



Australian Government
Productivity Commission

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Building a skilled and adaptable workforce

What we heard

Inquiry paper



December 2025

Acknowledgement of Country



The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

About us

The Productivity Commission (PC) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more information, visit the PC's website: www.pc.gov.au

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Introduction

In December 2024, the Australian Government tasked the Productivity Commission with undertaking five inquiries aimed at identifying priority reforms and developing practical, implementable recommendations to boost Australia's productivity growth.

As part of the terms of reference, the PC was asked to engage widely and consult appropriately, including by inviting public submissions.

For this inquiry into *Building a skilled and adaptable workforce*, we sought to understand ways to support all Australians to build core foundation skills and continue learning throughout their lives. In doing so, we aimed to better enable ongoing engagement in economic and social life and help meet the current and future skill needs of business and industry.

We focused on four priority reform areas:

- equitable access to the best teaching resources to improve school student outcomes
- enabling tertiary education pathways
- boosting work-related training to boost skills and adaptability
- fit-for-purpose occupational entry regulations.¹

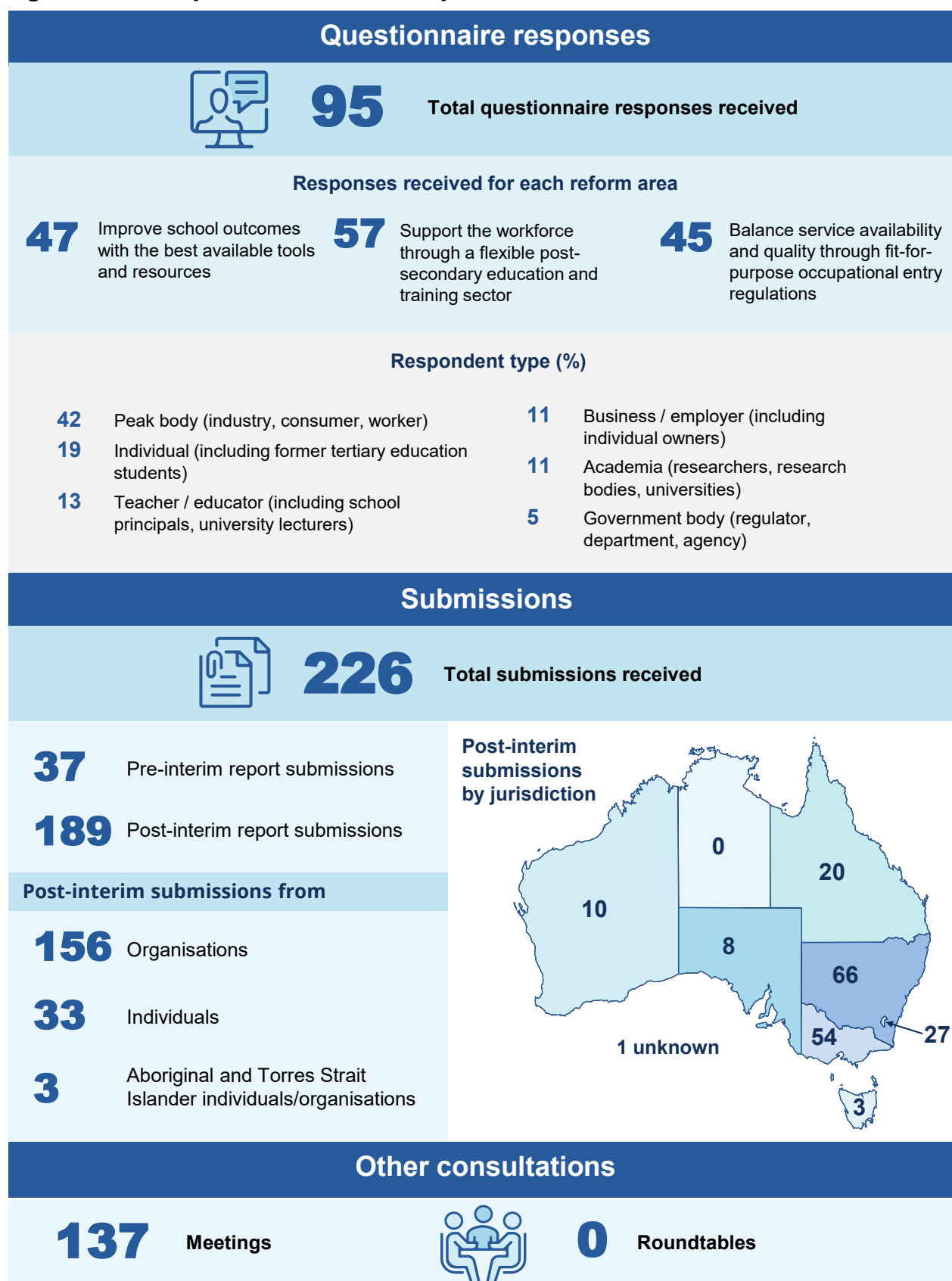
This 'what we heard' paper summarises the perspectives of participants who engaged with the inquiry through an online questionnaire and written submissions – a summary of key statistics from the consultation process is provided in the figure below. It seeks to reflect the written feedback received, organised by key themes across the reform areas explored in the inquiry.

All questionnaire responses and submissions were read and considered by staff. Artificial Intelligence (AI) tools and NVivo (a qualitative analysis software) were used in some cases to help identify themes and group perspectives from these responses. Staff reviewed all AI-generated outputs.

We thank participants and acknowledge the valuable contributions from the school education sector, the skills sector, including vocational education and training (VET) providers and the Jobs and Skills Councils, the higher education sector, including individual universities, and peaks, unions, industry associations, and government agencies.

¹ Our final report includes four priority reform areas, compared to three in the questionnaire and interim report. This change reflects a split of the original post-secondary education and training reform area into two distinct areas: tertiary education pathways and work-related training.

Figure 1 – Participation in consultation process



Due to rounding, the percentages listed against respondent type do not add to 100.

Equitable access to the best teaching resources to improve school student outcomes

The PC identified reforms that centred on diffusing best-practice innovations and pursuing national investments to ensure high-quality resources are available to all teachers. Reforms explored included a single national platform hosting a comprehensive bank of sequenced lesson-planning for teachers, and a national approach to educational technology (edtech) – including AI – that would enable the lessons learned by early adopting jurisdictions to be incorporated into future investments, spreading the benefits of edtech to all.

Several themes emerged during consultation with inquiry participants on these interim proposals.

Access to edtech, including AI tools

National leadership to improve equitable access to emerging edtech tools, including AI



Access to instructional materials

Equitable access to high-quality, sequenced instructional materials for teachers



National quality frameworks

The need for frameworks or standards to guide the use of instructional materials and edtech and inform teachers and schools



Supporting teachers with PD

Teachers need support through professional development (PD) and time to engage with it



Access to edtech, including AI tools

Throughout the inquiry, there was support for the Australian Government taking on a stronger role and providing national leadership to enable better access to edtech. However, many participants also emphasised the challenges of achieving this goal, due to the digital divide.

A national approach to edtech

Inquiry participants generally supported a nationally led effort to avoid duplication and improve access to emerging edtech and AI in schools.

