

NSW Department  
of Industry

# Review of Industry Advisory Arrangements

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Final Report

July 2016

*ithaca group*  
ITHACA GROUP

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# EXECUTIVE SUMMARY

The Review was initiated by the Department of Industry to inform the decisions on the most effective and efficient model for industry advice. It was based on a literature review, desk research and consultations with a broad range of industry stakeholders, key staff of the Department of Industry and other relevant government departments, and discussions with ITAB Executive Officers.

The main conclusions of the Review are:

- u ITABs are seen to contribute significantly to the Department's decision-making by providing information and perspectives on industry skill needs, and they also provide a communication channel between the Department and their industries. However, connections of ITABs with small and medium-size businesses and regional interests are weak, and in the case of some ITABs, communication back to industry stakeholders could be improved.
- u Although there is a view among stakeholders that ITABs are largely doing the best they can within their constraints, their current responsibilities as expressed in their KPAs exceed the capacity of a one-person organisation.
- u Partly as a result of this, there is considerable variation in the scope, scale and level of performance of ITABs, with the effectiveness of each ITAB being critically dependent on the capability of its Executive Officer.
- u Governance arrangements need to be strengthened to ensure that the advice provided by ITABs is truly representative of the needs of an ITAB's entire coverage.
- u There is, on the whole, a lack of strategic advice; ITABs do not appear to be identifying trends on skill needs of their industry into the future.

The Review did not find any evidence to suggest a change in the overall model, but made a number of recommendations to improve the focus and accountability of organisations fulfilling the ITAB role, and thereby the value to the Department and to their industry sectors.

The recommendations are:

1. Strengthen the requirements for organisations fulfilling the role of an ITAB, and make them explicit.
2. Consolidate and refocus the role of ITABs in order to limit them to the roles that stakeholders agree the ITABs are best placed to perform and of greatest value to government and industry, and strengthen the performance measures against which ITABs are held accountable.
3. Retain the current model and groupings where possible, subject to the development of satisfactory governance arrangements, but keep a watching brief for potential adjustments to groupings as Commonwealth arrangements become more certain.
4. Ensure that ITABs develop effective working relationships with the relevant SSO; work cooperatively with other states to advance issues of interest and concern to all jurisdictions.
5. Review the funding level, improve the security of ITAB funding arrangements, and investigate the possibility of broadening the funding base within the NSW Government to reflect the benefits obtained by other departments.
6. Investigate the potential within the new Department of Industry structure of aligning and co-ordinating intelligence gathering activities within the Department, and strengthening the relationship between ITABs and the Department.

# 1. THE REVIEW PROCESS

Ithaca Group was commissioned to carry out a review of the current industry training advisory arrangements to inform the NSW Government's decisions on adopting the most effective/ efficient model for industry advice and engaging industries. The review brief asked for recommendations on:

1. The suite of principles and capabilities to underpin NSW industry advisory arrangements
2. The core services that should be funded under the advisory arrangements
3. The industry coverage and groupings and how they align with the strategic industry profile of New South Wales
4. The linkage of NSW industry advisory arrangements with those of the Commonwealth and other states and territories
5. The funding of the new arrangements, including the potential for complementary funding from other sources
6. The strategies for implementing the new arrangements
7. The arrangements to transfer from the existing model to the new model of industry advice.

This report describes the findings of the review.

The review sought to understand the strengths and weaknesses of current arrangements and identify the most effective/efficient approach to obtaining timely industry advice that supports:

- u implementation of 'Smart and Skilled',
- u the responsibilities of the NSW Skills Board and the Department of Industry, and
- u implementation of Training Packages.

The findings of the review were informed by the following activities.

## ***Literature review and document analysis***

Desk research (which has been previously submitted to the Department) was conducted in order to understand the history, guidelines, policy objectives, and financial constraints in which the current advisory arrangements operate and to inform the consultation process. It drew upon information and insights from:

- u previous reviews of industry advisory arrangements in NSW and in other states
- u details of current funding arrangements and requirements
- u details of industry advisory arrangements in other states
- u results of the client feedback survey
- u international literature regarding industry advisory arrangements.

We also analysed a collection of submissions to the Department from each of the ITABs regarding additions to the Skills List, as well as a sample of ITABs' reports against the 2015-2016 Performance and Funding Agreement.

## ***Consultations***

Consultations, in the form of individual face-to-face and telephone interviews were conducted with the following:

- u NSW Business Chamber (submission), AiGroup, Business Council of Australia
- u Industry associations

- u All ITAB Executive Officers
- u Relevant Senior Staff and Head Office Managers from the Department of Industry
- u Staff of Training Services NSW's Regional Offices
- u Staff from other NSW Government Departments<sup>1</sup>

In addition, six focus groups were conducted with representatives of the industries covered by the NSW ITABS, and several written submissions were received.

We heard directly from more than 80 stakeholders during the review. A list of those consulted can be found at Attachment A2, and the consultation questions are at Attachment A3.

## 2. CURRENT INDUSTRY ADVISORY ARRANGEMENTS

### 2.1 New South Wales

The current industry training advisory arrangements in NSW consist of three components:

- u The NSW Industry Training Advisory Body (ITAB) network
- u The NSW Skills Board's Industry Reference Group
- u Training Services NSW's Regional Offices

#### ITAB Network

There are currently 11 Industry Training Advisory Bodies (ITABs) reporting directly to the Department of Industry and funded by the Department to deliver the following six core services:

1. Assist the Department to identify industry skill needs, priorities and skills development issues for funded training in NSW
2. Support the delivery of quality training in NSW
3. Promote training to industry and provide brokerage services to assist in the take-up of funded training in collaboration with State Training Services offices
4. Advise the Department on apprenticeship and traineeship arrangements in NSW, including school based arrangements and the establishment of Vocational Training Orders
5. Advise on the development, review and implementation of Training Packages/Training Products
6. Support the delivery of vocational education and training (VET) to school students.

Since 2010, ITABs have received different levels of funding, which are calculated according to the number of training packages and breadth of industry sectors for which they are responsible, as well as the strategic importance of their industry(ies) in NSW and the importance of VET in those industry sectors. Analysis of these factors results in each ITAB receiving a specific percentage of the total amount of funding available for the ITABs (which was \$1.4 million in total for 2015/2016).

Under their current Performance and Funding Agreement, each ITAB must be an incorporated body and have:

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<sup>1</sup> Attempts were also made to contact Business Enterprise Centres to obtain a further industry perspective; these attempts were unsuccessful.

- u Governance arrangements that include:
- u Board of Directors and/or NSW committee/s that ensure appropriate NSW bi-partite representation and coverage of the industry and its sub-sectors in NSW
- u NSW based Executive Officer to cover NSW operations
- u NSW industry support for the structure and operation of the organisation in NSW
- u Capacity to service the industry advisory role as defined by the Core Services for NSW and that ensures bi-partite NSW based representation and advice
- u Arrangements in place to share information and provide complementary services with Industry Skills Councils
- u Arrangements and capacity to provide independent and impartial industry advice on the Core Services that incorporates views of all aspects of the NSW industry and its sub-sectors including small businesses and regions.

