

Logistics Industry Reference Council pilot

Establishing an industry-led model for vocational education and training



Our pilot project is a journey, purposely designed to evolve given its mandate of establishing an **industry-led approach to skills development for the Vietnamese logistics industry** - one which has no formal training culture and faces a projected shortage of 250,000 skilled workers by 2030¹.

We've **drawn upon the best elements of Australia's current approach to industry-led skills development** but have not sought to transplant the model in its entirety. Australia's approach works well because it works within a system where industry already has a formal training culture, there is strong regulation and a robust quality framework. Such elements are in their infancy in Vietnam, so our model focusses on strong industry leadership, outcomes focussed collaboration and capability building.

The **Logistics Industry Reference Council (LIRC)** is central to the pilot. It brings together the key players of the Vietnamese logistics industry and serves as a formal mechanism through which industry can articulate and codify its skill needs into Occupational Standards. The pilot LIRC is now 12 months in existence and chaired by industry. Its success and industry's commitment are evidenced by active participation of global entities such as Toll Group, and Linfox, major players in Vietnam, such as Gemadept, SNP and Transimex, and the peak industry body, the Vietnamese Logistics Business Association. Vietnam Chamber of Commerce and Industry in Ho Chi Minh City provides the technical support and coordination for the operation of the LIRC

Delivery of **high-quality training against the Occupational Standards is only possible by building the capability of the local Vietnamese colleges** to train and assess against those standards, so industry has chosen to closely work with them to build their skills.

A number are members of the LIRC and a key activity of the pilot is the delivery of intensive professional development.

Strategically, **the pilot's outcomes will confer major benefits** on both economies:

- For the Vietnamese economy, a more productive workforce will underpin the Government's goal of **reducing the cost of logistics** from the equivalent of over 20% of GDP (developed economies range between 9-14% of GDP)
- Building a highly skilled logistics workforce in Vietnam will deliver **strong economic returns** and efficiencies to those Australian companies for whom the country is an integral part of their supply chain. In 2016-17 Vietnam was Australia's 15th largest trading partner
- On an environmental front, greater skills will create significant efficiencies on the road, at sea and in the air, and **reduce the carbon footprint right along the supply chain** with less emissions, less depletion of natural resources and less congestion.
- The pilot's approach directly **responds to two distinct goals of the Vietnamese Government's Action Plan² for Logistics**:
 - *'Formulate the national occupational standard and qualifications framework in logistics in harmony with ASEAN and international qualifications reference frameworks*
 - *Increase lecturers in logistics in terms of quantity and quality'*

¹ Vietnamese Logistics Business Association study

² Action Plan for Enhancing Competitiveness and Development of Logistics Services towards 2025 (Decision no. 200/QĐ-TTg on 14.02.17)

During 2017-2018, **industry's priority occupations** for Occupational Standards development are:

- Warehouse Operator
- Warehouse Supervisor
- Logistics Administration Officer
- Freight Forwarder
- Forklift Operator/Material Handling Operator

A further four occupations are being prioritised by the Council for 2018-2020, including the job roles of **Truck driver; Basic port stevedoring operations; Port stevedoring supervisor; and Customs clearance clerk** which by have the potential to dramatically improve domestic productivity and mitigate the many risks posed by heavy vehicles on Vietnam's roads.

The **key principles underpinning the pilot's approach to establishing an industry-led model** are that it should:

1. Build capability and collaboration. Not just product.

Experience in Australia tells us that a training culture cannot be mandated or imposed on an industry. Only by empowering industry to articulate the skills and knowledge it requires of its workforce and building the commensurate capability of the training system to deliver those outcomes, will ongoing demand be created, and a strong training culture be built.

2. Uphold high standards of technical excellence.

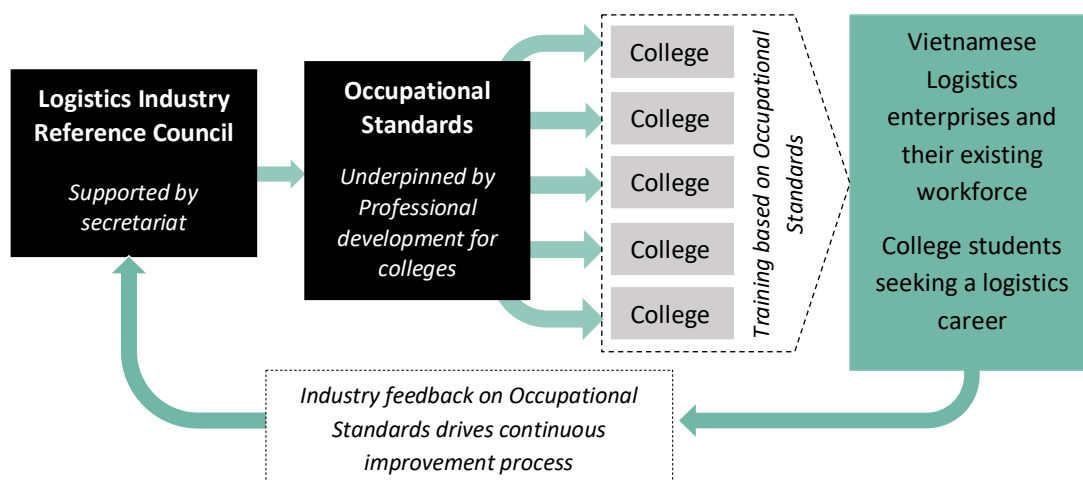
Specialist technical support for the pilot is through Australian Industry Standards, a highly-respected specialist, not-for-profit organisation which has been central to the development of high quality, contemporary occupational standards for over 25 years in Australia and more recently in the ASEAN region, throughout South America and the Indian Ocean Rim.

3. Be future focused.

Occupational standards are living documents. As a codification of the skills and knowledge they must be subject to continuous improvement to reflect technology change and evolving industry practice. The pilot will build capability in how to capture and analyse logistics industry intelligence to ensure occupational standards stay relevant and future focused.

4. Demonstrate a model that works for Vietnam.

Every industry is different in terms of its operating environment, its exposure to risk and regulation, how well organised and represented it is by peak bodies, how collegiate its players are and to what degree it engages in formal training. Establishing an adaptable and workable structure through which industry works together, recognises the evolving, journey-like approach necessary to build a training culture. Australia has been through this experience for approximately 30 years. The learning journey will be different for Vietnam and its logistics industry (and other industries).



The Council's Executive Board:

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Vice Chairpersons: Mrs. Nguyen Thi Ly, Rector, Thu Duc College of Technology

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