

**RESEARCH REPORT**

**Building effective RTO–employer partnerships**

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# About the research

Building effective RTO–employer partnerships

### Daniella Trimboli, Michelle Circelli, NCVER Tina Berghella, Oggi Consulting

Effective partnerships between registered training organisations (RTOs) and employers are important in ensuring a robust vocational education and training (VET) sector. RTO—employer partnerships act as channels through which industry skill needs are met, with the provision of relevant training, while simultaneously building the capacity and resilience of both providers and employers. This project investigated the drivers for RTO—employer partnerships and the benefits and the challenges related to building and sustaining partnerships, along with strategies that foster the development of quality RTO—employer partnerships.

A series of case studies of partnerships between RTOs and employers, covering a range of industry areas, geographical locations and employer sizes, highlighted that four key elements underpin the building and sustaining of effective partnerships: quality training and service delivery; customer focus through agile and flexible delivery of training and customisation on demand; strong communication and collaboration when working together; and long-term, trust-based relationships. While these elements are described here as separate entities, in practice there is a degree of overlap and often they build on each other.

A companion Good Practice Guide provides detailed insights from the case studies of strategies. It is hoped that these insights will encourage the development of effective partnerships between RTOs and employers.

Key messages

* Closely listening to an employer and gaining a clear understanding of the nature of their business means RTOs can better support current and future training needs.
* Being flexible about where and when training is delivered is important for employers, with delivery in the workplace preferred by employers. Having trainers on site helps to foster meaningful relationships with the employer and their workers.
* Earnest communication and collaboration build a dynamic relationship, transforming a simple transactional arrangement of training delivery into a longer-term partnership with deeper benefits for all involved.

Simon Walker  
Managing Director, NCVER

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As partnerships have become a global phenomenon for social and economic management more broadly, partnerships between registered training organisations (RTOs) and employers have gained increasing attention in the twenty-first century. Callan and Ashworth (2004, pp.15—16) argued that this global trend towards partnerships is designed ‘to build competitive advantage, to achieve greater levels of responsiveness in the delivery of services, and to build upon the learning capabilities of organisations’.

As Australia faces two major challenges, in the form of pandemic recovery and large-scale skills shortages, there is a need to re-examine the nature of RTO—employer partnerships and consider how they can be more effectively established and sustained into the future. Australia’s economic recovery from the COVID-19 pandemic relies, in part, on the vocational education and training (VET) sector playing its role in providing skilled workers. A report from the former National Skills Commission (2022) showed, for example, that occupations requiring accredited training — and which often fall under the remit of vocational education — are facing widespread shortages. Indeed, occupations that tend to require a certificate III or IV, which include traditional trade occupations, recorded the highest share of occupations in shortage in 2022, increasing from 38% in 2021 to 46% in 2022 (National Skills Commission 2022, p.11).

Well before the 2022 release of the data from the former National Skills Commission, it was flagged by Innovation and Business Skills Australia (2021, p.33) that industry partnerships would become increasingly important in addressing skill shortages over the next five years. This view is also held by the Australian Government to the extent that improving engagement between the VET sector and industry is a priority area in its new Skills Reform agenda. Speaking at the Australian Chamber of Commerce and Industry (ACCI) and Victorian Chamber of Commerce and Industry (VECCI) Business Lunch Melbourne in October 2022, the Minister for Skills and Training, the Hon. Brendan O’Connor, MP, stated:

We must focus on re-building and making both TAFE and the wider vocational education sector stronger. We need this sector to work more closely with industry on the delivery of high quality skills businesses like yours need, relevant and up to date skills, [which] equip students, apprentices and trainees for work now, and in the future.

The Skills Reform agenda acknowledged a pressing need for more effective, regular feedback channels between employers and RTOs (and associated bodies) ‘to drive continuous improvement and collaboration in training design, implementation and delivery’ (Commonwealth Skills Reform Transition Advisory Group 2021, p.2). What these feedback channels look like, and how they can be best formed and maintained through partnerships, drives this research project.

Understandings of partnerships have been shifting in the last decade, which means the research is additionally timely. Previously, partnerships were considered to be singular channels between two clearly delineated organisations and involving very specific or defined tasks; in more recent years, they have become more network- or cluster-oriented (Callan & Ashworth 2004, p.15; Smith et al. 2017). This new orientation is reflected in the establishment of Jobs and Skills Councils as key sites of focus for partnership engagement. Initiated by the Commonwealth Government’s Skills Reform, the cluster-like Jobs and Skills Councils are designed to enable consultation and collaboration between providers and employers, including small businesses, to build the ‘quality, speed to market and responsiveness of training products’ (Commonwealth Skills Reform Transition Advisory Group 2022 p.4).

## Project aim

The aim of this project is to investigate strategies that foster the development of quality partnerships between RTOs and employers. Where possible, we highlight the effective strategies RTOs use with small and medium enterprises (SMEs). This is important, given the quantum of SMEs in Australia[[1]](#footnote-2) — as well as the economic impact of the COVID-19 pandemic on SMEs. Although economic conditions for SMEs improved slightly during the first half of 2021, their situation remains challenging (Black, Lane & Nunn 2021).

The overarching questions guiding this project are:

* What do ‘effective’ RTO—employer partnerships look like?
* Why and how are they formed?
* What are the key drivers for making the partnership happen?
* How are they sustained?
* What challenges are encountered in establishing and sustaining RTO—employer partnerships from the perspectives of both parties?
* What broader benefits come from these partnerships, beyond those for the RTO or employer?
* What can we learn from unsuccessful/ineffective strategies used by RTOs to foster the development of quality partnerships?

## Method

The project was conducted in two main stages, the first involving a survey of representatives from relevant bodies, with the second stage involving case studies of RTO—employer partnerships.

### *Stage 1: Consultations with and survey of key stakeholders*

Members of the Project Advisory Committee (PAC) were asked to provide a definition of an effective RTO—employer partnership, taking into consideration the qualities embedded into the partnership that make it effective and which enable it to deliver the desired outputs. They were also asked to identify other outputs, in addition to employee training needs being met, they saw as indicative of an effective RTO—employer partnership.

The feedback from the PAC members, along with the literature review, helped to frame the questions asked of additional key stakeholders. An online survey was emailed in early November 2022 to 33 representatives from peak bodies, skills organisations, service skills organisations and state training authorities (table 1). The survey questions are provided in the appendix, along with a summary of their responses to the questions.

Table 1 Organisations approached to participate in survey

|  |  |
| --- | --- |
| Organisation type | Organisation |
| Peak employer and employee groups | Australian Industry Group (Ai Group)  Council of Small Business Organisations Australia  Business Council of Australia  Small Business Association of Australia |
| Peak training bodies | TAFE Directors Australia  Independent Tertiary Education Council Australia |
| Skills organisations / Skills service organisations | Artibus Innovation  PwC Skills for Australia  Australian Industry Standards  IBSA Manufacturing  Skills Impact  Skills IQ  AUSMEA  Human Services Skills Organisation  Digital Skills Organisation |
| State training authorities | NSW Department of Education – Training Services  NSW Training Skills Board  SA Training Skills Commission  Victorian Skills Authority  Skills Canberra  Business Workforce NT  WA State Training Board  WA state-funded industry training advisory bodies/training councils  Jobs Queensland |

The purpose of the survey was to:

* gather information from relevant representatives on what they consider makes an effective partnership between an RTO and employer
* seek good practice examples of RTO—employer partnerships and the reasons for choosing the particular examples
* effectively act as recruitment strategy for stage 2.

### *Stage 2: Case studies of RTO–employer partnerships*

A case study approach, involving consultations with up to six staff across each identified RTO—employer partnership, constituted the second component of the methodology. A number of potential partnerships were suggested by PAC members and were considered alongside those suggested by participants in stage 1. Others were identified through desktop research.[[2]](#footnote-3) From this master list, a shortlist of partnership case studies was compiled that captured a reasonable spread of jurisdictions and industry areas, with some projects focused on SMEs (table 2).

Table 2 Characteristics of the RTO–employer partnerships participating in the case studies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Case study | RTO size† | Employer size† | Industry area | Location |
| 1 | Large | Large | Meat processing | New South Wales Regional |
| 2 | Medium | Large | Primary health | New South Wales Regional |
| 3 | Large | Large | Disability care services | Western Australia Regional |
| 4 | Small | Small | Retail (bicycle sales, repair) | Tasmania |
| 5 | Medium | Medium | Construction | Northern Territory |
| 6 | Large | Medium | Food manufacturing | Tasmania |

† ABS employer-size categories: micro (0–4 employees), small (5–19 employees), medium (20–199 employees), large (200 or more employees), ABS 8165.0 *Counts of Australian Businesses, including Entries and Exits, June 2018 to June 2022, Annual Data cube 2: Businesses by main state by industry class by employment size ranges, Table 1*, December 2022.

