

23rd July 2010

Dr Shona Batge
Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Dr Batge,

On 22 June 2010 the Senate referred a number of matters pertaining to Australia's 11 Industry Skills Councils to the Senate Education, Employment and Workplace Relations Committee for inquiry and report.

This advice is provided in response to one of those matters – ISC network arrangements – and more broadly aims to aid the Inquiry in its understanding of ISCs' operating environment and background. It should be noted that while this submission is from the collective, each ISC will be making separate representation to the Committee on the full range matters referred by the Senate.

Background and concept

- Industry leadership of VET (as distinct from 'involvement') has been a central tenet of Australian training system reform since 1989 and the country's move towards a national system – the simple premise being that to drive real ownership and investment in skills development of the Australian workforce, employer and employee representatives must be joint partners at a strategic and operational level. This bipartite approach is a philosophy that has been supported regardless of government persuasion and continues to be mirrored today in the memberships of Skills Australia, National Quality Council, State Training Boards, international sector skills councils – and Industry Skills Councils.
- ISCs were conceived in 2002 under the previous government to strengthen national industry advisory arrangements and better reflect the new world of work¹. They replaced the previous 29 industry advisory bodies which by virtue of their number were duplicating activities and inadvertently reinforcing outdated delineations between sectors. ISCs' coverage and remit emerged from of an independent evaluation by the Allen Consulting Group which recommended a smaller number of bodies representative of major groupings of a modern economy.
- ISCs were formed as new bodies and not mergers of previous industry advisory bodies; the name 'Industry Skills Councils' being a purposeful shift in nomenclature to reflect the broadening and more strategic nature of required roles. Prior to declaration, the governance arrangements and constitution of each proposed ISC were reviewed independently by Henry Bosch.

¹ Inter and intra occupational mobility, emergence and convergence of sectors.

- ISCs' roles have progressively evolved since their inception, and typically run alongside evolution of governments' understanding of the levers for raising productivity and participation. There is now recognition that in isolation from skills utilisation, workforce planning and development, a singular focus on training will not deliver against the major challenges facing Australia. It is a recognition that has seen ISCs play an increasing role in strategic advice and intelligence, policy formation, workforce planning and development.
- Internationally, Australia's ISCs are considered a leading example of how industry skills needs can be independently identified, codified and articulated, and solutions subsequently brokered. Australia's ISCs are a founding member of the International Network of Sector Skills Organisations (INSSO) formed in March 2010 which has key aims of sharing best practice solutions, development of transnational occupational standards, collective research and analysis, specification and identification of labour market intelligence, and potentially, the exchange of staff to share best practice.
- Collectively, the nationally endorsed qualifications and units of competency developed and continuously maintained by the ISCs cover 85 per cent of job roles in the Australian economy. In 2009, over 1.1 million students² were enrolled in publicly funded Training Package qualifications, an increase of 6.7 per cent on the previous year.

Working together

- In 2005, the newly formed ISCs agreed to establish the 'ISC Forum' to progress national vocational education and training priorities and matters of cross industry relevance. While based on an agreed Terms of Reference for its operations, the Forum is not an entity in its own right nor does it purport to have a view on any matter, rather views expressed are clearly defined as those of the 'collective' ISCs. The Forum convenes every two to three months with meetings held by Chairs or CEOs or both groups depending upon emerging priorities and matters for discussion.
- Meetings of the Forum rotate around the jurisdictions to enable ISCs to meet with State Training Boards and local stakeholders, such as the industry chairs of the local Industry Training Advisory Bodies. The Forum regularly meets with the Chair and Chief Executive of Skills Australia, and with its full Board as appropriate. The Chairs of the ISCs also form part of the Strategic Industry Forum (SIF) convened by Skills Australia and which most recently met in June 2010. The SIF's membership of chairs of the State Training Boards, industry peaks and Skills Australia provides an opportunity to further enhance the collective industry voice on skills, workforce development and related priorities for the system.
- ISC nominees sit on national committees and working groups on behalf of the collective enabling information to flow to and from the group, these have included: Energy Efficiency Skills Committee, NQC's Sustainability Skills Action Group and Framework Implementation Action Group, various COAG regulatory reform working groups, Australian Flexible Learning Framework Innovation and Leadership Management Committee and the Navigation Projects Steering Committee.
- Most recently, June 2010 saw the collective run its first national conference entitled 'Strategies for the Future'. With a targeted invitation list of ISC board members and industry representatives from key bodies within the system, the 100 strong audience explored two key themes through a series of pre-eminent national and international speakers:
 - International approaches to green skills and sustainable practice
 - Rethinking workforce development: connecting skills demand, supply and utilisation.