### **NSW Skills Board's Industry Reference Group**

The Industry Reference Group advises the Board on industry skills and training priorities, the impact on NSW industry of skills reform, and responsiveness and quality issues in the training system.

### **Training Services NSW's Regional Offices**

The Regional Offices engage local industry and enterprises on meeting their skills and training needs.

The focus of the review was predominantly on the effectiveness of the 11 ITABs in representing the needs of their industries and providing the Department of Industry with the information and advice they need. However, the effectiveness of the relationship between ITABs and the Training Services NSW's Regional Offices was also investigated as part of the review.

## **2.2 Queensland**

Queensland has a long history of formal industry engagement, with industry skills bodies in all the major industry areas. One of them (Construction Skills Queensland) is underwritten by an industry levy, and runs a number of programs to aid skill development in the relevant industries. In 2010, the previous Labor government established Skills Queensland, a body charged with advising the Minister on skill development needs. The Newman LNP Government disbanded Skills Queensland in 2012 and replaced it with a Ministerial Industry Commission, the work of which was outsourced to a large commercial consulting firm. Such an approach attracted some industry criticism where it was considered inadequate. The Commission ultimately changed this approach and identified 12 industry areas and sought expressions of interest from organisations interested in providing advice on future workforce skill needs.

The current Labor government has continued with that structure (now reduced to 10 VET Industry Advisory Organisations (IAOs)) under its Strategic Engagement Program, but with specific responsibility for advising the government on current training investment issues and matters relating to the current operations of the training market.

The responsibility for examining future skill needs will be covered by a recently-established statutory authority, Jobs Queensland, which will provide strategic industry advice and advice on workforce planning.

The average annual funding of each IAO is not currently public.

## 2.3 Victoria

In 2010, the Liberal government abolished the previous industry engagement model based on a network of industry advisory bodies and instituted the Industry Participation Model. This model involved the Department convening an Industry Skills Consultative Committee to obtain feedback about critical skills, training and market responses that affect the workforce and productivity, which was supported by three specialist Industry Skills Portfolio Teams, and a network of Regional Market Facilitation Managers.

On its election in 2015, the new Labor government has created and filled the position of Victorian Skills Commissioner. The government has signaled its intention to establish a number of industry-specific advisory groups, and will also periodically establish task-forces focused on a particular issue (e.g. National Disability Insurance Scheme).

Details have yet to be announced.

## 2.4 Western Australia

Industry Training Councils (ITCs) provide strategic information and advice to the State Training Board and the Department of Training and Workforce Development. Each ITC also produces an Industry Workforce Development Plan based on an analysis of trends and labour and skills demand for each industry.

Following a reduction in the available funding for ITCs, the Department reduced their responsibility to four key deliverables:

- u Workforce and occupation priorities
  - Provide industry intelligence and data on workforce and occupational priorities to contribute to the development of the State Priority Occupation List, the State Training Plan and the purchasing of training.
- u Apprenticeships and traineeships
  - Provide industry advice to the Board and the Department to inform the establishment and variation of apprenticeships and traineeships.
- u VET in Schools
  - Provide industry leadership and support to improve school and industry engagement.
- u Training Packages
  - Provide industry advice to the Department regarding the development, review, endorsement and implementation of Training Packages.

The average annual funding of each ITC is approximately \$400,000.

### 3. WHAT'S WORKING WELL?

Across the range of people consulted, there was a broad sense that the NSW ITABs are largely doing the best that they can within the constraints of the current arrangements. There was widespread recognition that the ITABs are very modestly funded for the range of activities that they undertake.

Within the Department of Industry (and specifically Training Services NSW), there is considerable value placed upon the role played by ITABs in providing:

- u input to the development of the Skills List (although the quality of evidence to support proposed changes varies considerably between ITABs)
- u informal advice in response to ad-hoc requests (in the words of one manager “it’s good having people you can just ring up for advice”)
- u access to industry networks, which enables an efficient means of gathering feedback on various issues and of getting information out to employers (although once again the breadth and quality of these networks varies considerably across the ITABs)

Other areas within the NSW Government (specifically within the areas of VET Programs for Secondary School Students and the Board of Studies, Teaching and Educational Standards NSW) value the industry perspective provided by ITABs, which informs the development of school curriculum. The ITABs are considered to be of particular value in:

- u providing industry intelligence and advice through membership of formal committees, and participation in forums and workshops with teachers and trainers
- u gathering industry feedback and input to curriculum development
- u championing school-based Vocational Education and Training amongst their networks
- u providing a conduit through which the school sector can feed in information about their skill development needs, problems and opportunities.

Training Services NSW Regional Offices make considerable use of the industry-specific data provided by ITABs, as well as the newsletters and updates provided by some ITABs. Like other representatives of the Department, they also very much appreciate the advice provided by ITABs in response to requests on industry-specific issues and were complimentary of the responsiveness, reliability and promptness of their advice.

In the previous ITAB review concerns had been raised about potential overlaps in the roles of ITABs and Regional Offices. Consultations with Regional Office Managers however found that this was not an issue. They all felt that the roles and responsibilities of both parties were very complementary, with ITABs focusing on macro-level, state wide industry needs and Regional Offices focusing on the micro-level regional specific needs of enterprises. As one Regional Manager described, they validate the broad information provided by ITABs through regional contact with enterprises, enabling them to “see the problem or opportunity in action.”

Representatives of the industries covered by the ITABs value the role ITABs play in representing their views to the Department, particularly in terms of providing a perceived level of impartiality of messages and in ensuring that the voices of smaller sub-sectors of industry are captured and presented to their satisfaction.

Industry also values the way in which ITABs interpret and communicate messages about changes being implemented by the Department, in a way that industry can understand, as well as provide support to industry in navigating the complexities of the VET system.



## 4. WHAT ARE THE CHALLENGES AND OPPORTUNITIES?

The review has identified six areas in which challenges or concerns about the current arrangements exist:

- u The role of ITABs
- u The adequacy of links between ITABs and industry
- u The ways in which ITABs connect with the Department
- u Internal capability
- u Funding
- u Governance arrangements

Those providing input to the consultations not only highlighted the dimensions of these challenges, but also identified opportunities in the current environment for addressing many of them.

### 4.1 The role of ITABs

There was a consistent message across the consultations that ITABs' time is spread very thinly across the roles that they are funded to do – particularly when combined with the significant levels of ad-hoc requests they receive for additional information or advice.

Industry representatives and Training Services NSW Regional Office Managers were particularly vocal about the need to clarify which roles the ITABs are most needed for or best placed to play, then ensure all stakeholders are clear about what these roles are and focus on ensuring ITABs do them well.

In order to ensure they do perform these roles well, there also needs to be greater clarity around the measures used to hold ITABs accountable. ITAB Executive Officers themselves reported that they find the current Key Performance Areas (KPIs) repetitive and challenging to report against.