The federal government should provide national leadership on EdTech and AI in schools, focusing efforts on:

- Exploration and innovation to identify the most productive uses for EdTech/AI to solve pressing problems in schools.
 - Funding trials of promising uses, to determine implementation requirements and efficacy.
 - Creating guidelines to mitigate the risks of harm from AI (especially in relation to assessments).
- (Grattan Institute, sub. 159, p. 11)

On a national approach to edtech

“A national quality assurance framework for educational technology would help vet tools against evidence-based learning outcomes and provide clear procurement pathways for schools. Building on models such as the NSW Online Learning Tools Panel, a curated marketplace of approved solutions could ensure both quality and equitable access, while empowering teachers and parents with trusted options. (Amazon, sub. 188, p. 12)”

“There remains considerable scope to scale responsible AI adoption nationally and ensure equitable access across all school systems. This will require national coordination and investment, teacher training and support, equitable access to enterprise-grade AI tools, and appropriate governance and standards. (Microsoft, sub. 208, pp. 7-8)”

“Equitable access requires affordable tools, access to quality internet and devices, culturally and linguistically appropriate content and guidance, digital skills, literacy, professional development, and wrap-around support to ensure teachers are aware of the available tools and can confidently and effectively integrate edtech and AI into their practices. (Chartered Accountants ANZ, sub. 203, p. 24)”

On addressing the digital divide

“Accessibility is a major challenge for Aboriginal and Torres Strait Islander communities ... Education technology and artificial intelligence also rely on internet access. Digital inclusion ensures that everyone can readily access the online information and services that they need. (National Aboriginal Community Controlled Health Organisation, sub. 189, p. 10)”

“Regional, remote and very remote areas of Australia, students from disadvantaged backgrounds and First Nations teachers and support staff already face inequitable access to the same technological resources as their metropolitan counterparts. Equity of access to new technologies is important to level the playing field across schools, social economic status, locations and diverse communities. (Independent Education Union of Australia, sub. 86, p. 6)”

“Digital inclusion is increasingly essential for equitable access to education, employment, and social engagement, among many other aspects of civic and economic participation. (Australian Digital Inclusion Alliance, sub. 58, p. 8)”

“ISA strongly supports equitable access to educational technology and artificial intelligence ... Reliable telecommunications and ICT infrastructure in regional and remote schools must be accessible and affordable, as it is critical to ensuring equitable access (Independent Schools Australia, sub. 225, p. 6)”

Greater coordination and collaboration can support equitable access

“A coordinated national approach is essential to ensure equitable access, avoid the costly duplication of effort currently underway in state-based AI tool development, and leverage the collective purchasing power of all jurisdictions. (Jason Lodge, sub. 78, p. 4)”

“A national approach is critical to coordinate acquisition, leverage the combined purchasing power of all states and territories, and ensure equitable access to the best AI-powered educational tools for all Australian students, preventing a digital divide. (Western Australian AI Hub, sub. 195, p. 13)”

“National leadership is required for collaborative engagement for edtech and AI in schools by industry and employers, sector unions, and governments working together with educationalists. (Future Skills Organisation, sub. 154, p. 6)”

Barriers to access

Many inquiry participants also raised the need to address concerns about potential barriers to equity of edtech access, including regional versus metropolitan, advantaged versus disadvantaged schools and students.

Achieving this vision depends on ensuring that all students have equitable access to opportunities and resources throughout their schooling. The Australian Digital Inclusion Index (ADII) reveals a 5.0-point gap in digital access, affordability, and ability between metropolitan (74.8) and regional areas (69.8). This gap becomes more distinct amongst First Nations Australians, which grows considerably in line with remoteness. (Regional Universities Network, qr. 57, p. 1)

As the market for digital tools expands rapidly, it is important to understand the extent to which edtech and [generative AI] can enhance teaching and learning and help address persistent inequities. (Australian Education Research Organisation, sub. 92, p. 2)

The digital access gap between Australian students in low- and high-socioeconomic status (SES) schools is the sixth largest in the OECD. More than one-fifth of students in low-SES schools lack adequate digital resources, compared to two per cent of students in high-SES schools (Programme for International Student Assessment 2022). These disparities contribute to uneven uptake and benefit realisation, with students in well-resourced schools more likely to adopt new tools and experience positive learning outcomes from their use. (Leslie Loble, qr. 23, p. 3)

Enhance – not replace – the profession

Finally, some suggested that new tools should be used to enhance the teaching profession when integrated into the classroom.

Emerging evidence highlights the potential of educational technology (edtech) and Artificial Intelligence (AI) to enhance student outcomes and improve productivity across the economy. However, in this rapidly evolving landscape, their integration into education must be intentional, equitable and grounded in pedagogical purpose. These tools should be designed to strengthen, not replace, the professional expertise that sits at the heart of effective teaching and learning. (Australian Curriculum, Assessment and Reporting Authority, sub. 186, p. 4)

Unions fully support these findings with the caveat that the selection of tools, their integration into the classroom and the training of teachers should occur only with the close collaboration of teachers and their unions to ensure that they are pedagogically appropriate and that they support teacher autonomy. (Australian Council of Trades Unions (ACTU), sub. 209, p. 20)

Access to instructional materials

A system with better access to teaching resources for all schools and teachers was a strong theme in both pre- and post- interim report consultation. In questionnaire responses it was noted that teachers need access to high-quality, differentiated lesson materials and there was support for a national, open-access curriculum resource hub.

AITSL would support an approach by which the agencies and companies in the national education architecture – the Australian Curriculum, Assessment and Reporting Authority (ACARA), the Australian Education Research Organisation (AERO), Education Services Australia (ESA), and AITSL – work collaboratively to develop, collate, quality assure and disseminate high-quality lesson planning and curriculum materials for use in schools across Australia. (Australian Institute for Teaching and School Leadership (AITSL), qr. 55, p. 3)

There is a significant challenge of access to resources in schools. I have been an English and History teacher for a decade, while working more recently in teacher education at Sydney, Victoria and Western Sydney University. Many of the resources available to early career or pre-service teachers are behind paywalls or government logins. (Grant Sciberras, qr. 78, p. 1)

Having one easily accessible portal, with a single sign-on, which is free and available for all teachers across all sectors and jurisdictions is required. (National Catholic Education Commission (NCEC), qr. 29, p. 2)

Different views on centralised approaches

However, some participants expressed a degree of caution in adopting centralised approaches.

The government's role should be to enable discovery and to support equitable access, not to replace the diverse ecosystem of content creators who already produce and maintain high-quality resources ... Around the world, governments have experimented with different approaches to supporting schools' access to learning materials. These experiences highlight both the risks of centralisation—where state-provided lesson banks can undermine diversity, innovation, and teacher autonomy—and the benefits of plural, access-based models that surface a wide range of resources without displacing them. (Australian Publishers Association (APA), sub. 141, pp. 3–4)

National leadership must avoid vendor dependency and over-centralisation, while empowering teachers and researchers as active participants in shaping edtech and AI adoption. (Queensland University of Technology, sub. 83, p. 5)

Private sector educational resource providers invest in expertise and skills to provide quality education materials ... It is inefficient, and ultimately not in the best interests of teachers and students, for the public sector to replicate what the private sector does. (Copyright Agency, sub. 152, p. 1)

Maintaining teacher autonomy

In both support for and criticism of the draft recommendations to pursue national approaches to the provision of lesson planning materials and edtech, some inquiry participants highlighted the importance of maintaining teacher autonomy and professional judgement.

The [United Nations] High-Level Panel on the Teaching Profession neatly summarised the importance of professional autonomy for teachers: “Teacher autonomy and agency are important factors of job satisfaction, commitment and professional status”. (Australian Education Union Federal Office (AEU Federal Office), sub. 119, p. 2)

Lesson planning materials on the national platform must be adaptable to the full spectrum of classroom needs and diverse student cohorts. Their use must remain subject to teacher autonomy and professional judgement. These resources cannot be used by employers as a substitute for their core responsibility to reduce workload through adequate release time and genuine collaboration with employees and unions to identify meaningful workload solutions. (Independent Education Union of Australia, sub. 86, p. 3)

Combining both reforms

Following the interim report, some participants saw the potential to combine the proposed reforms to improve access to instructional materials and edtech, to deliver greater benefit.

