



Australian Government

Skills Reform

Implementation and Transition Timeline

The establishment of Industry Clusters will broaden the role of industry to provide strategic leadership on skills and workforce challenges, and provide an increased level of autonomy to industry to drive strong outcomes across the VET system from the identification of skills needs, through to the development and delivery of training products. This also supports the Government's commitment to strengthen tripartite leadership in the VET system, bringing all parties to the table to find solutions to skills and workforce challenges.

Transitioning to Industry Clusters

Industry Clusters are expected to be operational by 1 January 2023. A phased wind-down of the current training product development will ensure a smooth transition and minimal disruption to students, training providers and employers.

The Industry Reference Committees and Skills Service Organisations will remain in place until the end of December 2022 while the new arrangements are being established.

A phased transition and implementation will ensure:

- continuity and stability of the VET system,
- sufficient time for existing training product reviews to be completed,
- qualifications remain up to date,
- a timely and high-quality handover of training products and related artefacts to the industry clusters, and
- flexibility for industry clusters to take on training product work as required.

Establishing Industry Clusters

Industry Clusters will be established through a two-stage approach to market.

Stage one update

- Stage One of the grant opportunity opened on 3 December 2021 and closed on 31 March 2022. The response to Stage One demonstrated a high level of interest from industry leaders to establish and operate Industry Clusters.
- The department has finalised the detailed evaluation process of Stage One applications. A clarification and negotiation phase with shortlisted applicants commenced in August 2022.

Stage two

- Stage Two of the process is expected to open from September 2022 and will invite newly established Industry Clusters to provide an operational and delivery strategy detailing how they will carry out the full range of Cluster functions.
- Successful Stage Two applicants will then be invited to negotiate a second grant agreement that provides operational and activity funding, with Industry Clusters expected to be operational from 1 January 2023.
- Depending on the complexity of any negotiations and/or organisational maturity, it is anticipated there will be a progressive establishment of Industry Clusters.

Further updates will be made available via the Skills Reform website, where you can register your interest to stay up to date.

Indicative Timeline