There were fairly consistent views about what the core roles of ITABs should be:

- u Advising the Department of Industry on what's changing or emerging in industry that will have an impact on demand for skills
- u Reporting the extent to which current VET offerings are meeting demand for skills – in terms of both coverage and quality of the offerings
- u Providing input to decisions about the Skills List and apprenticeship and traineeship pathways and into Training Package development processes
- u Communicating messages about the skill needs of industry and enterprises to Department, and communicating Government policy and information about the VET system to industry in a way that that each understands
- u Promoting training to industry and enterprises.

Several of those consulted suggested that with new national arrangements being put in place, the ITABs' role in providing industry advice and contributing to training product development would be more critical than ever.

Within the Department, there is a desire to see ITABs provide a greater level of 'value add' to data, for example, by identifying trends, exercising judgement in the consolidation of intelligence, providing greater evidence to justify claims, and providing commentary and advice on what the data means for their industry into the future.

There are also concerns about some ITABs having what are perceived as self-interested agendas that skew the advice provided. For this reason, many stakeholders are keen to ensure that ITABs are held accountable for playing an impartial role in consolidating and representing the needs of the full breadth of their industries.

Some had suggestions for other roles that could be played by ITABs, particularly in terms of influencing the quality of training delivery and assessment. However, this was tempered with recognition that ITABs are already stretched to capacity and that fulfilling additional roles and responsibilities would require additional funding.

The clear message from most is that what is most needed is for the roles of ITABs to be consolidated, refocused and redefined, with greater clarity about the outcomes to be achieved and clearer measures for accountability against these outcomes.

## **4.2 The adequacy of links between ITABs and industry**

Whilst the performance of individual ITABs was not a focus of this review, the review found considerable variation in the breadth and depth of industry links across the various ITABs. This variation is apparent in the mechanisms used by ITABs to gather industry intelligence, the composition of ITAB Boards and the level of communication and collaboration between ITABs and Training Services NSW staff.

One area in which there appear to be gaps in industry links across most of the ITAB network is in gathering intelligence and representing the skills needs of small and medium enterprises and the regions. Training Services NSW Regional Office Managers were quite vocal on this point, with some suggesting that ITABs are very ‘metro-focused’ and that the data provided by ITABs doesn’t always reflect the needs and concerns of regional NSW.

Training Services NSW Regional Offices deal predominantly with small business and have strong relationships with local industry associations and enterprises. Several managers highlighted the fact that while they don’t formally or systematically collect industry intelligence through these relationships, they do have a very good understanding of the day to day needs and challenges of industry and enterprises in their areas.

Most felt that ITABs could make much better use of this information. In fact, there was a strong theme amongst Training Services NSW Regional Office managers that the regions make considerable use of information and advice from the ITABs, but the flow of information in the other direction was quite limited. Many recognised that funding levels place limitations on the extent to which ITABs can consult across the regions, but that there was an untapped opportunity for ITABs to work more closely with Training Services NSW Regional Offices to capture this information in a cost effective way.

## **4.3 The ways in which ITABs connect with the Department**

During industry discussions, many stakeholders expressed the view that their messages were not getting through to the Department. As the Review knows from available data, this is incorrect in many cases. It may be that the messages were getting through, but not being acted upon, or it may be that some ITABs have yet to find effective ways of communicating back to their stakeholders. However, the fact that the view was often expressed is a concern in itself, as it causes industry stakeholders to question the extent to which Department values ITABs and the role they play in supporting the training system, which is on occasion strengthened by the observation of instances of the government bypassing the ITABs and “going out to industry themselves”.

The findings indicate that part of this issue could be resolved by stronger communication flows back to industry through the ITABs. Several of those consulted also suggested that fewer points of contact within the Department would make communication between ITABs and the Department more effective.

For the most part, ITABs see themselves as being the nexus between industry and government and that there is a fine balance to be met between the needs of both. Some spoke of their relationship with the Department as being a ‘partnership’, but were quick to point out that this was not always a genuine partnership and that perceptions of lack of value of the ITABs’ work undermine this.

Consultations with Departmental staff highlighted potential new opportunities for industry information and advice now that Training Services NSW is located within the Department of Industry. In particular there may be opportunities for two-way information flows or collaboration between ITABs and Department of Industry Regional Office staff who are responsible for regional development (as distinct from Training Services NSW Regional Office staff).<sup>2</sup>

#### 4.4 Internal capability

A strong message emerged from the review that the effectiveness of each ITAB is critically dependent on the capability of its Executive Officer. This is evident in the extent to which the ITAB is connected with the breadth of its industries (as described earlier), but also in the quality of the industry intelligence and advice provided by the ITAB.

A review of submissions by ITABs to the Department for Skills List additions highlighted this issue:

- u The submissions and supporting documentation varied significantly across the 11 ITABs in respect of length, detail, and links to supporting evidence and industry support.
- u Standard forms and questions did not necessarily result in comparable information, particularly in respect of data supporting need, employment growth, justification and a case for a full qualification versus part qualification.
- u In some cases there were notable discrepancies between the argument stated in the standard forms and the support provided in industry letters.
- u The depth of consultation with industry and supporting evidence was not clearly articulated in the majority of submissions.
- u The submissions appear to reflect a “just in time” approach to the gathering of information for the purpose of the submission, rather than a concerted effort reflecting regular interactions between industry and the ITAB. It is possible that more regular processes were underway, but if so, they were not referred to or documented in the majority of submissions.

One suggestion made by a number of those consulted, which would help to improve the quality of information and advice provided by ITABs, is for the Department to take responsibility for the collection and analysis of data and that ITABs then validate this with industry. This would solve problems regarding data collection and analysis, and enable ITABs to focus on the value-adding activities that will translate the data into advice about skill needs both now and into the future.

There may also be opportunities for ITABs to pool their expertise and capabilities in order to collaborate on joint projects that address common challenges (for example, developing approaches to gathering intelligence on regional and small business needs or developing innovative responses to emerging skill development needs, such as those presented by changing technology).

Clearer KPA measures regarding the nature of information and advice to be provided, and the nature and extent of consultations and supporting evidence required, would also provide a stronger basis for monitoring the capability and performance of each ITAB.

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<sup>2</sup> In one example that was provided, regional development staff have picked up that no-one in the Hunter Valley speaks Chinese, and yet the Hunter is about to become a mecca for wine-loving Chinese. This is an issue that could have skill development implications that need to be addressed.

## 4.5 Funding

A recurring theme across all of the consultations was the limit that funding levels place upon ITABs' activities, particularly the extent to which they can consult broadly across the State. Consolidating and refocusing the roles of ITABs, and creating more formal links with the Regional Offices of both Training Services NSW and the Department of Industry to capture the needs and issues of regional and small business in an economical way, may go some way to alleviating this problem.

A connected issue is the uncertainty created by year-to-year funding arrangements. Both the ITAB Executive Officers and industry representatives suggested that longer-term funding cycles would enable ITABs to better plan and carry out their activities.