Imagine the potential of an AI powered national database that includes Australian and jurisdictional curriculums, existing best practice teaching Standards, adjustment recommendations for students with different abilities. An educator could input: subject, year level, learning characteristics, of their cohort to create a lesson plan that allows all students to connect and thrive. (SkillsIQ, sub. 131, p. 1)

We strongly support a national platform [and] national leadership approach. To make it effective, we recommend adding a third pillar: a nationally coordinated library of High-Quality AI Instructions with governance, [professional development], that can co-exist in the same content library for lessons. This would then be the pragmatic bridge between today's tool landscape and tomorrow's education-specific AI that can be scalable and equity-enhancing. (AI Commons for Education, sub. 149, p. 2)

National quality frameworks

Respondents to the pre-interim questionnaire were concerned about a lack of information on the quality of AI tools stemming from a lack of standards or quality assessment framework. Some proposed a national standard for edtech and AI tools, curated lists of vetted providers and a quality assessment framework.

We desperately need regulation to govern this technology and need to standup to corporations telling us to accept AI as inevitable. Strong action taken now will be hugely beneficial in the long term when the actual value of this technology is seen as being nowhere near the hype that currently surrounds it. (Paul White, qr. 165, p. 1)

A curated and vetted lists of providers, like the Victorian Department of Education Mental Health menu, would guide schools in selecting appropriate tools that align with their needs and goals, helping to ensure that investments are made in evidence-based digital programs that enhance teaching and learning. (Centre for Community Child Health (CCCH), Murdoch Children's Research Institute, qr. 45, p. 2)

What's needed: A national edtech framework co-developed with students, teachers, and communities, ensuring tools align with curriculum and uphold student empowerment and data rights. (Australian Council for Student Voice, qr. 26, p. 1)

Several submissions also supported the idea of a robust, independent, and transparent quality framework to assess instructional materials and emerging edtech products.

On instructional materials

“Our national education system, and everyone it employs and serves, is incredibly diverse. The responsibility of the federal government is to set standards and oversee a system that can adequately deliver a sustainable skills base across the board is massive. (Australian Education Union Federal Office, sub. 119, Att. 1, reference to The McKell Institute, p. 9)

“In this setting, the best role for the government is to set standards and ensure equity. A diverse ecosystem of learning-materials providers delivers the innovation, responsiveness, and subject expertise classrooms rely on. (Australian Publishers Association, sub. 141, p. 1)

“An assessment framework and guidance to support teachers and school leaders will be important to close the gap between needs and solutions. (Social Ventures Australia, sub. 156, p. 4)

On edtech and AI

“This work to develop national edtech standards and a quality assurance mechanism is essential and should be expedited, aligned with the Australian Framework for Generative Artificial Intelligence in Schools. Such standards should be used to guide procurement processes to develop and scale evidence and equity-focused design. (Ochre Education, sub. 81, p. 21)

“This would provide clear guidance for the private edtech market, support jurisdiction and school purchasing decisions or nation-wide procurement and create a pathway to scale promising innovations wherever they arise. (Education Services Australia, sub. 75, p. 2)

“A national quality assurance framework for educational technology would help vet tools against evidence-based learning outcomes and provide clear procurement pathways for schools. (Amazon AU, sub. 31, p. 12)

Models for implementation

Despite support for a national framework, there were a range of views on how best to implement one.

There is no need for a slow, costly, federally mandated [quality assurance] process that risks shrinking the pool of available resources and stifling innovation. Instead, the focus should be on clear discovery pathways and well-signposted guidance for providers. Governments should set out the standards and elements it expects from quality learning materials—allowing providers to meet these benchmarks in their own way—while keeping the system open, efficient, and responsive. (APA, sub. 141, p. 6)

The federal government should invest in a genuinely independent, curriculum materials quality assurance body to provide information to systems, schools, and teachers on the best-quality comprehensive curriculum materials. This body should:

- Quality assure comprehensive curriculum materials only – including EdTech curriculum programs where appropriate – that have been developed by governments, not-for-profits, and commercial publishers.
- Quality assure curriculum materials against rigorous and transparent subject-specific evaluative criteria, and publish the results. (Grattan Institute, sub. 159, p. 8)

Supporting teachers with professional development

Many participants expressed that any reforms must support teachers to do their job. There was particular emphasis on combining the reforms with professional development support and ensuring teachers have adequate time to undertake it. Questionnaire responses and submissions reflected a strong desire to empower and support teachers with professional development to enhance their lesson planning skills and in the use of new technologies.

NCEC, along with a number of partner dioceses, is investing in the development of mathematics resources for years 7-10 in partnership with Ochre Education ... One of the key learnings from this initiative is the importance of strong leadership and access to professional development, using the resources in practice. (NCEC, qr. 29, p. 2)

Access to high quality lesson planning and curriculum materials is essential for multiplying teachers' efforts and time. However, their potential will only be fully realised if teachers have the adequate training to use and adapt the materials that are available, as materials cannot be perfectly suited to every student in every classroom. Schools need to have the resources to provide support and coaching for teachers to hone their professional expertise and apply their knowledge to contextualise such materials for use with their students. (Teach for Australia, qr. 31, p. 1)

Incentivising Australia's in-service teaching workforce to undertake high-quality professional learning supporting the use of generative AI and related edtech resources may contribute to a scalable reduction of teachers' excessive workloads and early exits from the profession. (Deakin University, qr. 40, p. 1)

Research grounded in four years of findings from the CNS project demonstrates that improvements to learning outcomes for Aboriginal and/or Torres Strait Islander students, communities, and schools, across a range of diverse contexts, are achievable when ongoing and strategic professional development is implemented as part of whole-of-school reform. (Culturally Nourishing Project, sub. 140, p. 3)

Following the interim report, inquiry participants consistently emphasised that high-quality professional development is essential for teachers to effectively use instructional materials and deliver differentiated, evidence-based teaching and to best utilise advanced edtech tools. It was suggested that professional development should focus on building teachers' adaptive expertise, subject knowledge, and pedagogical skills, enabling them to tailor resources to diverse student needs, including cultural appropriateness.

[Independent Schools Australia] calls for freely available professional learning for teachers and leaders to ensure the effective and ethical use of AI is effectively integrated across schools and systems, including but not limited to the creation of a national cross-sectoral community of practice. (Independent Schools Australia, sub. 225, p. 6)

The proposed "professional learning programs" must focus on building teacher capacity for differentiation and adaptation. The goal should be skilled professional judgment in using the platform as a foundation, not mere fidelity to a national lesson plan. (Women in Adult and Vocational Education (WAVE), sub. 109, p. 13)

The need for professional development	Making time for teachers to undertake it
<p>“A sustainable solution requires strategic investment in recruitment, initial teacher education and ongoing professional development, ensuring that every student has access to expert teachers across all discipline areas. (Australian Curriculum, Assessment and Reporting Authority, sub. 186, p. 3)”</p> <p>“QCEC recommends that teachers are offered professional development opportunities to enhance their confidence and effectiveness in utilising the lesson planning material. (Queensland Catholic Education Commission, sub. 121, p. 2)”</p> <p>“Grattan Institute recommends investing in high-quality, subject-specific professional development that develops teachers’ and leaders’ knowledge and skills in effective, subject-specific instruction, assessment, and catch-up support. (Grattan Institute, sub. 159, p. 12)”</p> <p>“Initial teacher education and ongoing professional development should explicitly cover how to evaluate, adapt and integrate edtech educational goals. Teachers frequently learn best from peers, and benefit from dedicated time to explore new tools. (Leslie Loble, qr. 23, p. 2)”</p>	<p>“It is a huge leap to suggest that teachers will have both the time and the support to improve their practice based on this proposed plan. Changing teaching practice is incredibly difficult, as some of the research cited above has demonstrated. Moreover, teachers consistently report that they want and need professional development that can support their growth, not just lesson materials. (Teachers and Teaching Resource Centre, sub. 138, p. 6)”</p> <p>“From the perspective of school leadership, ASPA is concerned that rapid implementation of untested or poorly managed AI programs will inevitably increase, rather than reduce, the already unsustainable workloads of our staff. Therefore, it is imperative that any national approach is developed in genuine and ongoing consultation with the profession. For successful implementation at the school level, staff must be provided with adequate release time, access to specialist support, and sustained, high-quality professional development to manage these new tools effectively and safely. (Australian Secondary Principals’ Association, sub. 82, p. 2)”</p>

Inquiry participants also presented a range of views on how professional development was delivered.

