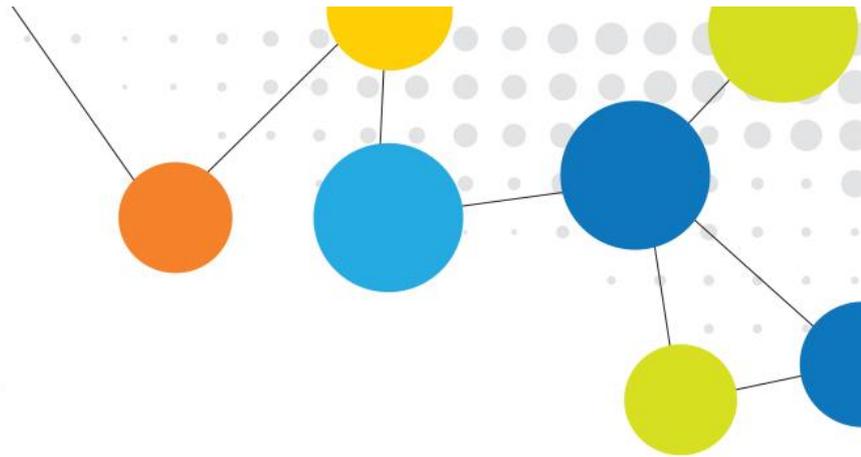




Australian
Industry and
Skills Committee



Talking points for Bill Galvin

Skills IQ Board

1 March 2018

Estimated speaking time 20 minutes

- Thank you for inviting me here today to address the Skills IQ Board. Having these conversations about how we can work together to deliver future-focused, industry-relevant training packages is really important.
- Before I begin, I respectfully acknowledge the traditional owners and custodians of the land on which we meet and pay my respect to elders past, present and future. I give a special welcome to any Aboriginal and Torres Strait Islander peoples here today.
- Today I would like share my insights as a member of the Australian Industry and Skills Committee (AISC) and discuss the important role Skills IQ and the other Skills Service Organisations (SSOs) have in Industry Reference Committees (IRCs) to ensure the national training system is responsive and flexible and meets the needs of employers. From the AISC perspective, the benefits for the VET system of working with industry to meet employer needs and prepare for future workplace challenges and opportunities are considerable, and I'm sure you would appreciate this.
- Finally, I'd like to tell you about my meeting in Korea last year to discuss the Australian vocational education and training (VET) system. There is considerable interest in the Australian VET system in other countries in the region and further afield and we can be justifiably proud of this.

The AISC

- I'll start with the AISC as a key government reform which represents a fundamental shift in how Australia is preparing for future skills needs. This shift has given industry a central role in deciding what knowledge and competencies

students need to obtain when gaining a vocational education and training qualification.

- The AISC was established by the Council of Australian Governments Industry and Skills Council in April 2015 to give industry a leading role in training package development and to advise Commonwealth and State and Territory Skills Ministers on national VET policies.
- The AISC is working to assist Skills Ministers [the Australian Government] with implementing the key priorities of:
 - making it easier for people to move between occupations and across industry sectors
 - improving efficiency by creating units that can be used by multiple industries
 - simplifying the system by removing qualifications and units of competency that are no longer being used or that are duplicative
 - fostering greater recognition of skill sets to better support re-skilling and upskilling, and
 - improving speed to market so that new training courses are developed more quickly to support skill needs.
- As an industry-led system, the arrangements for training package development put in place in early 2016 provide a real opportunity for industries at the coal-face to be involved at the outset to ensure training outcomes align with jobs and respond to changes to the economy now and into the future.
- Having worked in the hospitality industry I know first-hand how important it is for employers that graduates have the right knowledge and skills. This is fundamental to a business' competitiveness and ability to grow. And on a macro level, having a flexible and well-skilled workforce is essential for

adapting to the changing nature of work, meeting skills gaps, creating employment and powering the economy.