Executive Officers and industry representatives were asked whether they thought their industries would be prepared to contribute funds to enable the ITABs to carry out their work more effectively, or to carry out additional functions. Many felt that their industry would not be prepared to do this and that they already provide significant in-kind support through involvement in committees and specific initiatives and provision of meeting venues, as well as occasional funding through sponsorship of conferences or other activities.

Some suggested that greater use could be made of sponsorship and advertising options or that industry levies could be considered. Others cautioned against trying to source funds from industry as this might create conflicts of interest that put the provision of impartial industry advice at risk.

## 4.6 Governance arrangements

The Review received strong messages about the need for improving the governance arrangements of ITABs to ensure stronger, broader and up-to-date input from industry sectors. Many of those consulted pointed out that some ITAB Boards are comprised of very long-standing membership and that there is a need for some fresh perspectives and ideas amongst the membership. Concerns were also raised about the infrequency of Board meetings and the levels of attendance at meetings. This indicates a need for creating stronger measures around the governance arrangements of ITABs.

The review also identified that within current arrangements there is minimal contact between the ITAB Boards and the Department. The establishment of formal review arrangements between the Department and each ITAB Chair would not only assist in monitoring and improving the performance of ITABs, but would also help to strengthen relationships between the Department and industry.

# 5. RECOMMENDATIONS

The recommendations below are structured using the headings in the tender documents.

## 5.1 The suite of principles and capabilities to underpin NSW industry advisory arrangements

The literature highlights that the starting point for effective industry advisory bodies is a clearly defined role, with a small number of key priorities that allow finite resources to be used effectively.

In addition, there are a few key areas that have a strong influence on the effectiveness of arrangements.

### 5.1.1 The nature of organisations providing industry advice

Our review of relevant literature, our field work and consideration of models operating in some other states identified a number of characteristics of effective industry advisory arrangements and the nature of the bodies that are funded to provide it.

Such organisations should:

- u have a broad base of support from industry for their role as an ITAB;
- u have broad industry networks across the sectors to be covered, including regional NSW and small and medium enterprises (where relevant); and must not be unduly connected to any single sub sector – ensuring that all sub sectors covered have a voice;
- u involve employers, employee representatives and industry or professional organisations, as well as a mix of small and large employers;
- u represent sectors in the economy as defined by employers themselves.

In terms of their functioning, they need to maintain a dedicated Executive Officer in NSW.

In terms of their governance, they should

- u have structural and decision making independence from the training industry (i.e. not controlled by an RTO);
- u demonstrate how they will ensure bipartite arrangements (eg through committee arrangements, assuming NSW wants to maintain this arrangement) noting that this should not compromise the good governance principle that requires skills based Board membership.
- u adhere to the following principles of good governance:
  - u Boards should be skills based and not representative.
  - u It is generally considered more desirable for Board members to be non-Executive Directors to ensure separation of the strategic (Board) and management/operational (management) functions of the organisation.
  - u Steps in achieving a skills based Board should include a systematic process for firstly identifying and secondly recruiting the skills and capabilities required, with the capabilities and skills derived from the objectives of the organisation.
  - u Ideally there should be an independent process such as a nominations committee to consider whether the Board collectively meets the identified skills requirements and to oversee a merit based expression of interest process against a clear set of skills and eligibility criteria.
  - u Boards should also have a set of current governance policies and procedures to govern issues such as management of conflict of interest, a performance framework against which performance is measured.
  - u There should generally be annual performance reviews of the Board and individual directors against the established performance framework.
  - u There should be specification of the terms of office and a process for staggering of terms to obtain a balance between stability and renewal.
- u agree to a set of obligations should the Board decide to wind up the ITAB. (This would include requirements such as hand over of data bases of industry contacts, project files etc and detailed briefing provided to the department by the EO and Chair.)

The Department should consider whether it has a preferred arrangement for the legal status of ITABs -- for example, a requirement that they be incorporated as not for profit organisations. This requires that the members or 'owners' be relevant to the objects set out in the Constitution and that their activities must be in alignment with the objects. It does not prohibit taking up income generating activities to achieve financial sustainability but such activities should not be in conflict with the company's objects or the requirements of their funding agreement.

***Recommendation 1 –***

***Strengthen the requirements for ITAB arrangements***

Strengthened requirements should be based on the principles outlined above, which are also reflected in Attachment A (A1.1 and A1.2)

### **5.1.2 The capability of organisations providing industry information and advice**

Agile training systems rely upon reliable labour market information – the better informed consumers, providers and funders are about the labour market, the more effective their decisions will be. However, industry advisory systems have been shown to be vulnerable to duplication of effort, particularly in terms of research.

Therefore, in terms of provision of labour market information, effective industry advisory arrangements:

- u have the ability to anticipate future skills needs through effective labour market information and early-warning systems
- u provide qualitative labour market intelligence that is easily accessible by stakeholders
- u take a high-level view of the entire education-to-employment system, as well as taking into account both longer term policy objectives and more immediate employer concerns
- u are aligned and coordinated with other government engagement, forecasting, information gathering and consultation mechanisms, including those bodies responsible for responding to regional needs and the national bodies responsible for responding to national government policy and incentives
- u make use of knowledge sharing and cross-fertilising of ideas in order to produce innovation between and within industries.

### **5.1.3. The relationships between ITABs, industry and government**

In order to accurately capture the needs and views of the whole of industry sectors and ensure various parts of the training system are working towards the same objectives, effective industry advisory arrangements:

- u engage with industry in a way that is regular, ongoing, dynamic and broad
- u have particular strategies for engaging with regions and with small business
- u make use of existing organisations and networks where possible
- u involve strong relationships between advisory bodies and central decision-making bodies
- u involve feedback loops that provide industry with an understanding of how the information and advice has been acted upon by the Department, or why recommendations may have been disregarded.

These characteristics provide a basis for strengthening the key performance measures and governance arrangements of ITABs, which in turn will provide the basis for specifying the required structure and internal capabilities of an ITAB from a contractual standpoint.

## 5.2 The core services that should be funded under the advisory arrangements

### 5.2.1 Core services

As stated in 4.1, the roles of ITABs are perceived by a range of stakeholders to be ‘spread very thinly’ – particularly given their level of resources.

***Recommendation 2 –  
Consolidate and refocus the role of ITABs***

The key services to be provided by ITABs should be limited to the roles that stakeholders agree the ITABs are best placed to perform, which are:

- u Advising the Department of Industry on skill needs and development priorities, including
  - u what’s changing or emerging in industry that will have an impact on demand for skills
  - u the extent to which current VET offerings are meeting demand for skills – in terms of both coverage and quality of the offerings
  - u input to decisions about the Skills List and apprenticeship and traineeship pathways
- u Working collaboratively with the SSOs that support their industry sectors nationally to ensure effective representation of NSW industry interests in the development and review of national qualifications.
- u Communicating Government policy and information about the VET system to industry in a way that that they understand, and promoting training to industry and enterprises

There also needs to be a way of recognising the important role ITABs play in providing responses to ad hoc requests for information and advice from various parts of the Government.