Professional learning (PL) has the greatest impact when it is embedded in the materials teachers use every day. Third-party resources often include built-in guidance, scaffolds, exemplars, and assessment tools that reduce workload and improve teaching practice. To scale this impact, government should:

- Prioritise investment in resources with embedded PL features.
- Target support to out-of-field teachers, especially in areas like [science, technology, engineering and mathematics] where shortages are most acute.
- Fund release-time micro-grants so faculties can collaboratively adapt resources and plan their teaching.

This approach connects PL directly to classroom practice, improving both teacher capability and student outcomes. (APA, sub. 141, p. 10)

As a non-systemic sector, it is difficult to ensure this type of professional development for teachers takes place across all Independent schools. A national cross-sectoral communities of practice would be one model with great potential to support teacher professional learning in this space. (Independent Schools Australia, sub. 225, p. 8)

Enabling tertiary education pathways

Access to tertiary education is critical for the workforce of tomorrow. Better arrangements for credit transfer and recognition of prior learning (RPL) can smooth pathways into education, and between VET and higher education. Consultation focused on the feasibility and design of a national database of credit transfer decisions, the quality of RPL assessment, key risks and data-collection challenges, and how providers could be supported to deliver consistent, accurate credit data.

Three main themes emerged in questionnaire responses and submissions.

Complexity and cost

Getting credit transfer and RPL right is complex



Database trade-offs

A national database would boost transparency but could prove costly



RPL quality and capability

Fraud is a major concern; building capacity and integrity is critical



Complexity and cost

Benefits of more streamlined credit and RPL processes

Submissions highlighted that streamlining credit and RPL processes could have substantial benefits.

We support actions that improve access to qualifications and reduce financial and personal costs to individuals. Streamlined and transparent credit transfer and RPL processes are critical to achieving this. (TAFE Directors Australia (TDA), sub. 71, p. 3)

... benefits of better credit and RPL include lower barriers to learning, reduced duplication of learning and lower educational costs while also seeing greater lifelong learning ... If a system was in place where students could draw upon a database and know before enrolment if they will receive some credit, this could encourage many more people to apply and undertake courses ... The extra skills learned could significantly lift the economy and national productivity. (Universities Admissions Centre (NSW & ACT) Pty Ltd (UAC), sub. 129, p. 3)

We endorse the right for students to receive credit and RPL decisions prior to accepting an offer ... ensuring students have clear information about study duration, costs, and visa implications to inform their decision-making. (University of Tasmania, sub. 157, p. 14)

Streamlining RPL would allow more workers to transition into new roles and upskill efficiently, helping to address immediate workforce gaps. (Heavy Vehicle Industry Australia (HVIA), sub. 196, p. 9)

Although challenging, improvements to credit for informal and non-formal learning is where the greatest impact can be realised by removing barriers to study for mid-career workers so they can more easily upskill or reskill, addressing critical workforce skill gaps. (RMIT University, qr. 61, p. 2)

Differences between VET and higher education

Many participants highlighted the differences between VET and higher education, with different regulators, quality assurance rules and data settings. They also noted discrepancies in funding and resources between the two sectors.

... barriers such as system complexity and a general cultural barrier between the focus of the two sectors remain. (Australian Skills Quality Authority (ASQA), sub. 146, p. 2)

The substantial differences in vocational and higher education assessment models and regulatory frameworks play a large role in the complexity of this work, therefore clarity is required in the definition and discussion of recommendations when highlighting credit practices across the system. (RMIT University, sub. 95, p. 4)

Harmonisation in an environment where there are imbalances of resources, finance, infrastructure and political influence are more likely to lead to homogenisation of approach, less competition, domination by large players, fewer place-based solutions and greater disadvantage for those already facing disadvantage. (Skills Insight Jobs and Skills Council (Skills Insight), sub. 107, p. 8)

Some noted that credit transfer is already considerably more standardised in VET than in higher education.

In the VET sector, credit transfer is automatic if someone already has the same unit of competency that has been passed elsewhere. (Erica Smith, sub. 113, p. 4)

In this respect, the VET system already has the necessary infrastructure in place to support consistent credit transfer arrangements ... By contrast, the higher education sector operates with significantly less national consistency. Each of the approximately 43 institutions develop and manages its own courses independently. (Wendy Cato, sub. 53, p. 9)

Greater coordination between the sectors was seen as necessary to enable RPL and credit recognition.

A more connected tertiary system - where VET and universities are not in competition but aligned in purpose - would enable learners to move more seamlessly between practical and academic pathways. (University of New South Wales (UNSW), sub. 220, p. 14)

Costs for students and providers

Many submissions commented on the complexity of credit and RPL processes, imposing costs on students, registered training providers (RTOs) and universities and affecting their incentives to apply for or offer credit transfer or RPL.

For students	For providers
<p>“The process is often slow, inconsistent, and difficult to navigate, particularly for experienced workers seeking to formalise their skills. (HVIA, sub. 196, p. 9)”</p> <p>“RPL applications often involve non-refundable fees, eligibility assessments, and lengthy review processes. If RPL is denied, applicants may still need to pay full course fees, adding financial strain and further contributing to financial distress in disadvantaged groups. (AAPi, sub. 106, p. 3)”</p> <p>“Applicants may be discouraged from applying for credit or RPL altogether due to the perceived complexity or opaqueness of the process. (UAC, sub. 12, p. 2)”</p> <p>“Students are only informed of the outcome of their credit transfer application after accepting an offer of study... This results in unnecessary duplication, higher student debt, and delays in workforce entry. (CAPA, sub. 150, p. 4)”</p> <p>“The process is necessarily onerous. If a student is applying for one off credit, they need quite detailed syllabus information about their prior qualifications that isn't always easy to get. (Anonymous, qr. 8, p. 2)”</p> <p>“Australia's system of [RPL] is highly opaque for potential students, with most providers offering no certainty or clear information around cost, study length, required competencies, and eligibility for RPL. (AEU, qr. 51, p. 4)”</p>	<p>“In situations where RTOs receive less funding for conducting an RPL assessment than for delivering a training program, the relative profitability of each option may influence RTO attitudes and actions. (Industry Skills Australia, sub. 112, p. 3)”</p> <p>“The current RPL framework ... features low funding, requires high support, involves extensive administrative management and recording of evidence. (AGWA, sub. 100, p. 2)”</p> <p>“... delivery of RPL is often inadequately funded, or not funded at all, meaning out of pocket costs for RTOs. (NACCHO, sub. 37, p. 5)”</p> <p>“... for many universities there is little financial incentive to encourage students to enter at year two or later. (TDA, sub. 71, p. 3)”</p> <p>“... the funding system for credit transfers and RPLs disincentivises providers from approving credit transfers between institutions.... if students can easily transfer or receive recognition for prior study, providers lose potential fee revenue. (ACCI, sub. 126, p. 2)”</p> <p>“There is not sufficient incentive for the provider to do RPL and credit transfer as the financial rewards are not sufficient and the risk can be higher in the case of credit transfer as you are relying on the quality of another provider. (Accommodation Australia and the Australia Hotels Association, qr. 25, p. 3)”</p>

HVIA: Heavy Vehicle Industry Association; AAPi: Australian Association of Psychologists Inc; UAC: Universities Admission Centre; CAPA: Council of Australian Postgraduate Associations; AEU: Australian Education Union; AGWA: Australian Glass and Window Association; NACCHO: National Aboriginal Community Controlled Health Organisation; TDA: TAFE Directors Australia; ACCI: Australian Chamber of Commerce and Industry.

Equity and access barriers in credit and RPL

Several participants noted that some groups have higher access barriers to receiving credit or RPL.