Consultations were undertaken with individuals who were directly involved in the selected RTO and employer partnership at both a management level (that is, RTO managers and employer managers) and at an operations level (that is, RTO training and assessment staff and employees involved in the delivery of the training or participating in the training and assessment service). In some case studies, current learners were also interviewed.

Interview questions for these consultations (table 3) were developed by drawing on the literature review, feedback from the PAC, and stage 1 survey results.

Table 3 Topics discussed in the RTO–employer case study consultations

|  |  |
| --- | --- |
| About the partnership | Questions relating to how the partnership was established; training-related questions (type of training, how many learners, how often, where it’s delivered etc.); whether other services are provided or requested (e.g., help in navigating the VET system etc.)  Questions relating to the number of learners/workers involved in the partnership; training-related questions (type of training, how many learners, how often, where it’s delivered etc.); whether they have been involved in RTO–employer partnerships previously and if so, to make comparisons |
| Drivers and motivators | What drives the organisation (RTO or employer) to enter into the partnership?  What drives them to work on the partnership? |
| Benefits and challenges of partnerships | What are the main benefits to each party in the partnership?  What are the main challenges for each party in the partnership? |
| Determining success in partnerships | What qualities does their organisation/the partner organisation possess that make it a good partner?  How do the qualities complement each other and strengthen the partnership?  (Looking at RTOs specifically), what elements of their organisation do they think could be improved to make it more attractive to new industry partners? |
| Supporting and sustaining partnerships | What supports were useful in establishing the partnership?  What supports are helpful in sustaining the partnership?  What other roles and capabilities are required to support the partnership?  What additional supports and capabilities would improve the partnership?  What supports or initiatives would help other employers and RTOs establish and sustain effective partnerships? |

# What is an ‘effective’ RTO–employer partnership?

Before we investigate what constitutes an ‘effective’ RTO—employer partnership, let’s look first at partnerships in VET more generally.

Key points

* Key points are preferably limited to three, of no more than 15 words each, where possible
* Should be able to stand alone from the rest of the report
* Message three

## Partnerships in VET

In 1999, the Copenhagen Centre, an independent think tank on social policy and corporate responsibility, defined partnerships as:

People and organisations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies. (Copenhagen Centre in Billett, Clemans & Seddon 2005, p.11)

Essentially, partnerships involve two or more organisations working together to achieve common goals, goals they might otherwise be unable to achieve as effectively independently. It is important to note, however, that the ways in which these partnerships define their goals, and engage to meet them, has changed in the twenty-first century. Unlike previous models of engagement, which were more rigidly structured and defined, contemporary partnerships operate as ‘localised networks’ or clusters of connection (Billet, Clemans & Seddon 2005, p.6; see also Callan & Ashworth 2004). Formerly, partnerships tended to set specific, clearly delineated, goals to be reached within an equally specific and delineated timeframe. Today, partnerships are more likely to include fluid aims and/or open-ended timeframes, which co-evolve with the other parties in the network/cluster. This partnership approach is seen to enhance adaptability because, unlike the earlier, more linear or individualised structure, it can draw on a network and its associated connections to efficiently reorganise information and resources to build competitive edge and learning capabilities (Callan & Ashworth 2004). From this approach, ‘a shifting set of relationships emerges which exploits new opportunities for interindustry synergies and which drops less successful options’ (Callan & Ashworth 2004, p.16).

Similarly, partnerships in VET involve two or more organisations working together to achieve common goals related to VET.

In a review of Australian VET partnerships, Kilpatrick and Guenther (2003, p.26) identified many kinds of partnerships in VET, summarising them as follows:

* industry—provider partnerships
* client—provider partnerships
* community—provider partnerships
* broker—client—provider partnerships
* researcher—industry—provider partnerships
* government—industry—provider partnerships
* provider—provider partnerships (usually with government).

More recently, Smith et al. (2017), developed a more complex typology of the type of RTO—employer partnerships. In their model, RTO—employer partnerships are categorised according to three main areas: the nature of the partnership; the coverage of training; and the training delivery (figure 1).

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Description automatically generatedFigure 1 Nature of training partnerships between employers and RTOS

Source: Smith et al. (2017, p.49).

The different types of RTO—employer partnerships are evidenced in the range of programs and initiatives established by Commonwealth and state and territory governments designed to encourage and enhance VET—industry engagement. These initiatives range from large programs that aim to bolster a targeted industry to smaller partnership ventures that are open to a wider group of employers, including SMEs.[[3]](#footnote-4) Partnerships between TAFE (technical and further education) institutions and training providers have also been profiled recently by TAFE Directors Australia (TDA), further demonstrating the diversity and significance of RTO—employer partnerships.[[4]](#footnote-5)

Drawing on this previous research and current VET sector examples, we define an RTO—employer partnership to be a relationship designed to enable access to a broader range of resources, networks and market opportunities for both parties, such that a greater alignment between skills and jobs can be achieved.

## What makes an ‘effective’ partnership? What are some ‘effective’ strategies?’

Fredkin (2002, in Kilpatrick & Guenther 2003, p.27) defined an effective or successful partnership as ‘one in which both parties have realised their project goals and objectives, relative to their respective contributions’. This is a useful definition because it recognises that partnerships are not successful by default, nor are they necessarily unsuccessful if each party experiences uneven or differing outcomes. The measurement of success is contingent upon each party’s aims and their relative investment in the relationship. The effectiveness of partnerships is highly contextual and needs to take the characteristics of each partnership into consideration. That said, this definition perhaps needs some expansion in 2023 to acknowledge the need for partnerships to have the capacity for agility and responsiveness embedded into their fabric. The increasingly fluid, network-like nature of partnerships, and organisational culture more broadly, means that goals and objectives might also change. A successful partnership in 2023 might be less concerned with achieving predetermined outcomes and more with the capacity to readjust aims and goals to better align with employer needs over time. This seems especially relevant in the post-COVID-19 pandemic era, which has illustrated how rapidly business goals, outcomes, and timelines can change.

As urged by Wade et al. (2022, p.11):

The aftermath of the COVID-19 pandemic provides an opportunity to reimagine engagement between industry and education and training providers. To make it authentic and continuous, and not a single event. At a minimum, education and training providers need to ensure industry have clear means and mechanisms for engaging in discussions about course provision and skills needs. For education and training providers to foresee the needs of industry, they need to deeply understand industry. Regular meetings are not enough. Rather deep relationships are needed, achieved through secondments, colocation and deep collaboration on future learning content.

Billett, Clemans and Seddon (2005) argued that, for partnerships to offer each partner meaningful help and support, ‘the partnerships are themselves in need of support and guidance in their development and continuity’ (p.11). What does this support and guidance look like?

Drawing primarily on Callan and Ashworth (2004) and Smith et al. (2017), as well as the insights from participants in stage 1 of this project (see appendix for a summary of responses)[[5]](#footnote-6), the following characteristics or strategies repeatedly emerged as being associated with effective partnerships:

* open communication
* clearly understood and frequently used feedback channels
* direct (one-on-one) lines of communication between organisations and representatives — especially important for SMEs
* responsive rather than reactionary management, in which immediacy and sustainability are both acknowledged and valued; that is, partnership can adapt quickly to meet changing employer needs without sacrificing longer-term goals and needs. This involves a more holistic and robust partnership system, in which skills required in the short-term can be delivered, while the anticipation and development of future skills is maintained
* recognition of the realistic costs of training and development for employers and identification of any areas where costs can be reduced and/or might become elevated
* prioritisation of long-term relationships where possible and the embedding of non-financial benefits into the partnership’s goals
* identification of staff with skills complementary to the partnership and continual professional development to ensure the partnership and its outcomes are sustained.