### 5.2.2 Linkages between ITABs

There are a number of areas in which the ITABs could work together to develop solutions to issues that they are all facing, such as:

- u how to better engage with small businesses and regional industry associations and enterprises
- u how skill development solutions can better respond to changing technology
- u how cross sector synergies and occupational convergence is changing skills needs.

Greater collaboration could also create economies of scale in activities and enable a stronger profile for ITABs with industry.

***Recommendation 3 –  
Facilitate co-operative activities between the ITABs***

The Department could facilitate joint work on these issues by providing specific project funding and allocating responsibility for a specific ITAB to oversee the work to make use of their collective skills and expertise. The expectation of cooperative work should also be built into the performance indicators.

### **5.2.3 Monitoring the performance of ITABs**

This Review concludes that the performance of ITABs is extremely variable on every measure – and its performance is highly dependent on the capability and interests of the Executive Officer. The Review feels that stronger performance measures would give the Department increased confidence as to the achievements of each ITAB, and would give a higher level of certainty regarding expectations to each ITAB.

***Recommendation 4 –  
Strengthen the performance measures against which ITABs  
are held accountable***

The KPAs against which ITABs report need to be fewer in number, outcomes-focused and written in a more explicit way so that they can be clearly measured and reported against.

They should reflect 5.1.2 and 5.1.3 above.<sup>3</sup>

Clearer performance measures will provide a basis for greater accountability of ITABs' activities. This can take place through the current reporting arrangements and annual reviews with ITAB Executive Officers, but could also be enhanced by conducting annual performance conversations with the Chair of each ITAB.

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<sup>3</sup> For example, the current KPA 1.2 states:

“Facilitate industry engagement to assist the Department to identify skill shortages, emerging job roles, regional needs and cross industry workforce needs, training demand, pathways and entry-level requirements.”

This could be strengthened by something like:

“Provide evidence of systematic consultation with all industry sub-sectors and with small, medium and large enterprises in both metropolitan and regional areas in order to provide the Department with the required information and advice.”

This would of course need to be preceded by a KPA measure that specified exactly what information and advice the ITABs need to provide, including to whom, in what format and how often.

It could then be expanded into a performance indicator specifying requirements as to consistency, evidence, depth, rigour and presentation in each ITAB's submissions to the Skills List.



## 5.3 The industry coverage and groupings

When given an opportunity to suggest improvements to the industry advisory arrangements in NSW, no stakeholder out of all those consulted suggested changing the mix of industry sectors covered by each ITAB, nor could the Review find any evidence that any other set of groupings would work more effectively. Different groupings are of course possible,<sup>4</sup> but there appears to be no correlation between range and nature of coverage on the one hand, and perceived effectiveness in meeting the Department's objectives, on the other.

Nonetheless, the Review considered three alternative models for how industry sectors might be grouped:

### 5.3.1 Entrusting the responsibility to industry associations

One possible model would see industry associations being funded to fulfil the responsibilities of ITABs, as is the case with one of the current ITABs. This would have the potential advantage of providing good coverage of SMEs throughout NSW. However, such a model would either risk 'capture of perspectives' by particular sub-sectors of an industry, or moving back to a model of several dozen smaller ITABs. The advantage of the current structure is that all sub-sectors have their voice.

An additional concern would be that membership-based organisations such as industry associations will naturally be under pressure to deliver outcomes for their members, and this may conflict with the responsibilities of ITABs.

### 5.3.2 Aligning ITABs with newly-created SSOs

The Commonwealth Government has established five Skills Service Organisations (SSOs), and is in the process of either incorporating the as-yet unallocated industry sectors into existing SSOs or creating new ones. These organisations will have the responsibility to develop and revise training products to the specifications set by various Industry Reference Committees. Although it is crucial that ITABs develop an effective working relationship with the relevant SSO, we do not see any advantage in rearranging ITAB industry groupings to mirror those of the SSOs. Firstly, the SSO groupings are described by the Federal Government as being 'initial', with Industry Reference Committees free, after two years, to enter agreement with a different SSO to that to which they were allocated; and secondly, the SSO model is very new, and we have picked up on a level of nervousness from industry stakeholders about its long-term stability.

### 5.3.3 Aligning ITABs with the NSW Industry Profile

The NSW Department of Industry identifies eleven 'industry capabilities', which are:

Agribusiness and food  
Arts, culture and creative

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<sup>4</sup> For example, in Western Australia the Industry Skills Councils are grouped as follows:

Community Services, Health and Education  
Construction  
Electrical, Utilities and Public Administration  
Engineering and Automotive  
Financial, Administrative and Professional Services  
Food, Fibre and Timber Industries  
Creative and Leisure Industries  
Logistics  
Resources Industry  
Retail and Personal Services

Defence and aerospace  
Education  
Financial and professional services  
Information and communication technology  
Infrastructure and construction  
Manufacturing  
Mining, resources and energy  
Renewable energy and sustainability  
Tourism.

The Review does not recommend aligning the ITABs with this list, as some sectors are missing (or hidden) – e.g. health – and because by its very nature, a list such as this can change as the government's priorities shift.

#### **5.3.4 Taking account of new developments**

There are two recent developments which need to be taken into account.

##### ***(i) Discontinuation of the PSITAB***

With the discontinuation of the Public Sector ITAB, a decision will be needed on how the relevant industry sectors will now be covered.

The Review has considered the possibility of distributing the industry sectors by adding them to the current groupings, which would in effect reduce the number of ITABs by one. This is certainly a possibility, but it would require consultation with each industry sector to ensure that the industries themselves were happy with such groupings.

An alternative, and easier, solution would be to include the industry subsectors in the EOI process that the Department intends to implement. In the case of the industry sectors formerly covered by the PSITAB, it could be useful to offer the possibility of an organisation (presumably an SSO) accepting either local government+public sector, or police+defence+safety+water, as this would enable synergies with the industry groupings in SSOs with track records in these areas. This, however, would have the potential to increase the number of ITABs by one, unless an organisation grouped one of the sets above with other industry groupings.

##### ***(ii) Discontinuation of ISCs which formerly carried out ITAB responsibilities***

In the case of ITABs which were formerly part of an ISC, the key issue, as for all ITABs, is that a successor organisation or person fulfils the attributes listed in Attachment A1.

It is possible that one or more of the newly-created SSOs could be interested in taking on the ITAB responsibilities relevant to their industry coverage area.

**Recommendation 5 –**  
***That in the EOI process, the industry groupings remain as for the current ITABs, except in the case of the subsectors in the previous PSITAB, in which the possibility could be offered of an organisation tendering for just one set of subsectors, as listed above.***

**Recommendation 6 –**  
***That the EOI be drawn to the attention of existing ITABs, industry associations, and SSOs.***

### **5.3.5 A watching brief...**

Our research into models in use in other states, intradepartmental discussions and a significant submission by the NSW Business Chamber, suggests that although the following changes are not recommended at this point as they are untried, they could be worth considering in the future.