The current challenges in navigating credit transfer and RPL disproportionately impacts underrepresented students particularly First Nations Australians, students from rural, regional, and remote areas, those from low socio-economic backgrounds, and students with disability. These students undertake education in a non-linear way much more often than the rest of the population, that is studying across institutions, through vocational and community pathways, or interrupted by personal, financial, or health-related circumstances. (UAC, sub. 129, p. 4)

Application processes frequently assume reliable internet access and digital literacy, which cannot be taken for granted, particularly in regional and remote communities. Assessment of some prior learning may be best undertaken face-to-face or through synchronous communication; however, working hours and seasonal work patterns common in regional industries may not align with standard university hours and assessment schedules, and travel may not be possible. (University of Tasmania, sub. 157, p. 4)

For Aboriginal and Torres Strait Islander people cultural differences and minimal culturally appropriate support can make it difficult to navigate support services. Women who are caregivers are challenged by time and resources to engage with the process. Mature aged workers who hold historical qualification, which may not be recognised, in combination with professional experience may experience bias. (Australian Catholic University (ACU), sub. 170, p. 3)

There is also a policy imbalance, with fast-tracked qualification pathways being prioritised for male-dominated industries like construction, while the care sector continues to be overlooked. This creates a gendered disadvantage. (Working with Women Alliance, Australian Multicultural Women's Alliance, qr. 43, p. 3)

Database trade-offs

Transparency and accountability

Participants pointed out that a national database would improve transparency and accountability, increase efficiency and reduce costs for students.

A national credit database would ideally also allow students to draw information from and compare potential credit from multiple institutions before enrolment. This could allow students to potentially select a course which takes less time for them to complete, or offers the best circumstances for them. This would allow students to potentially spend less money studying and get to the post qualification workforce faster. A national database could also reduce duplication, and make the process more efficient if a student was to apply for credit or compare credit at more than one institution. (UAC, sub. 129, p. 4)

... the database would help create consistency for our RPL decisions for CFP [certified financial planner] status, and help our members and prospective members understand their pathway options to becoming a financial adviser, integration with master's degrees and CFP status. (Financial Advice Association Australia, sub. 135, p. 3)

Costs

Many participants warned a national database would be costly and complex to build and keep up to date.

... establishing and maintaining a single national credit database would be highly resource intensive ... [even] minor modifications ... would necessitate widespread and ongoing updates. (Wendy Cato, sub. 53, p. 9)

TDA does not support this recommendation as it will be costly and complex to develop and maintain and will promote the further development of individual agreements rather than streamlining and systematising credit transfer and RPL decisions. (TDA, sub. 71, p. 3)

Resourcing is a major challenge. Universities would need to be subsidised to achieve this shift. Achieving consistency in credit allocation and reporting would also be a challenge. This would need to be outlined prior to implementation including update methodology. (ACU, sub. 170, p. 3)

Infrastructure is institution centric ... having sufficient resources to setup and maintain a national database would also be a key barrier. (UAC, sub. 129, pp. 5–6)

The resources that would need to be spent of establishing and maintaining such a database, which by its nature would change considerably over time, would be enormous. (Andrew Smith, sub. 87, p. 1)

Several participants noted that the difficulty of codifying RPL was a significant barrier to achieving a national database that included both credit and RPL decisions.

Codifying RPL decisions is not feasible or financially viable within the VET system due to the highly individualised nature of the process, the variability in evidence available, and the declining RPL capability of the assessor workforce. (Wendy Cato, sub. 53, p. 11)

Codifying RPL decisions into a national database would therefore be highly complex and may risk oversimplifying what is, by nature, a nuanced and context-specific process. (Bond University, sub. 61, p. 2)

Some argued that the benefits may not outweigh the costs.

On its own, this option can lift visibility of credit pathway options available to individuals considering study, but will not enable a step change in how education providers manage credit assessments or the associated learner experience of the process. (RMIT University, sub. 95, p. 7)

... the few national credit transfer systems in operation around the world are voluntary and have historically yielded only marginal outcomes. (Independent Tertiary Education Council Australia (ITECA), sub. 96, p. 3)

The effects of a top-down approach on providers

Some providers cautioned that this approach could be too 'one size fits all' if implemented poorly.

We urge caution to ensure that, if pursued, it does not unintentionally drive system homogenisation, undermine institutional autonomy or mandate credit transfer requirements. (University of Melbourne, sub. 139, p. 2)

We support a national approach that improves transparency, portability and efficiency in credit and RPL without undermining institutional self-assurance or imposing one-size-fits-all solutions. (Australian Technology Network of Universities (ATN Universities), sub. 160, p. 1)

... any such model would need to preserve institutional autonomy and allow for flexibility in how prior learning is evaluated, particularly given the diversity of qualifications, work experience, and learning contexts presented by applicants. (Bond University, sub. 61, p. 5)

Participants highlighted that a national approach could disadvantage some providers.

Universities who had invested recently in RPL/credit solutions ... indicated they would be unlikely to support given recent investment ... The cost of resourcing and maintenance on institutions is a risk for smaller universities with smaller operating budgets. (ACU, sub. 170, pp. 3–4)

Many institutions, particularly smaller ones, may struggle with the financial and technical resources required for integration. (University of Melbourne, sub. 139, p. 3)

... smaller institutions may flag concerns that resource allocation needs for database development and maintenance may disproportionately [impact] them. (University of Tasmania, sub. 157, p. 8)

And it could risk duplicating existing efforts and stifling innovation.

A mandatory, government-driven system for credit transfer and RPL has the capacity to threaten or stifle dynamism, inhibit collaboration, and introduce major regulatory, privacy, and safety risks across the tertiary education system. (ITECA, sub. 96, p. 3)

Another key barrier is the risk of data duplication and inconsistency. Without robust integration between institutional systems and a national platform, universities may be required to maintain credit data in multiple locations, increasing the likelihood of discrepancies and administrative burden. (Bond University, sub. 61, p. 4)

New tools for streamlining of credit transfer and RPL

Participants highlighted new tools that are available that could help streamline credit transfer and RPL.

UAC's Advance software platform could play a significant role in a national approach to recognition of prior learning. Advance is already in-market, with universities across multiple states using it to streamline the assessment of academic credit and RPL, while simultaneously building robust precedent databases. This capability could readily be scaled to a national level utilising Advance, providing a national standard while also maintaining institutions autonomy for decision-making. On the student side, Advance includes an applicant-facing credit calculator, which students are already using to compare and then apply for credit in real time. In doing so, Advance enables an efficient and transparent process for evaluating recognition of prior learning, directly carrying out many of the tasks outlined in Recommendation 2.1. (UAC, sub. 129, p. 2)

Others highlighted improvements in their processes which has already led to improvements.

... the University of Tasmania has implemented a process for automatically assessing previous and current students for credit eligibility. While there is an administrative cost associated with this process, it significantly reduces the burden on students moving between or articulating to another degree and better ensures that eligible students receive appropriate credit for previous study. (University of Tasmania, sub. 157, p. 11)

RPL quality and capability

Benefits of high-quality RPL

Submissions emphasised that high-quality RPL can accelerate entry into the workforce and reduce costs, empowering learners and boosting productivity.

RPL done well is valuable

“RPL, when done well in VET, is a powerful tool for recognising real-world skills, especially for experienced workers without formal qualifications. (SkillsIQ, sub. 131, p. 3)

“[RPL] allows workers with a varied work experience to enter the workforce more quickly, addresses the national shortage of workers and enables ‘learning on the job’. (National Workforce Collaboration, sub. 65, p. 5)

“...many project professionals acquire substantial capability through work experience before seeking formal qualifications. Efficient RPL processes would accelerate their progression and ensure the workforce remains agile. (AIPM, sub. 51, p. 2)

“RPL will lower barriers for mid-career and equity cohorts, accelerating workforce redeployment in transitioning industries, a key productivity gain. (ATN Universities, sub. 160, p. 2)

“Robust RPL policy and practice that is consistently applied can significantly support skill transfer and upskilling to contribute to the overall productivity of Australia. (Engineers Australia, qr. 87, p. 4)

“When done well, RPL offers multiple benefits for learners, employers and the workforce... Faster pathways - prevent study in what they already know, and enable the timely completion of qualifications. (Industry Skills Australia, sub. 112, p. 4)

AIPM: Australian Institute of Project Management; ATN Universities: Australian Technology Network Universities.