² Excludes fee for service activity or VET in schools where delivery is undertaken by the school.

- The collective maintains a basic web portal for ease of stakeholder access to contact information, and as a single repository for key documents such as the full suite of 2010 Environmental Scans, and any joint reports such as '*Environmental Sustainability: An Industry Response*'. Links are provided to other key national bodies within the system, and users encouraged to visit the relevant ISC's website for industry specific or detailed information.
- The collective progresses work at an operational level through a series of joint Working Groups each of which operates in accordance with agreed Terms of Reference. These groups enable ISCs to optimise resources and the sharing of ideas/ good practice and currently exist in the areas of workforce development; project management; Training Packages; language, literacy and numeracy.
- In addition to negotiating agreement within sectors and across jurisdictions, ISCs collectively negotiate agreed 'whole of industry' positions, as evidenced by the joint letter to the Ministerial Council from ISC Chairs, ACCI, Ai Group and ACTU in response to the *VET Products for 21st Century* report prepared by the Joint Steering Committee of the National Quality Council and the COAG Skills and Workforce Development Sub Group.
- One of the greatest strengths of ISCs is their intrinsic value as independent brokers of agreed advice and directions for skills development. When this is achieved collectively by the 11 ISCs - across sectors, jurisdictions and between employer and employee representatives - it delivers a level and breadth of grass roots 'buy-in' unable to be replicated by any other organisation inside or outside of the tertiary arena. The value and sure footedness this provides the system in going forward with large scale policy reform and initiatives, represents an incalculable return on investment in the ISC structure.

The creation of 11 Industry Skills Councils has enabled an unprecedented level of cross-industry collaboration and leadership on skills and workforce development. Not since the National Training System was conceived has this been possible. As singularly focussed organisations, without affiliation but with vast stakeholder networks, complemented by deep levels of expertise, ISCs are without parallel.

Despite the complexities and challenges of the space in which we work, ISCs are extremely proud of their achievements and we look forward to supporting the inquiry in achieving a thorough, factual understanding of the matters under consideration.

Yours sincerely

The undersigned Chairs of Australia's 11 Industry Skills Councils

INDUSTRY SKILLS COUNCIL CHAIRS



AgriFood
Industry Skills Council

Chair, Mr John Baker

Community Services and Health
Industry Skills Council

Chair, Mr Chris O'Brien



Construction and Property Services
Industry Skills Council

Chair, Mr Lindsay Fraser



TRAINING STANDARDS
AUSTRALIA
GET ENERGISED ON TRADES

ElectroComms and EnergyUtilities
Industry Skills Council

Chair, Mr Peter Tighe



Forestry, Wood, Paper and Timber Products
Industry Skills Council

Chair, Ms Jane Calvert



Government and Community Safety
Industry Skills Council

Chair, Ms Jan Andrews



Innovation and Business
Industry Skills Council

Chair, Mr John Vines OAM



Manufacturing
Industry Skills Council

Chair, Ms Megan Lilly



Resources and Infrastructure
Industry Skills Council



Chair, Mr Ray Barker OAM



Service
Industries Skills Council

Chair, Mr Justin Scarr



Transport and Logistics
Industry Skills Council



Chair, Mr Robert Adams