- u Having the Department to take responsibility for the collection and analysis of data and that the responsibility of ITABs then becomes the validation of this with industry. (This would solve problems regarding data collection and analysis, and enable ITABs to focus on the value-adding activities that will translate the data into advice about skill needs both now and into the future.)
- u Removing from ITABs any expectation that they would consider future skill needs, and allocating this specifically to a central unit with specialist skills – with, again, ITABs validating this with their industry sectors.
- u Establishing a mechanism for the creation of issue-specific task forces which cross all industry areas – e.g. a taskforce on the skill development implications of the implementation of the NDIS.

The Review's conclusion, overall, is that the way in which industry sectors are grouped has an insignificant effect on the performance of ITABs compared with the issues covered by the recommendations in this report.

## **5.4 The linkage of NSW industry advisory arrangements with those of the Commonwealth and other states and territories**

In an ideal world, states and territories would all agree with the Commonwealth Government on various industry groupings, and synergies would be possible and encouraged. That is not the current situation, and such a coalescence does not appear to be on anyone's list of priorities.

### **5.4.1 Linkages between states**

Despite the point made above, the issues relating to industry advice faced by NSW and other states and territories appear from the research carried out by this review to be very similar, and all jurisdictions would be likely to profit from a sharing of perspectives and initiatives.

***Recommendation 7 –  
Initiate a modest co-operative cross-jurisdictional project to identify  
and advance issues around industry advice and engagement which  
are of interest and concern to all jurisdictions.***

Furthermore, the suggestions for advancing issues common to all NSW ITABs could be extended by piloting a project to enable cooperation between ITABs with similar industry coverage across all states—perhaps on one of the issues identified in Recommendation 8 below.

#### **5.4.2 Linkages with Commonwealth bodies**

The Review considers it important that each ITAB develop an effective working relationship with the relevant SSO, to represent NSW's interests in the development and review of Training Packages and national qualifications.

***Recommendation 8 –  
Work collaboratively with the SSOs and develop an agreement  
outlining respective roles***

This expectation should be spelled out in the performance indicators. It is also possible that useful synergies could be obtained by each NSW ITAB maintaining effective communication with the relevant Industry Reference Groups established by the Australian Industry Skills Committee.

### **5.5 The funding of the new arrangements, including the potential for complementary funding from other sources**

The Review was made very aware by all stakeholders that the quantum of funding available is extremely modest given the responsibilities expected. This could be partly addressed by reducing the responsibilities of an ITAB (as is recommended elsewhere), but the funding is still only sufficient to pay for one Executive Officer.

It is beyond the scope of this Review to recommend a particular level of funding, as this is dependent on the range and depth of advice that the Department wishes to obtain. Nor is much guidance available from other states, as the range is very wide: from one state in which the funding level appears to be comparable to that of NSW, to another in which the level is approximately four times the NSW level for what appears to be a similar set of responsibilities to that proposed in Recommendation 2.

Apart from the level of funding, in the Review's opinion the effectiveness of ITABs would be improved by giving additional security to ITAB funding arrangements by changing to a rolling 3-year funding cycle, which would then enable ITABs to plan for and conduct longer term activities.

In addition, there are a number of other areas within the NSW Government, beyond Training Services NSW, that currently call upon ITABs for information and advice (e.g. the Department of

Education and BOSTES) or would call upon it if they were better informed about what ITABs have to offer (e.g. the Department of Industry's Regional Offices). It may be possible to broaden the funding base of ITABs through contributions from other areas that make use of their expertise.

***Recommendation 9 –  
Review the funding level, improve the security of ITAB funding arrangements, and investigate the possibility of broadening the funding base within the NSW Government***

## **5.6 Strategies for implementing the new arrangements**

The current ITABs have made considerable progress in building relationships and networks with their industry sectors. This Review sees no strong case for making a structural change to industry advisory arrangements, and found no evidence to suggest that a different structure would deliver better value. In the knowledge, however, that some changes in the distribution of industry sectors is inevitable given that one ITAB has ceased operation, and that there may be some changes to arrangements made, the Review thinks it important that any changes to the composition or structure of ITABs should ensure that achievements in terms of relationships, networks and industry knowledge, are preserved.

***Recommendation 10 –  
Ensure that any future arrangements build upon past achievements***

Within the heading of 'new arrangements', the Review has noted the opportunities for linkages and coordination within NSW, particularly now that Training Services NSW is now located within the Department of Industry.

### **5.6.1 Coordination within the Department of Industry**

The Review identified a number of ways in which industry intelligence to inform decisions about the training system might be gathered in a more effective and economical way.

***Recommendation 11 –  
Investigate opportunities for aligning and co-coordinating  
intelligence gathering activities within the Department***

Two options in particular are worth investigating further for potential implementation (and there may be more):

- u Consider establishing formal mechanisms through which ITABs, Training Services NSW Regional Offices and Department of Industry Regional Offices (and any other parts of the Department that gather labour market intelligence) can share information and co-ordinate intelligence gathering activities in a way that avoids duplication
- u Consider centralising the gathering of labour market and training market data (rather than asking ITABs to do this) and task ITABs with the role of validating this with their industries in order to provide advice about the implications for the training system both now and into the future.

Once the new national industry advisory arrangements have been firmly established and it becomes clear how industry intelligence will be gathered at a national level, arrangements for sharing of information between ITABs and national bodies can also be established.

## **5.6.2 ITABs and the Department of Industry**

The review identified several ways in which a stronger working relationship (or partnership) might be established:

- u Build in feedback loops from the Department to ITABs so that they can better inform their industries about the ways in which their advice is being acted upon and where bigger picture Government objectives mean that recommendations cannot be implemented. This could include a Departmental staff member attending one ITAB board meeting each year.
- u Establish a smaller number of key points of contact for ITABs with the Department and clearly articulate the arrangements for two-way information flows
- u Clarify the relationship between ITABs and the NSW Skills Board and Industry Reference Group, including two-way information sharing and reporting relationships.

***Recommendation 12 –  
Strengthen the relationship between ITABs and the Department***

The implementation of the steps listed above would also have the added benefit of helping to improve the standing and credibility of ITABs within their industries.

## ATTACHMENTS



# A1. MATERIAL FOR USE BY THE DEPARTMENT

The following material concerning the nature of the organisation, governance arrangements and performance requirements reflects the recommendations in the body of the report.

## A1.1 Nature of ITABs

An organisation funded as a NSW ITAB should fulfil the following criteria:<sup>5</sup>

1. Able to demonstrate a broad base of support from industry for their role as an ITAB, and a level of independence from any single sub-sector.
2. Able to demonstrate that they have broad industry networks across the sectors to be covered, including regional NSW and small and medium enterprises (where relevant).
3. Have a successful track record in the capabilities required by the roles set out in A1.3 part 1.
4. Able to demonstrate arrangements for maintaining a dedicated Executive Officer in NSW.