SMEs have different needs and operational contexts from large employers, and training providers need to take these into consideration when partnering with them. Smaller businesses may benefit from ‘measures designed to enhance training capacity, such as training for trainers, assistance with administrative work and sharing responsibility for training’ (Kuczera & Field 2022, p.53). Human Services Skills Organisation (HSSO; 2022) also recommended offering guidance and examples of how effective work placements can be facilitated — including cost-effective approaches. Offering this practical support can be especially useful for SMEs operating within challenging settings, such as home care and disability support. Indeed, HSSO has suggested some useful tools for SMEs in the health services sector engaging in — or seeking to engage in — training partnerships, tools likely to be beneficial to SMEs in other sectors.[[6]](#footnote-7)

Overall, the literature suggests that effective RTO—employer partnerships utilise open communication, a proactive approach to collaboration, and shared networks/resources. These characteristics help a partnership to successfully manage a wide range of:

* environmental issues (for example, general issues relating to partnering, organisational structures, size and location of partners, organisational flexibility),
* training issues (for example, drivers for training, flexibility and customisation, understanding organisational needs) and
* people issues (for example, trust, communication, values alignment, staff expertise).

Recognising and incorporating these issues into the partnership gives both parties the capacity to innovate and adapt to shifting organisational and market needs (Callan & Ashworth 2004; Smith et al. 2017).

A model representing the interrelated factors that make up effective partnerships (figure 2) is presented by Smith et al. (2017) and is itself a redevelopment of the partnership model first proposed by Callan and Ashworth (2004).

Figure 2 Partnerships: the environment, training and people mix

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Source: Smith et al. (2017, p.50); adapted from Callan & Ashworth (2004).

# Why partner?

## What drives or motivates the formation of an RTO–employer partnership?

Smith et al. (2017) found that RTO—employer partnerships were driven by a range of factors. From the employer perspective, common reasons for partnering with training providers included:

* the requirement to comply with industry regulations
* the desire to offer a higher standard of goods and services and/or enhance ‘performance, productivity and profitability’ (p. 33)
* the introduction of new technology or business techniques in which staff want to upskill.

Additionally, an employer’s decision to train (or otherwise) was found to be impacted by factors such as: the provision of a government subsidy for training; the perceived quality and flexibility of the training provider; and access to adequate information about the training market.

From the RTO perspective, Smith et al. (2017) found that partnering with employers was undertaken for many reasons, although the main reasons can be grouped broadly (and in order of significance) as follows:

* to maintain industry relevance and keep up to date with industry needs
* to assist employers/industries that have asked for help
* to increase revenue
* to create new staff and student employment opportunities.

‘Other’ reasons identified by RTOs were summarised by Smith et al. (2017, pp.31—2) as ‘growing RTO/competitive edge’, ‘community/industry service’ and ‘training quality’.

### *Partnership drivers in the COVID-19 context*

The importance of the RTO—employer partnership arguably became more acute as Australia faced the impacts of the COVID-19 pandemic and attempted to address its skills shortages. The 2021 Survey of Employer Use and Views of the VET System (SEUV) found that 30.6% of employers were seeking to increase the amount of training they provide to employees within the next year (NCVER 2021). Of those who intended to do so, the top reasons given were:

* They were hiring more staff or looking to expand their business (40.7%).
* They needed to upskill or provide additional skills to their employees (25.8%).
* There were changes in the workplace due to the COVID-19 pandemic (24.4%) (NCVER 2021).

This aligns with Bean and Dawkins’s (2021) research, which noted that employers are reaching out to RTOs for partnerships because they needed to upskill employees quickly, although this varied with employer size. For example, in its biennial member survey focused on workforce development and skills, the AiGroup (2022) found that smaller businesses were less likely to engage with accredited training than larger employers in the next 12 months.

## Benefits of RTO–employer partnerships

The research illustrates the many benefits of partnering for both employers and training providers, as well as highlighting the obvious overlap between the drivers or motivators for partnering and the benefits of partnering. Callan and Ashworth (2004) and Smith et al. (2017) have shown that benefits to employers include:

* direct, positive impacts, such as access to customised, flexible training, with provision of a client-focused service from the RTO
* reliable and dependable high-quality training
* access to expertise that has been developed by RTO staff over time
* help with navigating the VET system, including advice and information pertaining to employer funding opportunities.

The indirect benefits to employers were shown to include broader opportunities for upskilling and enhanced professional development (often beyond the scope of training), as well as becoming an employer of choice through the investment in staff training. These direct and indirect benefits to employers also aligned with some of the views of respondents to the survey in stage 1 of this project.

Bespoke solutions that allow employers to get what they need for lifting the skills of their workforce.

(Peak training body representative)

Ability to tailor training solutions to meet the needs, removing the ‘padding’ that comes with some qualifications. Paying for what is needed.

Government agency representative)

Employers have a partner they can rely on to help them manage their workforce/workforce development needs. There may be an added incentive of the funding attached to some of the VET programs but in the longer-term this is not the primary motivation – especially in today’s market when there is so much competition for staff.

(Government agency representative)

For RTOs, Callan and Ashworth (2004) and Smith et al. (2017) found that the benefits included:

* revenue increase and stabilisation
* repeat business
* exposure to industry and current, relevant industry needs and practices
* access to equipment
* work placement and job opportunities for students and graduates.

The indirect benefits to RTOs were shown to include enhanced reputation and credibility, brand awareness, industry experience, and professional development opportunities. The benefits to an RTO’s reputation, and the associated positive implications of that, were also highlighted in responses from key stakeholders surveyed in stage 1, given in the box below.

RTOs are able to meet the skilling needs of local industry, their reputation becomes known for being flexible, transparent or responsive to industry skill needs – benefit to bring in more business.

(Government agency representative)

Improved reputation, which in turn will lead to more numbers of people in training. A successful partnership can also provide PD opportunities for their trainers, through gaining insights into new technologies and contemporary ways of working.

(Peak industry body representative)

An RTO benefits from building the employer as a committed client – leading to repeat business and the advantage of a positive reputation with the employer, who would typically endorse the RTO as a business partner.

(Government agency representative)

Similar to previous research (Callan & Ashworth 2004; Smith et al. 2017) our case studies highlighted that the drivers and benefits of partnering often coalesce. Fundamentally, RTOs provide expert guidance to employers navigating the VET system, including funding opportunities, and support employers to manage a range of organisational needs through the skilling of their employees, as well as assist industry generally with a more skilled workforce.

Well, I guess we’ve both got the same goals. We’re trying to not only, I guess, improve the knowledge and the skills that we need to run the business, but we’re also trying to personally develop our workforce so that they have a positive career outlook, a positive future. And whether that will be with us or with someone else … I guess … [the RTO]’s main goals and objectives are to increase skills and knowledge in the workforce.

(Training manager with a large employer in the meat-processing industry)

By investing in training and development, employers demonstrate their commitment to fostering employee development and engagement. This commitment appeals to potential recruits, enhances employee satisfaction, motivation and overall wellbeing, and creates a positive work environment. Additionally, such initiatives contribute to a favourable public image for both partners.

To pay for the training, I think what you’ll get back if it’s delivered well and each person receives the information well … the value for money is going to exceed itself because you’re going to have people [who] like their jobs, [who] love their jobs, they want to be better at their jobs purely based … a little bit of knowledge. And that’s what it is. You give me the tools, show me what it is I need to know and I can grow from that and you definitely need the partnerships.

(Employee/learner with a large regional employer in the disability care services sector)

In return, employers help RTOs to maintain revenue, industry relevance and currency, and are able to provide work placement and job opportunities for learners and graduates (Smith et al. 2017).

It is a way for us to teach skills within the industry and then [there’s] also recruitment. It is a really good recruitment way because … I wouldn’t like to say ‘try before you buy’ because that’s not what I mean. It’s just, you know, we can see what skills are coming out of the [RTO] and contribute to what actually [the training should include] …’maybe you should try and add this in’ and just those contributions that we can [offer] to an RTO that may just be doing textbook type stuff … it’s really nice to be able to have that part, you know, to be able to shape that curriculum where, you know, we’re on the ground, we know it’s working, we know it’s not working. Let’s contribute to that.

(Operations manager with a large employer in the disability care service sector)

Recently, at the end of last year, I spent some time with [the employer]. I worked there on the floor and I worked through some of their houses so that I could, you know, it’s good for my currency, but it also helps me to see how we can align with what we’re teaching to make sure that it’s current. And because they have so many of our students, it’s a really good place for us to self-review and make sure that we are training real-life experiences because we need to … you’ve got your unit of competency, your qualifications, but the industry has changed quite a bit since the last training package was written. Obviously, the new one is just coming out and things have evolved. So, for currency by having this open dialogue with them and by spending physical time in there … means that we can align our training with what is really happening out there in industry. So, having access to those situations by immersing ourselves in with them, we can see that we’re aligning our real-life experiences, still meeting the units of competency and the training package needs, and the qualification needs, but tailoring it so that it’s actually meeting what’s happening out there in industry.

