The research project, *Role of VET in Regional Australia*, sought to document the impact of vocational education and training on the social and economic wellbeing across seven of Australia’s regions. The aspect of the study reported in this paper is the dynamics surrounding partnerships and leadership across VET providers, clients, systems, organisations, communities and institutions. These dynamics produce social capital. The paper discusses how VET contributes in a number of ways, yet there is evidence that it can contribute much more effectively. Good quality partnerships and a new style of leadership I call ‘enabling leadership’ are shown to enhance both the quality and quantity of VET outcomes, and the inherent features of these partnerships are processes that are collaboratively and locally designed to meet local needs. These local ‘endogenous development’ processes arise in the context of the local/global tension. Strong social cohesion, trust and social capital underpin these successful VET outcomes. Vocational education, training and learning is a tool which regional citizens use in diverse situations for their diverse lifelong learning purposes.