## A1.2 Governance arrangements for ITABs

An organisation funded as a NSW ITAB should have in place, or be prepared to put in place, the following governance arrangements:

1. Must demonstrate structural and decision making independence from the training industry (i.e. not controlled by RTOs).
2. Adhere to the following principles of good governance:
  - Boards should be skills-based and not representative, although it is expected that their membership will be bi-partite. Steps in achieving a skills based Board should include a systematic process for firstly identifying and secondly recruiting the skills and capabilities required, with the capabilities and skills derived from the objectives of the organisation.
  - Ideally there should be an independent process such as a nominations committee to consider whether the Board collectively meets the identified skills requirements and to oversee a merit based expression of interest process against a clear set of skills and eligibility criteria.
  - It is generally considered more desirable for Board members to be non-Executive Directors to ensure separation of the strategic (Board) and management/operational (management) functions

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<sup>5</sup> In addition, the Department might want to specify the legal status required – for example, that an ITAB be a not-for-profit organisation (see section 5.1.1.)

of the organisation.

- u Boards should also have a set of current governance policies and procedures to govern issues such as management of conflict of interest, a performance framework against which performance is measured.
  - u There should generally be annual performance reviews of the Board and individual directors against the established performance framework, including a review of meeting frequency and attendance by members.
  - u There should be specification of the terms of office and a process for staggering of terms to obtain a balance between stability and renewal.
3. Must agree to a set of obligations should the Board decide to wind up the ITAB. (This would include requirements such as hand over of data bases of industry contacts and project files, and detailed briefing provided to the department by the EO and Chair.)
  4. Must demonstrate how they will ensure bipartite arrangements (eg through committee arrangements, assuming NSW wants to maintain this arrangement) noting that this should not compromise the good governance principle that requires skills based Board membership.

### A1.3 Roles of ITABs

An organisation funded as a NSW ITAB should fulfil the following roles and responsibilities:

1. Provide advice and services as follows:
  - u Advise the Department of Industry on skill needs and development priorities, including
    - u what's changing or emerging in industry that will have an impact on demand for skills
    - u the extent to which current VET offerings are meeting demand for skills – in terms of both coverage and quality of the offerings
    - u input to decisions about the Skills List and apprenticeship and traineeship pathways
  - u Work collaboratively with the SSOs that support their industry sectors nationally to ensure effective representation of NSW industry interests in the development and review of national qualifications. This includes having a written agreement with the SSO/s outlining their respective roles and how they will work together in NSW industry's interests.
  - u Communicate Government policy and information about the VET system to industry in a way that that they understand,

and promote training to industry and enterprises

2. Work collaboratively with other ITABs to
  - u identify and achieve cross-sector synergies,
  - u identify and achieve economies of operation through sharing of facilities and infrastructure,
  - u undertake joint projects that achieve economies of scale in reaching regional NSW, researching how to better engage with small businesses, how skill development solutions can better respond to changing technology, etc.
3. Develop a clear plan to work towards financial sustainability through income generating activities that align with the company's objects as outlined in legal status above, and through willingness to co-locate with other industry bodies, share facilities etc.

## A2. LIST OF CONSULTATIONS

### Industry peak bodies

NSW Business Chamber	Paul Orton, Director, Policy & Advocacy (written submission)
AiGroup	Mark Goodsell, NSW Director
Business Council of Australia	Megan Kirchner, Executive Director Policy, Human Capital Blye Decker

### Industry associations and other submissions

Australian Construct Association	Lindsay Le Compte, Executive Director Diana Burgess, Advisor, Construction and Infrastructure
Housing Industry Association Ltd	Sulfianda Soeleiman, Deputy Executive Director Melissa Adler, Director, Workplace Services
Motor Traders' Association	Greg Patton, Chief Executive Officer Greg Baxendale, RTO Manager
Master Builders Association	Craig Donovan, General Manager Brian Seidler – CEO
NSW Glass and Glazing Association	Mark Nicholls
NSW Apiarist Association	Bruce White
Revesby Workers Club	Scott Spicer, Executive Manager, Human Resources
Victorian Automobile Chamber of Commerce	Geoff Gwilym (former CEO, Transport & Logistics Industry Skills Council)

## Focus Groups

<p>Arts, Communication, Finance Industries and Property Services (ACFIPS)</p>	<p>Tim Cramsie, Chair ACFIPS            Sasha Boe, Vice-Chair ACFIPS            Lee Xavier, Apprenticeship Support Australia            Jayne Dwyer, Ramsden Telecommunications Training            Suzette Po Williams, Central Monitoring            Alan Byrne, PTA            Stanley Tonkins,            Brian Revell, Faculty Manager, TAFE NSW            Phillipa Esdaile, Manager, Industry Liaison Unit, TAFE NSW</p>
<p>NSW Construction and Select Property Services ITAB            Manufacturing Skills Australia NSW ITAB</p>	<p>Brian Seidler, Master Builders Association of NSW            Craig Donovan, Master Builders Association of NSW            John Cooke, NSW Business Chamber            Paul Naylor, Master Plumbers Association            Bob Paton, Manufacturing Skills Australia            Darryl Butler, Colyton High School            Anne Younger, AiGroup            Alan Barrett, NSW Boating Association</p>
<p>Agrifood Skills Australia NSW ITAB            ForestWorks ITAB</p>	<p>David Foster, Nursery &amp; Garden Industry NSW &amp; ACT            David Priem, Forest Industry Council Southern NSW            Wendy Henry, Grain Trade Australia            Dean Brakell, Chair, Furnishing Industry Association of Australia            Sarah McAskill, Forestry Corporation of NSW            Julia Crawford Meare, Australian Veterinary Association            National Industry Group VET Nurses            James Ward, NSW Fishing Industry Training Committee            Sorrelle David, Boral Building Products            Craig Smith, Construction, Forestry, Mining and Energy Union            Steve Cunningham, Timber &amp; Building Material Association Australia Ltd            Joanne Aquilina, Master Landscapers Association NSW &amp; ACT            Lamorna Osborne, NSW Apiarist Association</p>