(Advanced skills lecturer in partnership with a large employer in the disability care service sector)

In forming partnerships with RTOs, employers are not only motivated by financial and organisation objectives but also by the desire to generate a favourable social impact, one that enriches their employees, the broader industry, their clients and the local community.

That we get a chance to give back to the community, I suppose in a way. All of these kids are local kids, so we get to help out with their training and their education. So that sort of means a lot for us as well. There was a high Indigenous population in the last group of kids [who] came around. So giving back to that community as well.

(Site manager with a medium-sized employer in the construction industry)

# Building and sustaining RTO-employer partnerships

As noted earlier, previous research suggested that, to build and sustain effective RTO—employer partnerships, open communication, a proactive approach to collaboration, and shared networks/resources are essential for managing a variety of environmental, training and people issues (Callan & Ashworth 2004; Smith et al. 2017).

Based on the case studies undertaken in stage 2, which focused on the role of RTOs in particular, we expand on the previous research and find that the following four elements underpin effective partnerships, some of which encapsulate those essential characteristics of communication, collaboration and shared resources, previously noted:

* *Quality training and service delivery*: we view this as the foundation of partnerships. Here quality refers to the trainers and assessors and the service delivery, including understanding and anticipating the employer’s needs.
* *Customer-focused*: having established ‘quality’ allows RTOs to be more customer-focused; to be more agile and flexible in their response to employers’ needs; and to offer tailor-made, customised training.
* *Working together*: the customer-focused approach is enhanced by working together; strong communication and collaboration; and a willingness to be learner-centric in the approach to training and assessment.
* *Relationships*: this element is related to working together but focused on the longer-term. This aspect is critical for sustaining partnerships.

While these elements are described here as separate entities, in practice there is a degree of interrelatedness and often they build on each other.

A brief description of each of these elements follows. Readers are encouraged to refer to the companion Good Practice Guide, which provides more detailed examples from the case studies of how these elements play out in practice.

## Quality training and service delivery

Competent trainers and assessors, who possess exceptional interpersonal skills, extensive industry knowledge, and proficiency in delivering training within the workplace environment, are essential for effective RTO—employer partnerships. The RTOs in the case studies acknowledge the crucial role of the trainer and assessor who works on the frontline, as they engage with both the employer and the learners and ensure the ongoing success of the partnership.

[Trainers and assessors who] go into those businesses need to have that understanding of how those businesses operate. Being a good classroom teacher does not necessarily make you a good operator in a workplace context. I mean most of my training … when it happened up at [the employer] was done in the lunchroom, sometimes a little bit in the boardroom, a lot of it spent walking through the factory, gowned up with hair nets and face masks and gum boots and those kind of things ... It’s not your traditional learning environment, so you need to have people [who] are comfortable in that industry context and cognisant of what they are doing and what they need to be able to achieve. It’s not for a teacher [who’s] used to being able to control their context and environment and their classroom; they have to lose that when they walk into a business and then understand, right, this is not an educational institution, this is a workplace and there are differences.

(Literacy trainer—assessor in partnership with medium-size employer in the   
food-manufacturing industry)

RTOs in successful partnerships with employers also understand and anticipate the employer’s needs and keep up to date with industry trends, best practices and emerging technologies to ensure that their service is relevant and aligned with the employer’s current and emerging needs. The RTOs have a deep understanding of the employer’s operations, organisational requirements, training needs and limitations. They acquire this knowledge by actively engaging with and listening to both the employer and the learners over time. As a result, the RTO is equipped to anticipate and align its training services with the employer’s expectations. This demonstrates the RTO’s commitment to providing current skills and knowledge valued by the employer and the industry, and equipping learners with the skills they need for real-world application in that workplace.

The main thing for me, if I was to suggest anything to any business, is finding a partner [RTO] that understands what your needs are and where you’re trying to go with the training. That’s the biggest opportunity I think for a business, and to be able to be successful is to have a partner that can make sure you know that if they can’t deliver it, they don’t also beat around the bush and they are upfront with us, they tell us what they can and what they can’t do. And you know, as I said, over time we’re certainly doing more training with [the RTO] now than we were 18 months, two years ago, because of that partnership and them understanding what our needs are. And then you’re able to develop and grow from there.

(Training manager with a large employer in the meat-processing industry in partnership   
with a large RTO)

## Being customer-focused

Having quality trainers and assessors who have extensive industry knowledge and proficiency with delivering training in the workplace allows RTOs to be truly customer-focused. Informed by a deep understanding of the employer’s needs, the RTOs in effective partnerships customise their training service to address these specific needs. They offer efficient training services by acknowledging the employer’s cost burden of worker release and backfill and the disruption to normal operations. Minimising disruption is particularly important for small and medium enterprises, who may lack the resources to replace staff who are off site for training. The RTO’s willingness to continuously work with the employer and customise the service demonstrates the RTO’s commitment to meeting the employer’s unique needs and builds trust and differentiates the RTO from its competitors.

It’s not like we’re just creating a course and we’re hoping some students might enrol. This is really genuine[ly] needed training. We know who the cohort is. We know why the participants are coming. We know what the outcomes are that the business wants. So, in terms of having a quality of student and learning outcomes, it doesn’t get much better than that. It’s so understood and so targeted.

(RTO business development manager in partnership with a large employer in the   
meat-processing industry)

A key part of being customer-focused is delivering training on site. This offers many benefits for employers: it’s cost-effective; enables more staff to participate; it helps to minimise disruption to the workplace as employees are staying on site; it’s more hands on; and it is more immediately relevant.

Delivering training on site also allows RTO trainers and assessors to actively engage and integrate themselves into the employer’s work environment. By being physically present, they foster meaningful interactions, cultivate relationships, facilitate the exchange of information, and encourage ongoing collaboration. This immersive approach contributes to the creation of robust and long-lasting partnerships, enhancing their strength and durability.

I don’t disrupt work, I try to fit around work as much as possible, you know, go in and cap up, gown up. I go into the production area, they don’t come out and explain to me, I go in and watch them. So it’s the limited disruptions … So you’re standing beside them, going through the questions with them while they’re actually running the machine. It’s fairly comfortable for people. And I might have stood beside them previously and actually written a standard operating procedure with them. So I was asking them questions about what was going on and so you build the relationship and then it’s just not an issue.

(Technical trainer—assessor in partnership with a medium-sized employer in the   
food manufacturing industry)

RTOs in effective RTO—employer partnerships are also flexible, responsive and solutions-focused in meeting the employer’s needs. They demonstrate flexibility in all aspects of their training service, including adapting learning content, delivery modes, training location and scheduling to accommodate the employer’s evolving needs.

I think we have to be flexible and I think we have to look outside of the box. The world of offering vocational education and training these days is totally different from the old days. And I remember when I first started, you know, you sit in a classroom, that’s your option, we have no other options (or it wasn’t quite like that). We have to start looking at diverse training. We start having to look at what people [who] want to engage in training are genuinely able to commit to. You know, you can’t put a course on for five days a week and expect students to come into the door and be available. When working with partnerships, with industry and that, we need to be flexible in what is their business.

(RTO portfolio manager in partnership with a large employer in the disability care services sector)

## Working together

The importance of effective communication for an RTO—employer partnership was raised in all the case studies, consistent with previous research. Successful RTO—employer partners communicate often and openly. That said, there is no one ‘right’ way to communicate, as communication depends on the partners and the individuals involved. Regular communication builds trust and a stronger working relationship between the partners.

That open dialogue is so important and fostering those relationships where you can have that easy, I don’t want to say informal, but more casual [dialogue], I guess, because when it’s too formal it can be a bit of a barrier and we want to break those barriers down.

(Advanced skills lecturer in partnership with a large employer in the disability care service sector)

So too, the importance of collaboration. Partners in effective RTO—employer partnerships work together to address industry challenges and foster innovation. Through collaboration, they recognise emerging needs and evolving skill requirements, overcome organisational limitations and develop training solutions that cater to evolving employer needs and accommodate both parties.

I understand that kind of ethos that drives these businesses and the actual commercial realities here. So, when we develop things, and we did it collaboratively, what we did make sure … we tried to make systems processes lean. So we were not just looking for the best way of doing things, we were looking for the best, most efficient, cost-effective ways to do things, and that’s where you need to have that understanding. It would have been quite easy to do what they needed by … developing really, really complex systems and processes, but the reality is you need to be able to put something in place that enables them to still do their core business. That is always a challenge with the business. It’s … about coming up with a way of doing things that will work for them in their context. And that’s the collaboration stuff – without actually being there on the ground, talking to them every week, that doesn’t happen.

