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Regional Australia is characterised by clusters of high- and low-growth regions which are becoming more apparent and more entrenched.

While there has been debate over what features of regions have the greatest impact on economic growth, recent research shows that the level of human capital is crucial.

- The vocational education and training (VET) sector may be ideally placed to facilitate regional growth because of its highly regionalised presence and its business of creating human capital through education and training.
- The VET sector can do this by facilitating greater local engagement through the formation of partnerships of expertise and interest between institutions, businesses and individuals.
- Partnerships offer practical and creative solutions to local needs and problems. They can be particularly useful in addressing cross-sectoral problems that are often too challenging for any single organisation.
- VET providers can partner with other organisations, including adult and community education (ACE) providers, business and industry, schools and local government.
- However, the process of working together is complex and challenging.
- Attributes which enable a successful partnership include shared goals, trust and sustainability. Partnerships do not necessarily need to have all of these features, but the more they have, the better the partnership seems to work.
- Many barriers to partnership success represent the opposite of the enabler characteristics. In addition, some specific barriers can be particularly detrimental; for example, problems related to economies of scale, traditional command-and-control management approaches and a lack of realistic funding of reasonable duration.
- Key indicators have been developed which can be used to evaluate the contribution of VET to partnerships. These include: types of partnerships and creative associations; sharing of resources; creation and development of new learning infrastructures or environments; development of different types of learning pathways; and evidence of leadership capacity-building.
- However, even if the VET sector is participating effectively in regional partnerships, this does not necessarily equate to regional development.
- That said, it is important to be able to measure the performance of the sector in regional development. Ways to do this include collecting information on: skills development and transfer in the local community; enterprise development and support; supply chain connections; the mobilisation of social and other forms of capital; civic engagement; and innovation and creativity.

at a glance

**Regional Australia is characterised by clusters of high- and low-growth regions which are becoming more apparent and more entrenched**

Regional Australia is a mix of metropolitan, outer-metropolitan, rural and remote regions. Over the last two decades fewer regions have become high-growth centres, while more regions have become areas of low growth. Economic growth has favoured knowledge-intensive industries and occupations which are clustered in metropolitan regions. Key metropolitan regions, like Sydney, have benefited from

national growth and have widened the geographic spread of their growth, becoming even larger. Non-metropolitan regions have generally had declining growth, although there are some exceptions, such as Orange and Cairns. These differences mean that where people live impacts on the diversity of job opportunities in relation to industry, occupation and skills. This can affect levels of labour market participation and engagement.

**While there has been debate over what features of regions have the greatest impact on economic growth, recent research shows that the level of human capital is crucial**

Human capital—the knowledge and skills derived from education, training and experience—may leak to other regions or be left under-used if it is not harnessed and directed towards local need. For example, young people seeking opportunities elsewhere may move out of a region; others may be left unemployed. Creating human capital equips people with the ability to come up with practical solutions to problems

and to pursue opportunities in their communities. Garlick, Taylor and Plummer distinguish between creative and enterprising human capital. ‘Enterprising human capital’ goes beyond generating a good idea or having high-quality skills and embraces the knowledge required to ensure outcomes are achieved. Enterprising outcomes in a region may include social, cultural, environmental or business-oriented outcomes.

**The VET sector may be ideally placed to facilitate regional growth because of its highly regionalised presence and its business of creating human capital through education and training**

People participate in VET across the diversity of regions in Australia. The rate of participation tends to be higher in more remote areas (table 1) where VET may be the only site of post-compulsory education and training. This level of availability and the degree to which VET is integrated into the local economy suggest that VET can play a significant role in regional growth. The link between the VET sector and regional growth was highlighted in Objective 3 of the

Australian National Strategy for VET, 2004–2010, which states that ‘Communities and regions will be strengthened economically and socially through learning and employment’. This link has been reinforced by the national reform agenda of the Council of Australian Governments (COAG), which emphasises the importance of a healthy, skilled and motivated population to maintain Australia’s living standards.