Assessing RPL claims before enrolment

The PC’s interim report proposed that providers be required to assess credit and RPL claims before the deadline for accepting an offer. Several participants argued that – in the case of RPL, where the claims assessment process takes longer and is more complicated than for credit transfer – this could lead providers to dismiss applications without considering them properly.

... this approach may have the unintended consequence of discouraging providers from admitting students who present with complex RPL and/or credit transfer claims, thereby reducing access to the tertiary education system and inadvertently decreasing accessibility for those from disadvantaged or under-represented backgrounds. (ITECA, sub. 96, pp. 4–5)

Overly simplified RPL recognition risks students being unfairly rejected or undermining academic integrity. This is particularly relevant for RPL requests which involve unique sets of circumstances and backgrounds which are challenging to codify. (Universities Australia, sub. 166, p. 2)

Ideas for improving RPL processes

Participants argued that standardisation was necessary to simplify RPL processes and lower costs.

We recommend simplifying RPL documentation with pre-filled digital templates to reduce time, duplication, and inefficiencies, subsidising or minimising the costs associated with RPL assessment fees, standardising the RPL criteria across RTOs and providing dedicated RPL support officers for [small and medium-sized enterprises] in regional areas. (Australian Retailers Association and National Retail Association (ARA and NRA), sub. 22, p. 4)

The challenge of recognising work experience and prior learning lies primarily in verification ... [ensuring] objectivity, integrity and consistency in how work experience and prior learning is measured and recognised is also important. (Chartered Accountants Australia New Zealand (CA ANZ), sub. 203, p. 23)

Examples of streamlined RPL processes already in use were provided in submissions.

In partnership with the [Aboriginal Community Controlled Registered Training Organisation (ACCRTTO)] sector's national community of practice and the Human Skills Services Organisation (HSSO), NACCHO have designed an RPL Toolkit for a number of core units in the HLT Aboriginal and/or Torres Strait Islander Primary Health Care training package. This toolkit provides participating ACCRTTOs with a nationally consistent approach to applying RPL. (National Aboriginal Community Controlled Health Organisation (NACCHO), sub. 189, p. 11)

Some participants pointed to the potential for new technologies like AI to improve RPL.

[Canberra Institute of Technology] Electric Vehicle TAFE Centre of Excellence has developed an RPL tool which simplifies student assessment ... This streamlines the process, reduces the need for frequent teacher–student meetings, and facilitates follow-up and evidence collection through eLearn ... Phase 2 of the project is currently underway, integrating AI technology into the RPL process over 12 weeks to further simplify and streamline assessment and evidence gathering activities. (TDA, sub. 71, p. 8)

BKI is leading the Victorian Government-funded \$2.8 million Artificial Intelligence RPL Tool (AIRT Project) ... to streamline RPL processes and improve access to skills recognition. (Bendigo Kangan Institute (BKI), sub. 99, p. 1)

Integrity and fraud

Many submissions stressed that poor or fraudulent RPL damages trust in the VET system.

Non-genuine RTOs, some operating within sophisticated networks, are functioning as 'RPL mills', issuing fraudulent qualifications by using high-volume, low-quality assessment models to target those in job roles with mandatory qualifications, areas of skills shortages or workers seeking migration pathways. These bad-faith operators distort the VET market by undermining the value of genuine RPL and displacing quality RTOs. The inappropriate use of RPL to fraudulently issue qualifications poses a significant threat to the integrity of Australia's VET system, compromises work readiness, and introduces considerable risk into workplace settings – with the potential for serious harm to students and the community at large. (ASQA, sub. 146, p. 3)

... unrestricted recognition of prior learning risks empowering dodgy trainers to 'tick and flick' unqualified applicants. (Electrical Trades Union (ETU), sub. 69, p. 2)

Less than rigorous RPL undermines the credibility of VET qualifications, erodes stakeholder confidence in the system and has the potential to deter employers from investing in nationally recognised training. (Industry Skills Australia, sub. 112, p. 3)

... providers may use the database to tick boxes rather than properly test a person's skills and knowledge. This has been a common criticism of some VET providers that favour RPL above training provision. (Australian Industry Group – Centre for Education and Training (CET), sub. 103, p. 2)

Submissions proposed several safeguards to protect the integrity of RPL including independent/peer validation, industry-led or not-for-profit assessment-only centres, and tighter controls on for-profit RTOs.

Introduce higher levels of scrutiny at RTO registration and limit the number of for-profit RTOs to reduce the attractiveness of the VET sector for profiteering from inappropriate use of RPL ... [and] develop an approved, funded RPL assessor group consisting of TAFEs and a small group of quality RTOs. (TDA, sub. 71, p. 2)

ASQA is establishing a function to enable independent (or peer) validation of student assessments. This function will independently verify that the assessment of a student's competency by an RTO meets required standards. (ASQA, sub. 146, p. 3)

Assessment-only centres offer a potential solution for addressing systemic issues that have hindered the accessibility, quality and consistency of RPL. (Industry Skills Australia, sub. 112, p. 6)

Boosting work-related training to build skills and adaptability

Participation in work-related training is lagging in Australia, especially in small and medium enterprises (SMEs). Our consultation focused on barriers to training, the design of potential financial incentives, business advisory services and other policies to encourage training. It also sought views on data required to measure baseline training and evaluate impact.

Submissions and questionnaire responses addressed three main themes.

Benefits of training

Training can increase productivity and boost skills



Barriers to training

Time and cost are the main barriers



Training policies

Financial incentives and advice can boost training



Benefits of training

Inquiry participants broadly supported the focus on work-related training to boost productivity and skills.

In a complex and ever-changing economic environment, a focus on lifelong learning across Australia's workforce and community can be a critical source of productivity and competitive advantage. (CET, sub. 103, p. 5)

Effective lifelong learning is an essential component of an effective skills and training system, and an important driver of productivity. (Brotherhood of St. Laurence (BSL), qr. 71, p. 4)

... a lack of participation in work-related training is reducing the ability of the Australian workforce to build its skills, retrain and upskill. (ACTU, sub. 209, p. 22)

Productivity impacts of different types of work-related training

Work-related training is broad, and submissions argued that some types of training – especially compliance training – are less productive than others.

... training is not homogenous and different types of training are likely to produce markedly different returns for organisations and individuals. For instance, annual compliance activities may fall within the technical definition of work-related training but are likely to have less impact on firm productivity than training that supports more substantive skills development. A repeated theme from our consultations was that compliance training can crowd out more valuable skilling activities and undermine the learning culture within firms, as employees equate training with compliance. (Committee for the Economic Development of Australia (CEDA), sub. 104, p. 1)

... much of the training done in the workplace outside the formal education system is focused on compliance. Compliance training is not upskilling. (SkillsIQ, sub. 131, p. 3)

For many [businesses], their necessary time and spend on compliance-related training to meet laws and regulations can be large, must be undertaken as a priority, and puts a squeeze on rolling-out broader work-related training. (Australian Industry Group, qr. 66, p. 4)

Many participants highlighted digital training as an area where more support is needed.

While AI offers significant benefits, it also introduces risks that must be managed through safe and responsible adoption. This highlights the need for ongoing, cross-sector support for digital training as a core element of professional development and career planning. (Aged Care Research & Industry Innovation Australia (ARIIA), sub. 114, p. 5)

In particular, SME tech skills and digital literacy are a key weak point that needs uplifting to support the modern economy. (Business Council of Australia (BCA), sub. 67, p. 5)

Effects on equity groups

Submissions highlighted the potential of work-related training to improve employment outcomes for a diverse range of groups, including women, older workers, and Aboriginal and Torres Strait Islander people.