(Literacy trainer—assessor in partnership with a medium-sized employer in the   
food manufacturing industry)

In effective RTO—employer partnerships, the parties work together to ensure that the learner — and what they need to be a successful worker — is at the centre of the training design and learning processes. The partners support learners to access and successfully complete the training and are responsive to the competing demands workers face as they juggle work, training and their personal lives. The partners prioritise the individual needs and aspirations of the learners within the constraints of their operations.

Placing the needs of the learner at the centre can take many forms, such as providing them with more flexibility to complete the training requirements, offering logistical support to help learners attend the training, and having the learners fully involved in the design of the training and its delivery, as occurs in a co-design approach.

We first came together traditionally, the way it is normally, but as we workshopped and facilitated what we wanted to achieve and how we’re going to achieve it, then there was a respectful sort of, there was a bit of tension in that changing [of] the model delivery to suit the participants for the outcomes that they need. So there was a willingness to flex those traditions to meet the needs of the participant.

(Program manager with a large employer in the primary health sector involved in the delivery of a program designed to prepare Aboriginal and Torres Strait Islander health workers for leadership roles)

## Relationships

RTO—employer partnerships usually begin with an initial connection or transaction and gradually progress to a more established and mutually beneficial relationship. RTOs in effective partnerships actively employ strategies and practices that are designed to build trust; foster strong and mutually beneficial connections; maintain open lines of communication; and achieve shared goals.

A strategy used by a number of partnerships in the case studies (described in detail in the Good Practice Guide) was establishing an RTO-designated point of contact. This point of contact may be the trainer/assessor; they may occupy a business development role; they may be the RTO owner; or be in some other role in the RTO. Importantly, irrespective of their role, the RTO point of contact has a deep understanding of the employer’s needs and is empowered to access resources and on many occasions make decisions on behalf of the RTO.

You know, I work closely with [the business development manager] from [the RTO] and having someone like that is really beneficial in making it all work together. [The RTO], being a big organisation, I guess it could be difficult if I was dealing with hundreds of different people and trying to coordinate all these different types of training, you can get quite busy. I’ve had that with other training providers in the past. But having a central point that helps coordinate and keep that together has made it a lot easier as well. Like I’ve probably broadened out now and I talk to a lot of the other direct trainers and coordinators as well, but just having that central point [where] we can sit down and coordinate and work out our plan for how to deliver all the different training over the years really is beneficial for us and I think it’s beneficial for them too, because it gives them more opportunity to scope out where they need to put their trainers.

(Training manager with a larger employer in the meat-processing industry)

Effective RTO—employer partnerships also enable reciprocal learning opportunities through the mutual exchange of information, best practices and lessons learned. Through shared learning practices, RTOs can gain deeper insight into the current and emerging skill requirements of the employer, and customise workplace delivery methodologies accordingly. A specific example of reciprocal learning that occurred in one of the case studies was encapsulated by Aboriginal and Torres Strait Islander two-way learning. This reciprocal learning model involves integrating the knowledge and perspectives of Aboriginal and Torres Strait Islander culture into Western-style education. The Good Practice Guide provides further detail on this example of reciprocal learning.

You know it became a two-way learning process … our organisation and the participants were actually imparting knowledge, cultural knowledge in how to deal with Aboriginal Torres Strait Islander workers for the [trainer and assessor] and they [the trainer and assessor] were imparting leadership knowledge and capability [to] them as well. So, it was that, that beautiful partnership and [the trainer and assessor] …was very open and vulnerable and said ‘look, I know I’m learning from you as well’ and they were. It was a bit clunky initially but became a really strong co-facilitated model.

(Senior manager with a large employer in the primary health sector)

Reciprocal learning opportunities can also occur when the trainers and assessors gain industry currency by being physically on site or through work placements.

Part of me going out there to do some of my industry currency was part of building [the partnership] because it just fosters better relationships.

(Advanced skills lecturer in partnership with a large employer in the disability care services sector)

The case studies highlight that effective RTO—employer partnerships focus on building and sustaining a long-term relationship, rather than concentrating on the short-term completion of a transaction. They do so by sharing the responsibilities and pooling their resources, skills and expertise.

Through RTOs providing quality training and service delivery, being customer-focused and by working together, the relationship between the partners matures and evolves over time, which in turn provides opportunities for further work for the RTO and longevity of the partnership.

It’s basically where we’re working pretty much as a preferred supplier, so to speak, and trying to find training solutions to their training requirements in a way that suits them best. So it’s really about us suiting their needs, not just in the qualifications, but in how it’s delivered and with sticking well within the training package rules but customising the training to make it relevant to their needs. And from their point of view, them being committed to working with us to make it happen, so that making the delivery happen, is a joint arrangement. Not just, OK, we’ve signed you guys up to deliver cert 2, go and do it. No, how does it work for you? How does it work for us? OK, so we’ve made a commitment at the same time you guys have made a commitment and you’ve got to honour your part as well as us honouring our part. And in us honouring our part means going way beyond what is just required to deliver the qualification.

(RTO business development manager in partnership with a large employer in the   
meat-processing industry)

# Barriers and challenges in RTO-employer partnerships

Despite the importance of RTO—employer partnerships, barriers to their establishment and challenges to their effective maintenance remain. There are myriad reasons why employers do not engage with the VET sector, and these tend to vary depending on the industry and organisation. For example, Smith et al. (2017) found that organisations may have a long-established training culture and/or there is reluctance to acknowledge or be open to new forms of training. Employees might similarly be resistant to new training or assessment. Where a partnership exists, an employer can feel overly dependent on a specific provider, and this can lead to dissatisfaction as the partnership becomes too rigid or inflexible for the employer’s needs (Smith et al. 2017, p.42).

Certainly, reduced satisfaction is an issue seen in recent NCVER data. The Survey of Employer Use and Views of the VET System showed that the proportion of employers satisfied with nationally recognised training declined from 83.1% in 2013 to 78.7% in 2021. For employers of apprentices and trainees, who are reported separately in the survey, the proportion who were satisfied with this form of training declined from 78.8% in 2013 to 74.2% in 2021. Common reasons for dissatisfaction, recorded in the 2012 survey, related to concerns about the quality or relevance of the training on offer (NCVER 2021). This point about relevance is echoed to an extent in the report prepared by David Gonski and Peter Shergold (2021) with respect to the New South Wales VET sector. Here it was noted that industry bodies felt their insights were not genuinely valued and integrated into the VET sector, despite their being frequently surveyed, leaving industry bodies with the perception that the partnerships were insincere:

The industry leaders to whom we spoke do not believe that the existing information channels provide them with an influential voice on VET in NSW. They do not feel that they are sufficiently engaged at a strategic level. They do not feel adequately consulted, or sense that the views they express have impact. They believe this lack of consultation often results in courses not living up to what industry requires. They would like to have greater involvement with the NSW Government as it seeks to address current and future labour market demands and considers how best to meet emerging skill needs. (Gonski & Shergold 2021, p.32)

Communication issues (Callan & Ashworth 2004; Smith et al. 2017; Woodroffe et al. 2017; Polesel et al. 2017, p.161) and lack of resources have also been identified in research as common barriers for employers. Perhaps the former is linked to the issue of feeling unheard, while a lack of resources includes those required to translate the different ‘languages’ each party speaks in their operations (Woodroffe et al 2017, p.169), as well as those required to manage a partnership over time.

Further, partnerships place an administrative burden on many employers, and given that they take time to build, the administrative burden can be exacerbated by changes in national or state policy (NCVER 2017).

The administrative challenges are pronounced for SMEs, which often lack the organisational bandwidth to establish partnerships with RTOs, even when they would like to (Kuczera & Field 2022, p.52; Human Services Skills Organisation 2022, p.15). This issue is summarised succinctly by TAFE Directors Australia (2020, p.9):

SMEs generally do not have the capacity to invest in innovation or research and development ... Any solution aiming to bring industry and research together to improve productivity must include easy access to a research and development ecosystem for SMEs, an environment that de-risks innovation, and workforces capable of adapting to the changes.

Callan and Ashworth (2004, p.12) illustrated that partnership failure is ultimately linked to a combination of issues arising from the key areas of a partnership. As described earlier, these are environmental, training and people issues. To prevent partnership failure, these factors need to be — to use TDA’s term — ‘de-risked’. Part of that process involves surveying ‘the multiple, interrelated factors which determine the success or failure of any partnership’ (Callan & Ashworth 2004, p.12).