- For example, tourism – a key component of my own industry – is one of five “super growth sectors” that will drive new jobs and growth in Australia over the next decade. It is a \$100 billion industry that employs 1 in 13 Australians and accounts for 9.6 per cent of Australia’s exports.
- Having a workforce with the right skills and knowledge is crucial for businesses in the tourism sector, for the national economy, and for the many regional communities around Australia that rely on a thriving tourism industry

IRCs and industry-driven skills

- IRCs are responsible for approximately 1400 qualifications, representing 85 per cent of Australian occupations, and have a combined total of over 140 bodies of training package review and development work currently underway.
- One of the AISC’s initial priorities was to review the membership and structure of all IRCs. Bringing together the fresh ideas of new members with the deep experience of longer serving members has resulted in some truly innovative thinking across government and industry. The last of the IRCs to be refreshed was the *Tourism, Travel and Hospitality IRC*, one of the seventeen IRCs supported by SkillsIQ. The IRC refreshment process is an enormous achievement by all involved, including the relevant SSOs.
- The six Skills Service Organisations (SSOs), including yourselves, are working hard to support your IRCs in your capacity as professional service organisations, and this is key to their functioning smoothly and doing their job well.
- In supporting 17 IRCs in important consumer-facing areas, SkillsIQ supports around 15 per cent of the training package system.

Industry Skills Forecasts

- Each year IRCs sign off on an Industry Skills Forecast that identifies skills gaps and emerging skills needs.
- I'm aware that SSOs are currently in the process of preparing the 2018 *Industry Skills Forecasts* for each IRC. Indeed, SkillsIQ has already posted the first drafts of several *Industry Skills Forecasts* on your website for public consultation and comment.
- The skills forecasts are a vital mechanism to gather industry intelligence to understand the trends that are shaping the industry and the skills priorities for the sector. This then assists in planning for the development of training products to reflect those priorities.
- For example, in my own industry, tourism, travel and hospitality, the key trends that are shaping the industry include:
 - sustainability, both environmental and economic
 - the impact of technology and need for digital skills to respond and maximise the opportunities that are provided by technology
 - risk and crisis management, and the need for business skills such as financial, human resources and management.
- These trends will be of critical importance in the future tourism, travel and hospitality workforce, and the training products and training systems developed from here on in must reflect this. It is about moving with the times, being responsive and adaptable.
- I don't think it is possible to stress too much the importance of effective consultation in the development of the *Industry Skills Forecasts*, as this drives the work plan of each IRC for the upcoming year, and sets the expectations of

the AISC and the broader stakeholder community for the timing and delivery of training package projects.

National consultation

- As I'm sure you know, high quality national engagement is also fundamental for training package development to ensure industry relevance and stakeholder support for the final product.
- Your role as an SSO is a vital one in ensuring national engagement takes place effectively and seamlessly, and relevant voices are heard.
- Skills IQ supports your IRCs to ensure consultation is commensurate with the product being developed, the scope of work, the level of industry support and industry's timeline and requirements for access to new skills. It is expected, for example, that consultation with one industry sector may be less extensive than the consultation required for training package development and validation for a case involving a number of industry sectors and training packages.

Role of Skills IQ

- I was pleased the Skills IQ was able to attend the AISC meeting last month to discuss activities, opportunities and challenges in its role as a Skill Service Organisation.
- It was encouraging to hear about the range of methods of engagement Skills IQ uses to engage effectively with the breadth of stakeholders, including through a Feedback Forum which provides stakeholders with the opportunity to provide detailed input on any aspect of proposed training package components during designated consultation periods, and your approaches to better supporting your IRCS with data. Similarly, to learn how Skills IQ calibrates its

engagement to cover different geographical areas and regions, and adjusts for size and complexity of training packages.

- Late last year, the *Right Skills Right time?* Report by SkillsIQ raised important issues about the way skills, and vocational education and training (VET), are viewed by students, parents, schools and employers.
- With your support, the AISC is working closely with industry to make sure national training provides students with the job ready, future-focussed competencies that employers demand.
- For this reason, we need to encourage businesses – large and small – to get involved in their IRC so they can have a direct say in the skills they need – both now and in the future.