**Table 1** VET students by type of region, 2006

	Population <sup>(a)</sup> (000s)	VET students <sup>(b)</sup> (000s)	Participation rate (%)
Major cities	13 164.1	906.5	6.9
Inner regional	4 110.0	383.1	9.3
Outer regional	2 064.9	252.8	12.2
Remote	337.5	46.5	13.8
Very remote	178.7	33.5	18.7

Notes: (a) Derived using the proportion of population in each type of region as of 2001 (ABS 2001) and the total population estimate for 2006 (ABS 2006). This assumes that proportions of people living in each type of region have not changed dramatically between 2001 and 2006.  
(b) Source: NCVET (2007)

Garlick, Taylor and Plummer argue that the VET sector could contribute further by developing enterprising skills, knowledge and culture to help ensure that regional human capital is used to its full potential. Broadening the scope of VET to beyond a purely educative role may be required to maximise VET’s impact on regional

development. Other possible roles for VET are: involvement in enterprise development; value-adding to local industry; mobilising social and other forms of capital; civic engagement; and contributing to access, use and development of technology.

## Different forms of capital:

### HUMAN CAPITAL

The knowledge and skills derived from education, training and experience

### SOCIAL CAPITAL

The networks, together with shared values and understandings which promote and assist cooperation within or between groups of people

### PHYSICAL/BUILT CAPITAL

Infrastructure, for example, buildings and equipment

## The VET sector can do this by facilitating greater local engagement through the formation of partnerships of expertise and interest between institutions, businesses and individuals

Partnerships are formed when two or more people or organisations come together in a formal or informal arrangement to work cooperatively, on either a short- or long- term basis, to achieve common goals. The structure of a partnership may be quite simple, although Seddon et al. argue that 'partnerships are open-ended systems that link up individuals and organisational units, rather than being closed entities with a finite and definable membership'. It can be difficult to identify the boundaries of a partnership. In any case, partnerships operate through individuals who bring together the various agencies.

The reasons for partnership formation are varied. They include:

- to develop the ability to deliver coordinated packages of services to individuals or organisations

- to tackle local community or regional issues across a number of different sectors, for example, health, housing, social services and education
- to minimise the impact of fragmented local service delivery and rigid bureaucracy, often resulting from shifts in local and national agendas.

In VET partnerships, participants come together to promote vocational education and training at the community, regional and sometimes national levels. The VET partner may be one of the principals or act as the broker for mutual cooperation between other parties. For example, it may broker VET in Schools programs between schools and industry, or may deliver training to a cluster of businesses.

## The development of partnerships offers practical and creative methods to address local needs and problems. They can be particularly useful in addressing cross-sectoral problems that are often too challenging for any single organisation

Successful partnerships involve both the people and institutions with the necessary knowledge and skills for identifying and responding to local and regional concerns. Partnerships may be more able to tackle complex problems and issues, particularly those that cut across sectors. The role of partnerships in engaging communities with government and non-government organisations in solving local problems increases the probability that outcomes are aligned to those desired by the community.

Through trust and shared values, partnerships are able to build social

capital—networks, relationships, and levels of trust among community members—which has been described as 'the glue which holds communities together'. Building social capital can improve the efficiency of society by aiding coordinated action. Partnerships can generate a culture that is supportive of knowledge sharing and learning among partners, and which can be used to generate ideas and innovations. These abilities, and the increased social capital in the region, can allow communities to tackle complex issues and adapt to change.

## Partnerships can form in one of three ways:

### ENACTED PARTNERSHIPS

Which are initiated by external agencies, but whose goals are of relevance to or are shared by the community

### COMMUNITY PARTNERSHIPS

Which originate in the community to address local concerns, but work with external agencies to secure adequate resources and support for dealing with identified problems and issues

### NEGOTIATED PARTNERSHIPS

Which are formed between partners with reciprocal goals to secure a service or support, and require negotiation between various interests and agendas

## VET providers can partner with various other organisations including ACE providers ...

### ...business/industry

Partnerships between ACE and VET providers can promote vocational learning, broaden community capacity and increase lifelong learning skills within a community. Guenther et al. argue that effective partnerships between ACE and VET providers, where a mix of formal and have different reasons for partnering. The three major drivers for the providers are the opportunity to:

- generate additional revenue
- provide staff with stronger links to industry
- build additional capabilities in their staff.