In the typology proposed by Callan and Ashworth, COVID-19 can be understood as an environmental factor that altered the nature of RTO—employer partnerships, and will likely continue to do so as the impact of the pandemic continues over time. Certainly, the impact of COVID-19 on the ability for RTOs to deliver training, and for employees to participate in it, was noted as a key challenge in some of the case studies. The challenges were related to: moving to an online learning environment (including connectivity issues, and whether the online platforms or tools were user-friendly); having some training put on hold; having employees available to undertake the training; and trainers being unable to deliver the training on site because of COVID restrictions.

… some of the prac training actually just had to be put on hold. It’s a pretty high-risk site in terms of their COVID safety protocols. So we actually had to put some training on hold for a while during COVID, but we were innovative where we could.

(RTO business development manager in partnership with a large employer in the   
meat-processing industry)

We have tried the online that is available. I wouldn’t say it’s something that, as a site, we’ve done a lot of. I find a lot of our workers prefer the face-to-face and hands-on rather than the online but during COVID we did do a lot more online.

(Employer training manager with a large employer in the meat-processing industry)

The main challenges was the lack of time … Long days and we were working through the pandemic and … you know, short of staff. So we were all getting called during our [RTO] day. Can you come to work? Can you start early? Can you do this? Can you do that? And it made it very difficult to kind of focus on what we needed to do.

(Employee/learner with large employer in disability care services sector)

Following COVID-19, many SMEs have been struggling to maintain operations and need specialised training support, but many have also experienced difficulties accessing or maintaining training (TAFE Directors Australia 2020, p.2). The AiGroup (2022) Skills Survey indicated that the most common reasons cited by businesses for their increased labour demands were: ‘growth in demand’ and ‘supply chain challenges/disruptions’, followed by ‘changes to technology in the general business environment’ and ‘new work practices/changes to the way work is organised’. All of these factors were created or impacted by the pandemic environment.

The additional stressors caused by the pandemic might exacerbate some of the other factors that Callan and Ashworth identified as linked to ‘partnership failure’. The arrival of COVID-19 emphasised the importance of those partnerships that can not only adapt to shifting circumstances but also have the capacity to harness these changes in ways that help during stressful times. Accomplishing this will be no easy feat: establishing and maintaining networked-based partnerships is difficult, complex work, and usually requires external support and guidance (Billett, Clemans & Seddon 2005, p.11; Kilpatrick & Guenther 2003). Approached from a more optimistic angle, however, the fact that partnership types have become more fluid and interconnected might mean they are better placed to successfully operate within this turbulent pandemic recovery period.

For SMEs there may also be additional barriers or challenges. AiGroup’s Skills Survey of 2022 found that, while there was significant demand for upskilling and reskilling across most businesses, including SMEs, over half of the small businesses surveyed (58%) claimed that they were either going to keep the same level of training or were unsure whether they would increase training. The commitment to invest in more training was found to be higher in larger businesses than it was for medium businesses, and higher again in comparison to small businesses. Although reasons for this are not given in the AiGroup’s survey, we know from other research that small businesses tend to have fewer financial resources to invest in training and often less capability to take on training or ‘let go’ of staff to participate in training (Bowman & Callan 2021; Dawe & Nguyen 2007). Just under a quarter of the respondents overall in the AiGroup survey said they would only consider training existing employees if government support was available (24%). Thus, financial reasons likely play a role in their decision to train or otherwise. However, as the findings of the AiGroup survey also outlined, government support exists in forms beyond funding. In the case study involving a partnership between an RTO and a small bicycle sales and repair business undertaken for stage 2 of this project, the business owner highlighted the difficulties for micro-businesses in particular (five or fewer employees) in accessing training.

We’ve got the benefit of, I suppose, in our business, of scale. Like, we’re a small business but we have got some scale with 15 people. Where a lot of shops are two or three or four people and that’s a lot more difficult probably to organise because, as I said, I can put together a block of five people that’s economic for [the RTO] and it works for us and you got that group atmosphere going. Where it’s often harder if you’ve … got a small business where losing one or two people over the business for a week. So, I think we’re probably at a threshold where it can be done effectively. I think you get a different response probably from someone with a two- or three- or four-person business and how they do it.

(Business owner of a small bicycle sales and repairs business)

Financial or funding considerations, along with the capability of RTOs to deliver the training, can pose a challenge for employers of all sizes, as highlighted by some respondents to the key stakeholder survey in stage 1 of this project (see appendix). For RTOs, entering into a partnership with an employer may also require consideration of the costs involved in developing customised training to suit the employer’s specific needs and/or whether there are sufficient enrolments to make a training program financially viable.

Partnerships may not be financially viable due to the small number of students or the need to create bespoke products to meet a particular niche industry. This can be challenging for the RTO to identify suitable lecturing and assessing staff to meet the skill need. For regional RTOs the problems are even more acute.

(Government agency representative)

Funding – who is going to pay – is the main challenge and one of the key reasons why they fail. Who pays for the development of resources and is there funding for the bespoke, innovative training solutions? Requires time and commitment from both parties.

(Peak training body representative)

Financial commitment – RTO needs certain numbers to be viable while employers may not be able to supply.

(Government agency representative)

Finding an RTO that is willing to offer something out of the ordinary, or even consider it, is very challenging, unless it is a large employer that can talk about big numbers. The smaller the company, the more challenging it is.

(Peak industry body representative)

For small businesses in particular, lower rates of engagement in nationally recognised training have been shown to be related to lower levels of awareness of the VET system’s ability to provide on-the-job training, or simply that formal training does not meet ‘the specific business needs’ (Bowman & Callan 2021, p.28). According to the Council of Small Business Organisations Australia, the most pressing business need for Australian small businesses at present is filling worker shortages: ‘Instead of working on their business, small business owners are working in their businesses to fill unmet demands for labour, serving customers or unloading stock instead of strategising for future growth, product development, and seeking business opportunities’ (Council of Small Business Organisations Australia 2022, p.11).

Bowman and Callan (2021) argued that local brokers might play an important role in helping SMEs to connect with training that can help them to meet both pressing and future needs. Local brokers might assist in bridging the disconnect that may exist between SMEs and RTOs offering formal training. A representative of a state government agency who responded to the key stakeholder survey in stage 1 of this project suggested something similar to this ‘broker’ concept, noting: ‘For smaller RTOs or smaller employer groups there may be benefit in having a centralised approach to partnerships, where resources (template agreements) or expertise is available to help navigate the legal and other considerations of setting up a partnership’. Interestingly, another government agency representative from a different jurisdiction noted that, ‘In NSW [the Department of Education] has a team that supports these partnerships via screening (of employers and/or RTOs) and/or facilitating connections between the two parties’.

A further suggestion put forward by Bowman and Callan was for RTOs to consider more outreach with employers and industry experts (2021, p.26). It was suggested that RTOs reach out to industry bodies and/or regional development organisations, or even lead this engagement themselves by connecting with employers directly (p.29).

# Further learnings

Productive partnerships are always evolving and ensuring continuous improvements. Participants in the case studies were invited to share their views on where improvements could be made to their partnership and to share learnings on the supports or initiatives that would help other RTOs and employers to establish and sustain effective partnerships.

While most partners indicated they were generally satisfied with how their partnership had developed and progressed, a participant from a large RTO considered that changes to administrative processes were required to assist commercial clients with a large number of enrolments.

The [RTO] could improve by having some better systems for our commercial customers. So our commercial customers are invoiced and they are enrolled in the same way as a mainstream student who might just walk in off the street. And, on the surface, that sounds like it would be OK. But the reality is that, from my opinion and experience, I think some of our [commercial] customers probably deserve a little bit of a higher level of attention around some of those finance and admin elements that make the process a little bit more seamless … there’s some admin and a few systems challenges, which I think potentially could be improved to better service the needs of our commercial customers.

(RTO business development manager in partnership with a large employer in the   
meat-processing industry)

Related to this, a government agency representative who participated in the key stakeholder survey in the first stage of this project also suggested that increasing the client-management skills of the RTO and trainer could help in supporting and improving RTO—employer partnerships. This could be achieved, they suggested, by developing a greater understanding of what a commercial partnership entails and the legalities associated with it.

Participants in a few case studies also raised learner support as an area for improvement. For example, in the partnership involving a large employer in the meat-processing industry, it was suggested that, in addition to the technical training required, offering other courses would have been beneficial:

For me, for example, like I said, I’ve done a little bit in the human resource department and when I got up there I sort of struggled a little bit with the computer system because my work is very much labour based, you know, notes, handwriting, numbers. So when I was using the computer I just I found like, ‘So how do I do this? How do I do that?’ I wouldn’t have minded if there was some sort of basic computer course or something like that. I don’t know … Obviously I picked it up, but I think that would be something good for all of us really.

