New industry engagement architecture

Stronger industry leadership and engagement is critical to delivering a VET system that can respond rapidly to changes in Australia's economy, build a resilient workforce and provide confidence to employers that VET graduates have the right skills for the jobs they have on offer.

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.

Roles and Responsibilities

Industry Clusters have four broad functions and responsibilities, including:

Workforce planning – address workforce challenges through strategies to identify, forecast and respond to skills needs across a range of educational pathways, including VET and higher education.

Training product development – develop training products in line with standards set by Skills Ministers to improve the quality, speed to market and responsiveness of training products. This includes piloting emerging products and testing new approaches to meet workforce, skills, and industry needs. Work with RTOs to ensure delivery issues are considered early in training product design.

Implementation, promotion and monitoring – working with RTOs to ensure training delivery meets employer needs, career pathways are mapped and promoted, and the impact of delivery is monitored.

Industry stewardship – act as a source of intelligence on workforce issues affecting their industries and provide advice on national training system policies.

Stakeholder engagement

To deliver on their responsibilities and functions, Industry Clusters will need to establish effective relationships and collaborate with a broad range of stakeholders including

- Industry and employers
- Industry peak bodies
- Unions
- Registered Training Organisations (RTOs)
- States and territories
- State Training Authorities
- Industry training advisory bodies (ITABs)
- Higher education providers
- National Careers Institute
- National Skills Commission

Industry Clusters will be required to develop a stakeholder engagement plan that outlines how the Industry Cluster will engage with stakeholders.

Industry Cluster roles and responsibilities and example of Industry Cluster organisation structure

Skills Ministers

Skills Ministers have responsibility for ownership and setting of policies and standards, endorsing training products, and performance monitoring.

Monitor and set performance requirements

Advise on workforce strategies and VET system policy

Compliant training products for endorsement

Assurance Body

An independent assurance body will be responsible for assessing the compliance of training products against the standards and policies set by Ministers and will provide guidance to Industry Clusters to drive the continuous improvement of the training product development system.

Submit training products for compliance assessment

Capacity building and education

Stakeholders (including):
Employers
Industry peak bodies
Unions
RTOs
State Training Authorities
ITABs
Higher Education providers

Engagement, collaboration, transparency

Industry Clusters

Expanded responsibility for workforce planning; training product development; collaboration; career pathways; industry stewardship; and managing and resolving disputes.

Collaboration and intelligence sharing

National Skills Commission

National Careers Institute

VET Regulators

States and Territories

Example of Industry Cluster organisation structure

Optional sub-committees

Cluster Organisation Board

CEO

Staff/Secretariat
Technical expertise
Research capability
Administrative support

Strategic taskforce — To identify, forecast and respond to workforce challenges and skills needs, using both education and training pathways.

Training product development — To improve quality, speed to market and responsiveness of training products, including piloting innovative approaches.

Implementation, promotion and monitoring — Work with RTOs to drive improvement to training delivery, map and promote career pathways, and monitor impacts of delivery.

Cross cluster forums
Chair/CEOs (industry stewardship); Cross-sectional themes (e.g. supply chains, digital); Technical Groups (capability building)