The high cost of training in the Transport Supply Chain industries impacts more significantly on disadvantage cohorts and can limit their access to some occupations. Many occupations ... have very low representation of women. First Nations people are also underrepresented in key roles. Limited participation in work-related training may be preventing these workers from accessing higher level roles that allow them to progress ... (Industry Skills Australia, sub. 112, p. 15)

More affordable and accessible work-related training ... enables higher workforce participation by making it easier for underrepresented groups - such as women, older workers, and people in regional areas - to enter or remain in the labour market. Beyond economic benefits, affordable training promotes social equity by reducing barriers to upskilling and reskilling, particularly for lower-income and disadvantaged Australians. (University of New South Wales, sub. 220, p. 15)

But a supportive workplace culture is necessary for training to be most successful with groups that have traditionally faced barriers to training and employment.

Male-dominated sectors typically provide "enabling learning environments" with sufficient resources and formal training support, while female-dominated sectors often operate under "constraining conditions" with limited resources and skills viewed as "natural talent" rather than acquired expertise requiring investment. (WAVE, sub. 109, p. 8)

... a positive relationship with an employer or manager, as well as a supportive workplace culture, are key indicators of the uptake and success of training in the workplace. This is particularly the case for cohorts who have historically faced barriers to education and employment, such as people living with a disability and Aboriginal and Torres Strait Islander peoples. (BSL, qr. 71, p. 5)

Data gaps

Participants noted the lack of available information on work-related training in Australia and the need for better data collection to make informed policy decisions.

In the absence of high-quality employer data, it is simply impossible to make any assertions about the commitment or otherwise of enterprises to training their workers ... For instance, fewer employees may have undertaken training, but this may be a function of respondents' ability to recognise training and development activities or the result of decisions by an employer to train fewer staff more deeply. (Andrew Smith, sub. 87, p. 2)

There is currently very little data available on employer investment in training. What data exists is patchy and typically focuses on particularly industries or types of training. (ACTU, sub. 30, p. 7)

There is a paucity of data available, and improving data collection (and therefore analysis) is very likely to offer insights that could support evidence-based initiatives to improve the delivery and access to workplace training across employers and industries. (United Workers Union (UWU), sub. 174, p. 14)

Barriers to training

Participants identified a range of barriers to training, including cost, time constraints and access.

Time and money are the main barriers to training, especially for small businesses

“... every hour is needed on the workshop floor, and training becomes a luxury that many small and medium-sized businesses simply cannot afford. (AAAA, sub. 102, p. 3)”

“... arrangements are often not put in place to ensure workers can be released from their day-to-day duties ... the expense is frequently pushed onto workers through unpaid time outside of their regular work hours, or through upfront costs. (UWU, sub. 174, pp. 13–14)”

“Barriers for SMEs to participate in training are often tied to the project-based nature of screen sector work. Staff may only be contracted for a specific project, and it can be difficult to schedule training when project deadlines can shift rapidly. (Ausfilm, sub. 177, p. 2)”

“Many small business owners face significant barriers to investing in work-related training for employees and themselves. The main barriers being limited time and financial resources. (CPA Australia, sub. 137, p. 3)”

“... workforce shortages impact the ability to backfill positions and release staff for training without impacting service delivery. (NACCHO, sub. 37, p. 7)”

“Releasing staff for training can also create productivity losses and immediate revenue impacts. (PSO, sub. 221, p. 4)”

“... formalised training can be expensive and time consuming, and for small businesses that can be very hard to absorb. (COSBOA, sub. 124, p. 1)”

Access to training was a concern in remote and regional areas

“The lack of proximity to training centres means that workers must travel long distances, which is prohibitive in terms of time and cost. (Aged Care Workforce Remote Accord, sub. 98, p. 4)”

“... regional and remote business operators ... must send their employees to Perth or larger town centres to complete ... qualifications which adds to the expense and time away from the business. (Small Business Development Corporation (WA), sub. 224, p. 1)”

“... remoteness means limited local/regional opportunities for in-person place based training, or additional time and costs associated with travel to undertake training. (NACCHO, sub. 189, p. 12)”

Training delivery can be inflexible

“The problem is compounded by rigid delivery models ... which schedule training only during standard business hours. (AAAA, sub. 102, p. 3)”

“Training schedules and formats often assume availability that doesn't account for caring responsibilities. (Women in Adult and Vocational Education, sub. 109, p. 8)”

“Training must be accessible outside standard business hours to accommodate the operational demands of small businesses ... Flexibility in delivery is essential. (CPA Australia, sub. 137, p. 3)”

AAAA: Australian Automotive Aftermarket Association; UWU: United Workers Union; NACCHO: National Aboriginal Community Controlled Health Organisation; PSO: Powering Skills Organisation Ltd; COSBOA: Council of Small Business Organisations Australia.

Participants also noted that training investment is impeded by a lack of a workplace culture of training and gaps in employer knowledge about what training options are valuable or available.

... our work with learners and early-career employees shows that barriers to successful work-related training often rest with employers— most frequently due to poor workplace culture, limited capability to support training, or pursuit of incentives without intent to deliver quality training. (BSL, sub. 90, p. 4)

Small businesses face unique and disproportionate barriers to engaging in structured training activities. These include cost pressures, time constraints, lack of a training culture, high staff turnover, and limited systems to assess skill needs or navigate training ecosystems. (Australian Small Business and Family Enterprise Ombudsman (ASBFEO), sub. 211, p. 4)

Some noted that the design of training courses does not meet industry needs.

Delivery models, as well as learning content, need to be aligned to industry need to support a culture of work-related training. (Australian Industry Group, qr. 66, p. 4)

Training policies

Policies to support work-related training

Many submissions supported the use of financial incentives and advisory services to encourage training.

ACCI fully supports the PC's draft recommendation 2.2 to better target businesses and organisations with incentives to lift work-related training rates in small and medium enterprises (SMEs). (Australian Chamber of Commerce and Industry (ACCI), sub. 126, p. 3)

We support targeted incentives to encourage more Australian small businesses to invest in work-related training for their employees and themselves. (CPA Australia Ltd, sub. 137, p. 1)

Some employee organisations did not support our recommendation for financial incentives targeted at employers, arguing that this approach rewards employers for failing to invest in training.

Unions are also greatly concerned by this lack of investment by employers in the skills and productivity of their own workforce. We do not however believe that paying employers to undertake this investment is the appropriate response. (ACTU, sub. 209, p. 22)

The risk of such a policy response, however, is that it creates a system where employers are rewarded with greater government funding the less they invest in training. These dynamic risks exacerbating the current problem: declining employer investment fuels the case for additional subsidies, creating a cycle of dependency. The moral hazard embedded in such an approach seems to have been overlooked. (Australian Manufacturing Workers' Union (AMWU), sub. 122, p. 7)

Instead, employee organisations suggested that levies or training leave should be introduced.

The ACTU again calls for a national training levy, built off the successful models in the [United Kingdom] and Ireland. (ACTU, sub. 209, p. 3)

Such a levy is, quite frankly, a necessary stick. (AMWU, sub. 122, p. 8)

The Commission should instead focus on industry specific policies to improve workplace training, including provision of paid training time and paid backfill to support worker attendance. (UWU, sub. 174, p. 36)

Some submissions shared concerns that financial incentives to support training have been tried before and evidence on their efficacy is lacking, or that advisory services would be too expensive.

Rather than trial a new financial incentive, the government should evaluate the impact of the 120% small business boost for skills and training ... (CA ANZ, sub. 203, p. 2)

... the Commission itself acknowledges that there is currently little to no evidence regarding the efficacy of these incentives in changing business practices in this area. The paper also acknowledges that current incentives, delivered largely through the tax system, have failed to create behavioural change amongst workers and business owners and decision makers. (ACTU, sub. 209, p. 23)

Financial incentives carry risks ... it is not clear that government funding will address the decline. Indeed, doing so may create an additionality problem where public funds are used to pay for training that would have occurred anyway. (CEDA, sub. 104, pp. 1–2)

... [advisory services] can be an expensive way to connect SMEs with training options ... A more effective approach is to create a central repository of recognised, high-quality short form training that SMEs can access at low or no cost, rather than building a costly consultancy ecosystem. (BCA, sub. 67, p. 5)

Businesses eligible for support

Several participants argued that sole traders should be eligible for financial incentives.