(Supervisor with a large employer in the meat-processing industry)

In the case study involving a large employer in the disability care services sector, additional learning support was offered, such as literacy and numeracy courses and specific courses for Aboriginal and Torres Strait Islander peoples; however, the RTO recognised that there had been very little take-up of these courses by the employees:

because students who are working and are training through their work and whatever, sometimes it’s a little bit difficult [for them] to get to these supports [due to] competing obligations, needs and that sort of thing. But we’re constantly improving that.

(RTO portfolio manager in partnership with a large employer in the disability care services sector)

In both examples, being on site more frequently and talking directly with the employees about their needs would help to address that.

Somewhat related to learner support is the need to make training provision as flexible as possible to cater for employees who cannot go off site to undertake the training for various reasons or who need the chance to catch up with training missed due to work commitments.

I think that probably the main thing is just having the flexibility so that if we do have staff that we want to send for training [who] are, you know, maybe working a 70-hour fortnight and aren’t able to access day classes and things, having that flexibility that they can watch the video, a recording of the class and still get that same input when they aren’t able to be [physically] there.

(Operations manager with a large employer in the disability care services sector)

In terms of further improvements or advice to help other RTOs and employers to establish partnerships, the case studies provided some practical take-aways. For example, the program manager with a large employer in the primary health sector noted that a framework for RTOs working with Aboriginal and Torres Strait Islander communities, or other communities, would be useful:

You don’t know what you don’t know, so unless you’ve actually got this framework to start to work towards [getting] the answers you need to deliver the service in those communities, … the biggest risk is you work in [an example location], you deliver a program down there, it’s successful. So you pick that program up and go to [a different example location] and go, ‘I’m going to deliver this program in [the second location]’. You’re using the protocols of [the first location] to … a different community, different nuances, different histories, different ideations, different connections to land … So if there was a framework that RTOs could use when they’re working with Aboriginal communities or [other] communities [the framework could include questions such as] ‘What are the protocols? What are the values of that community? What are the systems and processes in that community? And then build back from there, which is that co-design sort of approach.

(Program manager with a large employer in the primary health sector)

Having a ‘no assumptions’ mindset was another important and practical take-away from the case studies. This refers to ensuring clarity around the roles, responsibilities and expectations of each partner. The program manager with a large employer in the primary health sector highlighted the importance of having a ‘no assumptions’ mindset from the outset of the partnerships:

Not just on paper, but in some sort of dialogue, you know, because I’ve no doubt over the years people have signed papers and not really understood what that meant … Really clear roles and responsibilities, expectations … and really clear clarity around who we’re delivering to and what’s the next steps, because sometimes that gets missed.

(Program manager with a large employer in the primary health sector)

I think really about creating that open relationship between both parties, understanding what the organisation needs from the partnership, but it’s also what the [RTO] needs from the partnership. So that it’s a very clear playing field and everyone can know what is expected, what they can deliver.

(Operations manager with a large employer in the disability care services sector)

Deepening relationships with current employer partners was highlighted by one participant as an objective RTOs need to focus on.

I mean, you’ve got to think about the relationship, rather than trying to sort of, you know, go out and get new business every day, why not try and get yourself a reputation? Get yourself a foothold with an employer or a particular industry sector, or whatever it might be. Rather than have to try and go out and drum up new business all the time, look after the customers that you’ve got because my experience has been like, you know, RTOs, they’re just looking for the next deal rather than trying to sort of foster and grow and develop [the current partnership]. OK, it may not happen immediately after this course is finished, but maintain the relationship, keep them, keep the communication going. You know, if you’ve done a good job once why wouldn’t you get another opportunity to do the second job?

(Trainer—assessor in partnership with a large employer in the primary health sector)

The case studies demonstrate that there is a definite willingness on the part of both RTOs and employers to move beyond the simple transactional arrangement of delivering specific training, to truly building more longer-term partnerships, which lead to benefits for all involved. To provide a most apt ending, we share the following piece of advice that sums up the key elements of an effective RTO—employer partnership: ensuring quality training and service delivery; being customer-focused; working together; and having a trusted relationship:

I actually think, more than anything, it’s about building a trusted relationship. I really do. I think that if you can be there to listen and then to act promptly and accordingly, and then more than anything, deliver on what they’re needing in terms of training, that’s the basis of a very, very good industry—RTO, employer—RTO relationship … it’s just that trusted relationship, [which] if you work with that customer for long enough, or industry or the business for long enough, and you keep going back to them and offering your support and your help, then they know, they get to a stage pretty quickly, that they can just come to you and they keep coming to you. And as I said before, even more importantly, is that through that you’ve got the trusted relationship, but then you actually can deliver quality training as well. That’s it, it’s pretty simple.

(RTO business development manager in partnership with a large employer in the   
meat processing industry)

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# Appendix

## Questions for Project Advisory Committee members

* What constitutes an effective RTO—employer partnership?
* What qualities are embedded into the partnership that make it an effective one and enable it to deliver sound outputs?
* What other outputs, in addition to employee training needs being met, do you see as indicative of an effective RTO—employer partnership.

## Survey questions

The online survey sent to representatives from relevant bodies contained the following questions:

* Which one of the following categories best describes your organisation? (choices were: public provider, private provider, professional association, peak training body, peak industry body, government agency, other)
* What is your job role?
* How would you describe an RTO—employer partnership?
* What qualities do you think RTOs look for in the partnership?
* What qualities do you think employers look for in the partnership?
* What drives or motivates RTOs and employers to partner?
* What are the benefits for RTOs in an RTO—employer partnership?
* What are the benefits for employers in an RTO—employer partnership?
* What are the challenges for RTOs in an RTO—employer partnership?
* What are the challenges for employers in an RTO—employer partnership?
* How do we know whether an RTO—employer partnership is successful or not? What criteria can be used to determine success?
* How can RTO—employer partnerships be better supported?
* How can RTO—employer partnerships be improved? Who would be responsible for the improvement?
* Do you have any examples of current partnerships that we could look into?

## Summary of insights from key stakeholders

A summary of the responses provided by the Project Advisory Committee members in the initial consultations, along with the key stakeholders who responded to the survey, is provided in the tables below.

Table A1 Summary of feedback from Project Advisory Committee members

|  |  |
| --- | --- |
| Benefits and drivers of partnerships | Tailored training that meets specific needs and demonstrates understanding of market gaps and trends |
| Business development on both sides |
| Learner-centric |
| Quality control |
| RTO helps employer to navigate VET; employer helps RTO to stay industry-current |
| Challenges | Unrealistic cost and/or goals |
| Communication issues |
| Project management issues |
| Effective partnership qualities | Consultative, transparent communication with formal agreements, clear feedback channels and progress updates |
| Workplace-based training |
| Contextually focused |
| Learner-centric |
| Mutual motivations and aligned values |
| Strategic view |
| Innovative |
| Realistic costs and outcomes for both parties |
| Responsive project management, where both parties are open to adjusting as the partnership moves along |