Cross-Sector Projects – collaborating across industries

- Industry is telling us that the VET system needs to be more responsive to modern ways of working and future skills needs.
- We all know that increased digitalisation and automation is already changing the way we work, although different industry sectors and markets are impacted at different rates.
- One of the ways the AISC is responding to the rate and nature of change is by looking across industry to identify the shared cross-sectoral needs that are emerging in a rapidly changing economy.
- They are an opportunity to be innovative in training product development and to collaborate across industry sectors. Whereas in the past each sector would develop a unit of competency for technical or generic skills, (say communication), with the cross sector approach, a single unit will be developed that will be able to be picked up and used by many sectors.

- The cross sector projects have the potential to drive cultural change and drive efficiencies in training package development.
- These projects, through addressing common skills needs, will making it easier for people to move between jobs and industries, and ultimately contribute to employers having greater confidence in VET qualifications.
- It's been great to see such a positive response from SSOs, and IRCs in getting behind these projects, and I thank you for your leadership of the Online and Social Media Consumer Engagement project, which covers social and online media, point of sale and business booking systems, business websites, e-commerce platforms. I understand you'll be presenting a Case for Change at the April AISC meeting.
- At the February meeting of the AISC six cases for change relating to cross sector projects were approved, and I, like you, am keen to see these progress further.
- At the February meeting we also agreed to set up two short term IRCs to guide some of the cross sector projects. The Industry 4.0 IRC will ensure the national training system is responding to innovations occurring in advanced industrial activity and digital transformation and the Sustainability IRC will oversee scoping and consultation phases and lead the development of products recommended by the Environmental Sustainability cross sector project.
- The AISC has also progressed the development of common units in teamwork and communication skills in a project led by PWC. Approximately 25 industries, including Automotive, Business Services, Education, Retail Services, Maritime and Public Safety, identified the need for teamwork and/or communication skills in their 2017 skills forecasts.

- Another initiative is focused on inclusion of people with disability in VET and aims to develop a bank of units to be used across different industries in a wide range of training package qualifications.
- These are all examples of where industry is telling us that the VET system needs to be more responsive to modern ways of working and future skills needs and we're listening.

Industry-focused research

- Another key priority for the AISC has been to build a stronger evidence base for industry through industry-focussed research.
- Last year the AISC commissioned two resources to help industry prepare for future skills needs.
- The **National Industry Insights Report**, launched in December 2017, is a user friendly website that provides easy to access data and information by industry sector on economic and employment trends, and education and training patterns. Content for additional industries will be added to the website in the coming weeks. It will shortly also contain a national overview with a high level, cross industry analysis of skills needs, factors that affect the demand for these skills, and key training package development projects.
- The website is intended to be a starting point which brings together robust data, information and links in to one easily accessible location.
- I understand Skills IQ sees value in underpinning data and have been focussing some efforts on this, in outdoor education for example.
- I would be interested in hearing more about that piece of work and any plans to apply it to other elements of industry where data is lacking.

- The **Future Skills and Training** resource is another practical tool that aims to help IRCs plan for the future by exploring how emerging trends may impact on their workplaces and industries, how their industry currently responds to change, and the implications for skills needs and training. This will help inform their annual skills forecasts and schedules for training package development work.
- I would encourage Skills IQ to work with your IRCs to see how they want to engage with the resource. You can visit the AISC website (aisc.net.au) to explore these resources.

International engagement

- In November last year, I went to Seoul and spoke to the Korea Research Institute for Vocational Education and Training (KRIVET) Second International Conference on Regional and Industry Skills. They were very interested to hear about the AISC, its network of IRCs, and how we are helping industry to prepare for future skills needs as we approach the fourth industrial revolution – Industry 4.0., which represents the most significant disruption to advanced manufacturing in half a century.
- These trends reflect those many countries including Australia are facing.

Conclusion

- The AISC is always looking for opportunities to improve VET and strengthen industry involvement, to address current and future skill needs, and to give industry greater confidence in the national training system.

- Key industry stakeholders must be engaged and work collaboratively to ensure training packages meet the needs of the nation's economy.
- Skills IQ plays a pivotal role to ensure training packages truly represent the needs of industry.
- I encourage you to continue and build upon the good work you are already doing.
- Thank-you.