On the other hand, the three major drivers for industry and employers are:

informal learning is on offer; can result in a broad range of additional socioeconomic benefits, including health, social, educational, leisure and wealth outcomes.

Partners in VET–industry partnerships often

- the enhanced capacity to focus on core business
- the ability to deal with skills shortages
- possible access to funds for specific training (for example, state government packages).

A major outcome of these partnerships is that they offer the capacity to maximise labour supply through an understanding of and subsequent response to industry needs and skills shortages.

### ...schools

Partnerships between VET and schools have been shown to provide numerous benefits. These include: schools being able to retain young people; students having positive experiences in workplaces; socially and economically disadvantaged students being

exposed to networks and opportunities previously unavailable to them; industry and business gaining skilled employees; and the retention of young people in the community, who invest in the local economy.

### ...and local government

Local governments are well positioned to identify local industry and community needs. Partnerships initiated by local government are usually in direct response to identified local issues. VET providers can benefit

in these partnerships by drawing on the networks, knowledge and vision for the economic and community directions of the region held by the local government.

## Strengthening a rural community through partnerships: The Gwydir Learning Region

The Gwydir Learning Region is a partnership between local government, education, business and community stakeholders in the Gwydir Shire, a rural area of New South Wales. The partnership was developed in 2000 in response to the relatively poor educational and economic circumstances of the residents of the Gwydir Shire area.

The overarching aim of the partnership is to tailor an individual learning experience to any member of the community who has a particular desire to learn. This is based on the belief that learning is a way to improve the social environment and life chances of individuals in the community.

There are key concepts that underpin the Gwydir Learning Region. These include:

- *personalised learning*: encourages the provision of targeted attention for each student

- *the development of sustainable rural communities*: based on identifying opportunities in the region, despite challenges, and a belief that communities can have a positive influence on their own futures
- *collective creativity*: helps to identify local employment training needs and match skills training to those needs.

The Gwydir Learning Region is managed by a coordinating committee of the Gwydir Shire Council chaired by the Mayor. However, the committee has no delegated power, and the collaborative structure of the partnership is built on the trust, passion and goodwill of the stakeholders.

Numerous advantages of the partnership have been identified in an independent review of the Gwydir Learning Region.

These include benefits to the individual.

- Current users are very positive about their experiences and describe a range of social and economic benefits.
- There are many examples of past participants who have been set on the path to working or establishing local businesses.

Benefits to the community include:

- higher levels of engagement in both VET and ACE compared with the rest of the state
- high levels of employment and further study after completion of Year 12.

Collaboration between education providers, council, employers and the local community provides a partnership model which could be adopted in other rural areas.

**However, the process of working together is complex and challenging**

The actual process of partners working together has been termed 'partnership work'. Partnership work is complex and multi-layered and involves overcoming both interpersonal and organisational challenges. Partnerships require the players to collaborate in achieving common goals.

Five principles have been identified as underpinning the initial development of effective partnership work.

- Building shared purposes and goals involves identifying the partners' interests and concerns and developing a framework for collectively realising goals.
- Building relations with partners involves building trust and commitment, encouraging participation, and developing inclusive and respectful processes.
- Building capacities for partnership work involves engaging partners in the collective

work of the partnership by developing the infrastructure and resources needed to achieve goals.

- Building partnership governance and leadership involves formulating and adopting consistent, transparent and workable guidelines and procedures for the partnership work and practice of leadership.

- Building trust and trustworthiness involves establishing processes that engage and inform partners, and which encourage cooperation and collaboration.

Similar principles are required to sustain effective partnership work over time and through changing circumstances. Maintaining shared purpose and goals, relations with partners, capacities for partnership work, partnership governance and leadership, and trust and trustworthiness are important for partnership sustainability.

