot is led by a small Steering Group of senior industry leaders which will undertake projects and collaborate with industry on the development of a detailed design for the longer-term model.
Skills Pipeline	The Skills Pipeline refers to the process of skills identification through to the delivery of high quality VET graduates that have the skills employers need. The Skills Pipeline encompasses five elements: <ol style="list-style-type: none"> 1. Skills forecasting and identification 2. Skills standards development 3. Resources development 4. Training delivery 5. Skilled workers.
Skills Service Organisation (SSO)	SSOs are independent, professional service organisations that are funded by the Commonwealth Government to support IRCs in their work developing and reviewing vocational training packages.
Technical Advisory Committee (TAC)	An IRC may, through its SSO, establish one or more TACs to support its work in developing and maintaining training packages. A TAC may include technical industry experts, industry associations, regulators and training providers, and can assist the IRC by providing technical input to the review and development of training packages. The establishment of a TAC is not subject to approval by the AISC and may be done on an ad-hoc basis as the need arises.
Vocational education and training (VET)	VET refers to competency-based, nationally-recognised training delivered by RTOs. VET is distinct from other tertiary education systems, such as higher education, and covers a wide range of careers and industries.

Word/Term	Definition
VET Stakeholders	In addition to industry, the following groups represent the types of stakeholders encompassed by VET: <ul style="list-style-type: none">• RTOs or relevant training providers (including higher education institutions)• relevant VET regulators• organisations providing training-related services, e.g. Group Training Organisations, Australian Apprenticeship Support Network providers• current or prospective learners• relevant Industry Reference Committees.

Attachment C – Key stakeholders

A.1 Australian Industry and Skills Committee (AISC)

The AISC sits under the COAG Skills Council and oversees development and approval of nationally recognised training packages. The Committee's role is to ensure that the decisions taken by the Skills Council are informed by an industry-based perspective focused on the quality and relevance of the national training system. The AISC has authority to approve industry-defined training packages for implementation.

The functions of the AISC, as set out in its Terms of Reference, are to:

- a. advise on the implementation of national training policies
- b. quality assure and sign off training packages for implementation
- c. oversee the process for development and approval of accredited training
- d. provide direction on the VET sector research priorities, including the work of the National Centre for Vocational Education Research
- e. provide advice to the COAG Skills Council on training provider and regulator standards
- f. coordinate industry engagement through COAG Skills Council meetings
- g. undertake work as directed by the COAG Skills Council.

As part of its role in overseeing the process for reviewing and developing training packages, the AISC has established a network of Industry Reference Committees (IRCs).

A.2 Industry Reference Committees (IRCs)

IRCs are the current formal channel for considering industry skills requirements in the development and review of training packages. During 2015-17, all IRCs were reviewed to ensure that IRCs comprised people with close links to industry. IRC members are intended to be leaders in their own sectors from a cross-section of entity types (e.g. big business, small to medium enterprises, peak bodies, unions), and who understand the skills needs of their sector, industry or occupation.

The AISC currently receives advice from industry via 67 IRCs. The number of IRCs is subject to change – IRCs established and dissolved by the AISC as needed. IRCs are the mechanism by which industry informs the development of training package products, thereby ensuring that they reflect the skills needed for jobs in the labour market.

IRCs are formed based on the best alignment of industry sectors and recognised sub-sectors. They bring together key representatives to identify changing skills needs within their sector and to inform the training package development process. The membership of each committee seeks to ensure there is input from all relevant industry sectors so that the demand for skills, and contemporary views on developments in those sectors, are taken into account. A list of current IRCs and links to their websites can be found at <https://www.aisc.net.au/content/industry-reference-committees>.

IRCs perform the following functions (supported by their assigned SSO):

- a. provide strategic guidance on the future training package requirements for their relevant sector
- b. ensure that training packages maintain flexibility for RTO innovation in delivery
- c. gather general intelligence for their industry sectors to inform advice on training package development and review

- d. identify the competencies required for each training package and oversight the development and review of training packages in accordance with the requirements of the AISC
- e. oversee the development of the IRC Work Plan by the SSO, advising who should be included in the consultation and the type of information to include
- f. provide sign off on the Work Plan, cases for change, cases for endorsement and other submissions for consideration by the AISC
- g. report to the AISC on progress of its work
- h. promote the use of VET in the sectors they represent.

In the course of the development and maintenance of training packages, an IRC may, through its SSO, establish one or more Technical Advisory Committees (TACs) to provide detailed, expert and technical input into the review and development of training packages.

Attachment D – Relevant State and Territory legislation (as at 30 March 2020)

State	Legislation
Australian Capital Territory	Training and Tertiary Education Act 2003 (http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/act/consol_act/tatea2003312/)
New South Wales	Vocational Education and Training (Commonwealth Powers) Act 2010 (http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol_act/veatpa2010526/)
Northern Territory	Training and Skills Development Act 2016 (http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/nt/consol_act/tasda2016317/)
Queensland	Vocational Education and Training (Commonwealth Powers) Act 2012 (https://www.legislation.qld.gov.au/view/html/inforce/current/act-2012-011) Education (Queensland Curriculum and Assessment Authority) Regulation 2014 (https://www.legislation.qld.gov.au/view/html/inforce/current/sl-2014-0126)
South Australia	Training and Skills Development Act 2008 (http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/sa/consol_act/tasda2008317/)
Tasmania	Education Act 2016 (http://www.austlii.edu.au/cgi-bin/viewdb//au/legis/tas/consol_act/ea2016104/) Training and Workforce Development Act 2013 (http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/tas/consol_act/tawda2013346/#notes)
Victoria	Education and Training Reform Act 2006 (http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol_act/eatra2006273/)
Western Australia	Vocational Education and Training Act 1996 (http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/wa/consol_act/veata1996306/)

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

ⁱⁱ <https://www.asqa.gov.au/about/vet-sector/what-are-rtos>