Table A2 Summary of survey responses from key stakeholders

|  |  |
| --- | --- |
| What qualities do you think RTOs look for in the partnership? | Genuine interest in forming a partnership/commitment to training: |
| ‘Trusted partner with genuine desire to co-create, co-design and co-contribute.’ |
| ‘Commitment to training and support-on-job.’ |
| ‘Responsive employers who are willing to provide genuine experiences and on-the-job supervision, reach out to the RTO regularly and have a genuine working relationship with RTO staff.’ |
|  |
| Business development, on both sides: |
| ‘RTOs look for numbers of potential trainees that will make the partnership worthwhile financially.’ |
| ‘They also look for partnerships that play to their areas of expertise.’ |
| ‘Well resourced, opportunity to lift profile and gain experience of industry.’ |
| ‘Employer that understands their business and skill needs and is willing to work with the RTO to develop and maintain the partnership.’ |
| What qualities do you think employers look for in the partnership? | Flexibility, innovative, quality training, responsiveness/meeting their needs: |
| ‘Flexibility to respond to complex and changing nature of industry and skills development in the community. Innovation, good planning, good management, accountability and transparency in decision-making, financially viable and most of all – something that will achieve the intended outcome/goal.’ |
| ‘Responsiveness, quality and flexibility.’ |
| ‘Genuine client service, knowledgeable, experienced in innovation and problem-solving, and professional project management.’ |
| ‘Employers look for a partnership that will assist them to navigate the complexity of VET and to identify solutions (VET programs and products) that will meet their workforce skills and talent attraction needs.’ |
| ‘Employers look for an RTO that has the technical capability to meet their needs. They also look for training solutions that are cost-effective and that suit their operational requirements.’ |
|  |
| Trust, knowing the job/industry: |
| ‘Trusted advice on skills strategies for workers and new technologies.’ |
| ‘Consistency, trust, understanding of job.’ |
|  |  |
| What are the benefits for RTOs in RTO–employer partnership? | Building their reputation, developing their own workforce, industry linkages, financial benefits: |
| ‘RTOs are able to meet the skilling needs of local industry, their reputation becomes known for being flexible, transparent or responsive to industry skill needs – benefit to bring in more business.’ |
| ‘Improved reputation, which in turn will lead to more numbers of people in training. A successful partnership can also provide PD opportunities for their trainers, through gaining insights into new technologies and contemporary ways of working.’ |
| ‘An RTO benefits from building the employer as a committed client – leading to repeat business and the advantage of a positive reputation with the employer who would typically endorse the RTO as a business partner.’ |
| ‘Financial; build current workforce knowledge and competency; employment outcomes for their learners.’ |
| ‘Financial, opportunity to work with active, motivated employers usually in a live workplace.’ |
| ‘Student numbers but also a sense of skills demand, especially new skills.’ |
| ‘Innovation; workplace learning; meeting client needs.’ |
| ‘Industry link – collaboration.’ |
| What are the benefits for employers in RTO–employer partnership? | Tailored/bespoke training, workforce development needs met: |
| ‘Bespoke solutions that allow employers to get what they need for lifting the skills of their workforce.’ |
| ‘Not relying on the national VET process or having qualifications that are not fit for purpose for the enterprise. Ability to tailor training solutions to meet the needs, removing the ‘padding’ that comes with some qualifications. Paying for what is needed.’ |
| ‘A good partnership with an RTO can lead to the RTO being a source of future skilled workers. It also means they can have confidence the RTO will provide training in a way that suits the employer.’ |
| ‘Employers have a partner they can rely on to help them manage their workforce/workforce development needs. There may be an added incentive of the funding attached to some of the VET programs but in the longer-term this is not the primary motivation – especially in today’s market when there is SO much competition for staff.’ |
| ‘Upskilling staff = productivity and growth; supportive environment to improve training, not needing to rely on in-house [trainers]; licensing outcomes; tailored training = quicker impacts on profit/productivity.’ |
| ‘Education training design.’ |
| ‘New skills.’ |
| What are the challenges for RTOs in RTO–employer partnerships?  Summary of common challenges | Financial/funding considerations: |
| ‘Funding – who is going to pay is the main challenge and one of the key reasons why they fail. Who pays for the development of resources and is there funding for the bespoke, innovative training solutions. Requires time and commitment from both parties. Internal coordination is needed; hence, a project management approach can help.’ |
| ‘Financial commitment – RTO needs certain numbers to be viable while employers may not be able to supply.’ |
| ‘Partnerships may not be financially viable due to the small number of students or the need to create bespoke products to meet a particular niche industry. This can be challenging for the RTO to identify suitable lecturing and assessing staff to meet the skill need. For regional RTOs the problems are even more acute.’ |
|  |
| Meeting the needs of employers: |
| ‘Structure of VET: employer wants training not to interrupt money-making operations, but RTOs operate within largely traditional business hours. Employer wants specificity and tailoring, but RTO must comply with legislation to ensure the learner gets nationally accredited training for their life outcomes. Mixed communication due to each side not understanding the other. Sometimes employers are entitled and aggressive (particularly apprenticeships).’ |
| ‘Each employer will want something slightly different to others. It might be skills that are slightly different or a delivery method that is different. Being able to accommodate this can be a challenge in terms of staffing and timetabling.’ |
| ‘Meeting expectations in terms of flexibility and responsiveness.’ |
| What are the challenges for employers in RTO–employer partnerships?  Summary of common challenges | Training not meeting/not able to meet employer needs: |
| ‘Dealing with RTOs who are not prepared to provide bespoke/contextualised VET training options. Unfortunately, low-quality RTOs tend to just market their standard VET offerings (especially the ones that come with an incentive) whether or not the employer needs the related skills. As such, the employer ends up with a product that does not match their skill needs.’ |
| ‘Poor communication (biggest complaint). Training doesn’t match what my business needs. Unnecessary training done – don’t want to pay (in time and money) for a full qual.  RTOs are structured like schools not like businesses, so seem to expect that we fit into how they deliver. RTOs don’t support when the learner is struggling.’ |
| ‘Finding an RTO that is willing to offer something out of the ordinary or even consider it is very challenging, unless it is a large employer that can talk about big numbers. The smaller the company, the more challenging it is.’ |
|  |
| Cost; being able to release staff to do the training; capability of staff to support the training: |
| ‘Limited financial contribution, releasing staff to train and in sufficient number.’ |
| ‘Finding time to really contribute. Capable mentors in the workplace is also a significant limitation where there is workplace learning, which is generally the case in successful employer–RTO partnerships.’ |
| ‘Flexibility and cost involved in dealing directly with RTO for a bespoke or tailored training solution.’ |
| ‘Cost, capability of RTO to meet expectations.’ |
| How can RTO–employer partnerships be better supported? | Different funding arrangements; flexible approach to training; good practice examples: |
| ‘A funding pool for innovation; flexible training packages that are not prescriptive and can be tailored more easily.’ |
| ‘Funding mechanisms that allow for development and delivery of training outside of the ordinary. Successful case studies are always useful to look at.’ |
| ‘More flexible employment arrangements.’ |
| ‘Sharing of good practice.’ |
|  |
| Centralised resources to foster and support partnerships: |
| ‘In NSW, DoE has a team that supports these partnerships via screening (of employers and/or RTOs) and/or facilitating connections between the two parties.’ |
| ‘For smaller RTOs or smaller employer groups there may be benefit in having a centralised approach to partnerships where resources (template agreements) or expertise is available to help navigate the legal and other considerations of setting up a partnership.’ |
|  |
| Increasing client-management skills of RTOs; supporting RTOs/better regulation: |
| ‘Increased client-management skills by RTO and trainer – understanding what that means, how it can be funded if it is a commercial agreement. Clear understanding that government-subsidised training is not an entitlement and requires both sides to contribute to get the best result.’ |
| ‘Advice tools and better regulation of providers to try to take the profit motive out of the equation.’ |

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1. As at end of June 2022, SMEs accounted for 39.5% of Australian businesses (37.2% of total businesses classified as micro or small; 2.3% classified as medium; ABS 2022). [↑](#footnote-ref-2)
2. For example, consideration of past winners of state/territory training awards relating to industry collaboration. [↑](#footnote-ref-3)
3. Recent examples of the larger targeted programs include Western Australia’s [Rio Tinto Industry Resource Collaboration](https://www.southmetrotafe.wa.edu.au/rio-tinto-resource-industry-collaboration) between the WA Government, South Metropolitan TAFE and Rio Tinto, which provided $2 million towards a VET—industry alliance to develop Australia’s first nationally accredited automation qualifications; and [Victoria’s Clean Economy Workforce Capability Building Fund](https://www.premier.vic.gov.au/supporting-victorians-train-retrain-and-find-opportunity) (2021— ), a $6 million fund, which allocated grants for collaborations between industry and training providers to deliver innovation in clean economy training and workforce development. Examples of the more open programs for smaller partnership ventures include Tasmania’s [Train Now Fund](https://www.skills.tas.gov.au/funding/other_programs/tiles/train_now_fund), which aimed to deliver subsidised training and workforce development activities for businesses impacted by the COVID-19 pandemic. It specifically targeted training for existing workers, including sole traders, who are still employed and had capacity to train during the COVID-19 pandemic. [↑](#footnote-ref-4)
4. For TAFE—industry partnership profiles see ‘Industry Partnerships’ on the [TAFE Directors Australia website](https://tda.edu.au/industry-partnerships/). [↑](#footnote-ref-5)
5. Recent feedback from survey consultations carried out for Commonwealth Skills Reform was also considered. [↑](#footnote-ref-6)
6. See, for example, HSSO’s (nd) website [*Building a skilled workforce — a guide to VET for human service employers*](https://vetguide.hsso.org.au/), in particular: ‘Building effective relationships with training providers’, ‘Finding the right training providers’ and ‘Tools and templates’. [↑](#footnote-ref-7)