**Attributes which enable a successful partnership include shared goals, trust and sustainability. Partnerships do not necessarily need to have all of these features, but the more they have, the better the partnership seems to work**

While not an exhaustive list, important features of successful partnerships include:

- working together with different values
- goals/shared purpose
- leadership/stewardship
- sustainability
- recognition of effort
- trust and trustworthiness
- policy and funding orientation
- innovation
- passion and vision with strategic planning
- enabling management.

Suitable styles of management and leadership are particularly important, and can influence many other partnership features. Leaders who are embedded in the partnership, who are passionate and committed to taking ideas beyond the initial stages and who can manage the interface between the various partners, are integral to the success and sustainability of partnerships. However, it is important to note that good people acting in these roles is not enough. Realistic funding and objectives that meet local community need are also necessary.

**Many barriers to partnership success represent the opposite of the enabler characteristics. In addition, some specific barriers can be particularly detrimental; for example, problems related to economies of scale ...**

Non-metropolitan regions in particular can face barriers resulting from smaller populations and reduced numbers of staff in partner organisations. These people still need to cover the full range of leadership and specialist roles in partnerships and this may rely on high levels of personal goodwill and commitment.

**... traditional command-and-control management or leadership approaches**

Leadership in partnerships relies on the ability to work through a network, rather than through a single organisation. Traditional command approaches are unlikely to work well, particularly if compounded by a lack of

understanding of the different cultures of the various partners. Management by generalised committees with no stake in the partnership can also pose a barrier to partnership success.

## ...and lack of realistic funding of reasonable duration

Funding arrangements must match the purpose of a partnership. One-off funding may be appropriate for short-term initiatives or for establishing a partnership that will eventually be self-funded. Funding not matched adequately to partnership purpose, such as reliance on repeatedly applying for short-term funding for a long-term partnership, can lead to problems like employment insecurity and difficulties in attracting suitable staff. Reliance on goodwill instead of adequate funding can lead to

burnout. In their study on school–VET partnerships, Stokes, Stacey and Lake found that these partnerships often operated with uncertain funding and needed to rely on other factors to achieve success. The sustainability of these partnerships may be at risk. Long-term dependence on government funding has also been highlighted as a constraint to continuing development of partnerships, as was a lack of financial commitment from business.

### Barriers to successful partnerships include:

- overly possessive ownership
- ownership located in too few individuals
- divergence of purpose by key stakeholders
- misunderstandings over the obligations and roles of different partners
- lack of community ownership
- lack of involvement by and financial commitment from business stakeholders
- lack of trust between stakeholders
- inadequate knowledge and skill base in partner organisations
- duplication of services
- underutilised resources
- long-term dependence on government funding
- poor understanding of effective educational design and processes
- competing institutional demands
- lack of flexibility, including that due to institutional delivery/budget requirements
- lack of organisational cross-cultural understanding (for example, between schools and VET providers)
- difficulty in navigating through the myriad of funding sources and the means of applying for them
- lack of appropriate leadership/management
- presence of competition when collaborations would prove more productive

A report on VET–ACE partnerships found that those that fail tend to do so in the first two years. This suggests that it is important to incorporate the enablers of success and to address potential barriers early in the development of a partnership. It also

demonstrates the importance of evaluating progress including, from the inception of a project, the role and cost of establishing and maintaining partnerships. This requires having clear goals and benchmarks against which to measure achievements.

## Key indicators have been developed which can be used to evaluate the contribution of VET to partnerships.

### These include:

- **TYPES OF PARTNERSHIPS AND CREATIVE ASSOCIATIONS**  
This indicator involves assessing the types of formal and informal agreements in place, types of partners, as well as issues of co-location.
- **SHARING OF RESOURCES**  
It is important to identify the ways in which VET providers and their partners have shared resources, such as facilities, markets and people, to deliver services. Successful partnerships are creative, particularly in smaller regional centres, in the ways they use available resources.
- **CREATION AND DEVELOPMENT OF NEW LEARNING INFRASTRUCTURES/ ENVIRONMENTS**  
By tapping into a range of resources and markets, it is possible for partnerships to create and develop new learning infrastructures and learning environments that enable a wider proportion of the community to engage in learning activities. Increased participation might be due to the introduction of different modes of delivery and more flexible access.
- **DEVELOPMENT OF DIFFERENT TYPES OF LEARNING PATHWAYS**  
More holistic approaches to training services and the development of innovative learning pathways, for example, between training and apprenticeships, are indicators of effective regional partnerships. These are especially important to young school leavers who might otherwise be tempted to leave the region.