<p>Transport &amp; Logistics Industry Skills Council NSW ITAB</p>	<p>Greg Patten, CEO Motor Traders Association and chair of ITAB</p> <p>Peter Blanshard, CEO Institute of Automotive Mechanical Engineers</p> <p>Alan Barrett, CEO Boating Industry Association</p> <p>Jo Baker, Consultant to logistics industry</p> <p>Peter Gostelow, Manager TAFE NSW Industry Liaison Unit – Automotive and ForestWorks</p> <p>Craig St George, Lead consultant, Apprenticeships and Organisational Capability NRMA</p> <p>Eleze Drew, Manager, Transport &amp; Logistics Industry Liaison Unit, TAFE NSW</p>
<p>NSW Utilities &amp; Electrotechnology ITAB</p> <p>NSW Public Sector ITAB</p>	<p>Leon Dickson, NECA Training</p> <p>David Conyngham, IAC Safety Services</p> <p>Graham Mackrill, Air Conditioning and Mechanical Contractors' Association</p> <p>Jamie Eid, Sydney Trains</p> <p>Peter Woods, Sydney Trains</p> <p>Paul Lowe, TAFE NSW</p> <p>David Bowen, Focused Quality Systems</p> <p>Susan Hungar, NSW Procurement</p> <p>Tim Edwards, Australian Refrigeration Association</p> <p>Lillian Tiddy, Local Government NSW</p> <p>Doug Cavanough, UEA Electrical</p> <p>Brendan Hill, Sydney Water</p>
<p>NSW Community Services &amp; Health ITAB</p> <p>SkillsIQ NSW ITAB</p>	<p>Jan Langtry, Illawarra Area Child Care</p> <p>Stan Wall, Lifeguarding Services/Aquatic &amp; Recreation Institute</p> <p>John Norman, Outdoor Training College (Outdoor Recreation Sector)</p> <p>Kerry Rock, Response Services Inc</p> <p>Wendy Blair, Australian Hairdressing Council Association</p> <p>Linda Watson, Association of Children's Welfare Agencies</p> <p>Gary Stokes, Pacific Training Group Hospitality</p> <p>Linda Hosking, Lagardere Travel Retail</p>

## ITAB Executive Officers

Arts, Communications, Finance Industries and Property Services	Max Wilson, Executive Director
NSW Community Services & Health ITAB	Susan Scowcroft, Executive Director
NSW Construction and Select Property Services ITAB	Andrew Bryson, Executive Officer
AgriFood Skills Australia NSW ITAB	Melissa Wortman, Executive Officer
ForestWorks ITAB	Tim Cleary, Executive Officer and Antoinette Hewitt (acting EO during recruitment)
Manufacturing Skills Australia NSW ITAB	Leon Drury, Executive Officer
NSW Public Sector ITAB	Jenny James, Executive Officer and Jo Miller (Board member and temporary EO)
Resources and Infrastructure NSW ITAB	David Castledine, Executive Officer
SkillsIQ NSW ITAB	Melinda Brown, Executive Officer
Transport & Logistics Industry Skills Council NSW ITAB	Debbie Joyce, Executive Officer
NSW Utilities & Electrotechnology ITAB	Norm Cahill, Executive Officer

## Department of Industry

Senior Staff	<p>Interviews and briefings from</p> <ul style="list-style-type: none"> <li>- Deputy Secretary</li> <li>- Executive Director, Training Services NSW</li> <li>- Five senior staff members</li> </ul>
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Head Office Managers	Interviews with 7 Head Office Managers
Regional Managers	Interviews with 9 Regional Office Managers

### Other government departments

NSW Department of Education	Robyn Pemberton A/Leader, VET Programs for Secondary Students Secondary Education Learning and Teaching Directorate
Board of Studies, Teaching and Educational Standards NSW (BOSTES)	Catherine Tucker Inspector, Vocational Education Curriculum and Assessment Standards Directorate



# A3. CONSULTATION QUESTIONS

## Industry Bodies / Industry associations (incl. industry submissions)

The NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your comments on the following issues.

- 1. What intelligence and advice does the Department of Industry need from industry about workforce development and skill needs?**
- 2. Is the process working as well as it could?**
- 3. Are your messages getting through?**
- 4. What would you change if you could?**
- 5. Would you recommend changes to the mix of industry sub-sectors in the ITAB?**
- 6. Are there any other areas that should be incorporated into the ITAB role?**
  - u brokering skill development solutions?
  - u helping to develop economic solutions for their industry, of which skilling is a key part?
  - u independent evaluation of assessment in RTOs, to inform training purchase decisions?
  - u promoting take-up of training opportunities by young people in areas in which their industries are crying out for skilled people?
  - u promoting non-traditional pathways in schools?
  - u developing more effective training approaches for use by RTOs (e.g. better use of technology in delivering apprenticeships)?
- 7. Would industry bodies be prepared to pay for an expanded or more effective role for ITABs?**

## Focus Groups

The NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your comments on the following issues.

- 1. What intelligence and advice does the Department of Industry need from industry about workforce development and skill needs?**
  
- 2. Is the current process working as well as it could?**
  
- 3. Are industry's messages getting through?**
  
- 4. What would you change if you could?**
  
- 5. Would you recommend changes to the mix of industry sub-sectors in the ITAB?**
  
- 6. Are there any other areas that should be incorporated into the ITAB role?**
  - u brokering skill development solutions?
  - u helping to develop economic solutions for their industry, of which skilling is a key part?
  - u independent evaluation of assessment in RTOs, to inform training purchase decisions?
  - u promoting take-up of training opportunities by young people in areas in which their industries are crying out for skilled people?
  - u promoting non-traditional pathways in schools?
  - u developing more effective training approaches for use by RTOs (e.g. better use of technology in delivering apprenticeships)?
  
- 7. Would industry bodies be prepared to pay for an expanded or more effective role for ITABs?**

## ITAB Executive Officers

As you know, the NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your insights on the following issues.

### Nature of ITABs:

1. Do you and your Board and staff think of your ITAB as being primarily a 'servant of the industries that it represents' or 'a servant of the Department of Industry' (which funds them)?
2. Would you suggest any change in the mix of industry sectors in the ITABs?

### Services provided:

3. Is the process working as well as it could?  
For example...
  - u clarity of the Department's needs?
  - u clarity of the contract with the Department?
  - u reporting back on actions taken as a result of your advice
  - u links and communication channels between your ITAB and Training Services NSW's Head Office staff?
4. What services are you best placed to provide the Department with?
5. Where (among the 6 KPAs) does your main effort go?  
Where in your opinion *should* it go?
6. What are some examples (beyond the Skills List) where your advice to the Department has resulted in *action* for the benefit of your industry?
7. Do you receive requests from other Departments (apart from the Department of Industry)?  
What is their scale, scope and nature?

## Department of Industry – Head Office Managers

As you know, the NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your insights on the following issues.

1. What services does the Department need?
2. What advice does the Department need?
3. Is the Department getting what they need from the current model, or do they need something different?
4. Is there anything else that you'd like ITABs to be doing?

## Department of Industry – Regional Office Managers

The NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your comments on the following issues.

### Functions:

1. How do your responsibilities compare with those of ITABs?
2. Is there any duplication of roles that could be improved, and in what way?
3. Is there anything that ITABs are well-placed to do that they don't already do?

### Relationships and links:

4. How effective are the links and communication channels between ITABs and Department of Industry Regional Offices?
5. Does information flow both ways?
6. How could this work better?  
Are there potential synergies that could be explored?

## Other government departments

The NSW Department of Industry is currently reviewing the formal industry advisory arrangements that are currently provided under contract by a network of Industry Training Advisory Bodies (ITABs). The Department has engaged Ithaca Group to undertake this review.

As part of this review, we would be grateful for your comments on the following issues.

1. What do you want from ITABS?
2. Are you getting it?
3. How might things work better?
4. Any other comments?



## PROJECT TEAM

Rod McDonald

Margo Couldrey

Sue Goodwin

Peter Skippington

Jacqui Fyffe

Sue Tape