- **EVIDENCE OF LEADERSHIP CAPACITY-BUILDING**

Recent research has suggested that, in many cases, partnerships are not initiated or led by VET institutions and are mostly driven by industry and the local community. However, it is important to have leaders embedded in

each of the participating organisations. Allison, Gorrington and Lacey suggest that the role of leadership programs and the parallel nurturing of leadership skills in the VET sector are important for enabling those in the VET sector to take on these roles.

**However, the participation of the VET sector in regional partnerships does not necessarily equate to participation in regional development**

Although recent research has described many examples of VET partnerships in regional Australia, the VET sector and VET partnerships are often not full participants in regional development plans and strategies. In their study of 12 regions, Allison, Gorrington and Lacey reported that much of the activity was sectoral and local, and that levels of regional engagement and the need to consider a regional scale were not very evident. This finding is supported by Kearns, Bowman and Garlick, who found a substantial number of VET partnerships in the five regions they investigated; however, most of them were bilateral or single sector.

These partnerships tended to be ad hoc initiatives, or strategic and highly focused on a single issue. There was little evidence of any overarching whole-of-region, whole-of-VET human capital development frameworks which connected VET with sustainable regional development.

Kearns, Bowman and Garlick argue that, for the VET sector to have a significant impact on regional development, it needs to become intertwined with local community and regional development plans, thus enabling a more dynamic two-way interaction between VET and regional development.

**That said, it is important to be able to measure the performance of the VET sector in regional development. Ways to do this include collecting information on:**

- **SKILLS DEVELOPMENT AND TRANSFER IN THE LOCAL COMMUNITY**

This entails identifying and mapping the ways in which VET contributes to learning and education within the region. A common VET partnership model for this is collaboration with an industry partner so that trainees have access to industry equipment and systems.

the generation of social capital should lead to an increase in other forms of capital, including physical or built, environmental and cultural capital. This indicator involves making an assessment of how VET has mobilised these different forms of capital.

- **ENTERPRISE DEVELOPMENT AND SUPPORT**

This information seeks to identify how VET and VET partnerships support the growth of business in the local economy, and sets out to measure the level of understanding of, and engagement with, the landscape and its opportunities. Engagement of VET with small and medium business is often limited and this indicator would highlight this in an evaluation.

- **CIVIC ENGAGEMENT**

The transference of social capital into civic engagement and community development is the basis of this indicator. Examples include VET involvement in working parties, committees and leadership roles in the community. Commitment to community development is often driven by particular individuals, which again highlights the importance of having passionate individuals involved in partnerships.

- **SUPPLY CHAIN CONNECTIONS**

This indicator seeks to measure the ways in which the VET sector is aware of, contributes to, and adds value to local industry supply chains.

- **INNOVATION AND CREATIVITY**

Regional development depends on the adaptability and innovation of the community. The VET sector also needs to be innovative in its response to community learning needs. This indicator involves looking at how VET has been creative in developing delivery mechanisms, specific curricula and learning environments tailored to community need.

- **THE MOBILISATION OF SOCIAL AND OTHER FORMS OF CAPITAL**

Through training and enabling people to engage with others, VET and VET partnerships play a critical role in building the social capital of a region. In effective regional development,

## Conclusion

Partnerships between institutions, businesses and the community are powerful tools that can be used to facilitate regional economic growth. However, working together is not easy, and effort needs to be put into

developing the relationships between stakeholders. Studies have shown that there are certain enablers and barriers to success, and these lessons can be used to help develop new regional partnerships.

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*An at a glance* is a synthesis of research focused on a particular topic of interest, drawing on information from various sources.

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