As emerging technologies like Gen AI reshape the labour market, sole traders will require fast, niche training to remain competitive without undertaking lengthy diploma courses to attain qualifications. This would be especially relevant for industries that consist primarily of sole traders, such as cultural and creative industries; excluding them would deny vital training in business and financial skills that are essential to the viability of their businesses. (ACCI, sub. 126, p. 4)

CPA Australia strongly recommends the inclusion of sole traders and other small business owners within the scope of the training incentives. (CPA Australia, sub. 137, p. 3)

While there was broad support for financial incentives to target SMEs, some participants argued that larger businesses should also be covered, albeit by smaller subsidies.

... the type and scale of government support may differ for businesses of different sizes. One way this has been approached in the past is through tiered co-contribution rates for business-facing skills development programs where businesses of all sizes are eligible, but smaller businesses receive a larger government contribution. (CET, sub. 103, p. 3)

Scaled government contributions can be used to create equity between small, medium and large enterprises by offsetting the differing economies of scale experienced by enterprises with different sized workforces. (Industry Skills Australia, sub. 112, p. 10)

Several participants noted that support for training should apply to not-for-profit organisations.

Tax incentives will exclude not-for-profit organisations such as Group Training Organisations (GTOs), which play a critical role in linking apprentices with host employers. ... Any future model should explicitly account for not-for-profits, either through direct grant funding or an alternative mechanism that mirrors the value of tax incentives. Without such a provision, this policy would inadvertently disadvantage organisations that are central to apprenticeship and skills development pathways. (ACCI, sub. 126, p. 4)

Strong consideration should be given to making this type of training available to not-for-profits (NFPs) and charities. This is a critical sector that is responsible for significant service delivery, but with limited resources to invest in training and development. (UNSW, sub. 220, p. 16)

Design features of financial incentives

Participants suggested several ways that financial incentives could be designed and implemented to make them as effective as possible.

Co-payments encourage buy-in from firms

“Co-payment requirements ensure businesses retain skin-in-the-game. (Xero, sub. 89, p. 4)”

“[Past co-payments] resulted in higher levels of engagement, commitment and understanding among participating enterprises. (Industry Skills Australia, sub. 112, p. 9)”

“It is... reasonable to expect that the type and scale of government support may differ for businesses of different sizes. (CET, sub. 103, p. 3)”

“Financial support that does not cover the full cost of training would at least retain an incentive for firms to invest only in training that offers benefits to the firm through skill development. (CEDA, sub. 104, p. 2)”

Advisory support should accompany financial incentives

“An independent advisory service can encourage SMEs to take up training opportunities by performing the role of an honest broker that negotiates high quality, relevant outcomes for the employer and their employees while also ensuring that the program delivers value on the investment of public money. (Industry Skills Australia, sub. 112, p. 7)”

“A trusted advisory service could help companies navigate the system and provide increased confidence to make the financial and time investment in staff training. (CET, sub. 103, p. 4)”

Targeting can reduce waste and support high-value training

“Targeting incentives at SMEs will help redress this imbalance and minimise the risk of deadweight. (AHRI, sub. 130, p. 6)”

“Programs should target specific capability gaps commonly observed in SMEs, such as digital literacy, financial management, and business strategy. (CPA Australia, sub. 137, p. 3)”

“... an important drawback of using tax credits is that this does not enable targeting of the types of training most likely to deliver societal benefits. (CEDA, sub. 104, p. 2)”

Incentives must address barriers to training

“A simple financial incentive, such as a tax credit, does not address this information gap or de-risk the investment for the business owner. (Xero, sub. 89, p. 3)”

“Incentives must therefore be substantial enough to offset the upfront financial risks for small businesses and deliver a genuine behavioural shift in training investment. (ACCI, sub. 126, p. 4)”

“Tax incentives are preferable to proposed alternatives such as training grants or levies which have administrative and cost burdens. (ASBFEO, sub. 211, p. 4)”

CET: Australian Industry Group Centre for Education and Training; CEDA: Committee for Economic Development of Australia; AHRI: Australian Human Resources Institute; ACCI: Australian Chamber of Commerce and Industry; ASBFEO: Australian Small Business and Family Enterprise Ombudsman.

Impact on existing advisory services

Several participants urged caution on the role and scope of government-funded advisory services, noting that it could crowd out existing services and providers.

... the proposed trial of an SME advisory is necessary, however, some accredited Industry Associations have this service as part of their membership benefits already, additional funding may be required for increased support, but a body should not be established ... to carry out these activities. (Council of Small Business Organisations of Australia, sub. 124, p. 2)

The Federal Government should not replicate existing state services, however, budget could be made available to organisations ... to employ advisors to do specific skills audits with small businesses to identify skills gaps and to match them with the optimal training opportunities to fill them. (Small Business Development Corporation (Government of Western Australia), sub. 224, p. 2)

Rather than develop and fund additional mechanisms to for the provision of SME advisory services, we recommend that the Commonwealth utilise the service that already exists across the national footprint of public TAFEs. (TDA, sub. 71, p. 10)

Evidence shows that training delivered through trusted intermediaries — such as industry associations and professional bodies — is highly effective because it leverages existing relationships and credibility. SMEs are more likely to engage with training that comes via a known and trusted source, rather than a centralised government portal. (Xero, sub. 89, p. 9)

Fit-for-purpose occupational entry regulations

Occupational entry regulations (OERs) require workers to meet minimum conditions: for example, to complete a certain degree, apply for a licence or pass an exam. Our consultation sought participants' views on the potential to match OERs to risk, manage risk with less burdensome alternatives, and to expand entry pathways for select occupations while maintaining quality and consumer and worker safety. The following four themes were identified in submissions and questionnaire responses.

The need for OERs

General principles of OER reform are supported but views on specific occupations are mixed



Effect of OERs on labour mobility

OERs can have detrimental effects on labour mobility and workers and businesses that operate across borders



Targeting qualification and entry requirements to risk

There are opportunities to reduce credentialism and adopt a more flexible approach to licensing



Alternative entry pathways

Accelerated apprenticeships and non-apprentice pathways are supported for some cohorts but concerns about safety and worker outcomes remain



The need for OERs

Inquiry participants reflected that OERs protect workers, consumers and the public by ensuring safety and high-quality goods and services.

Occupational entry requirements (OERs) play a critical role in ensuring both workplace safety and the quality of work performed. They give consumers confidence that when they purchase a service or product, that they are receiving value for money from a worker who has undergone proper training. (AMWU, sub. 122, p. 8)

However, there was support for OERs to be better targeted to risk and evidence-based policy-making processes.

ASQA recognises the need to ensure contemporaneous, fit-for-purpose occupational entry regulations that do not unnecessarily restrain a sector's ability to attract workers, but at the same time maintain quality and safety through appropriate application of qualification requirements. (ASQA, sub. 146, p. 6)

Increasingly, inconsistent and excessive [OER] requirements are creating artificial barriers across the economy. Often, these requirements are introduced without rigorous analysis or evidence, creating additional and unnecessary barriers to entry and compounding existing labour shortage challenges. (Insurance Council of Australia (ICA), qr. 49, p. 4)

Industry bodies largely argued that OERs within their industries were necessary, as shown below. These views included disagreeing with the draft recommendation to consider reducing OERs for motor vehicle repairers, air conditioning and refrigeration mechanics, hairdressers and painters and decorators.

<p>Hairdressing</p> <p>“Mandatory qualifications are essential to protect the safety, professionalism, and sustainability of the Australian hairdressing and barber industry. (Australian Hairdressing Council, sub. 72, p. 5)”</p> <p>“SAHBA recommends retaining and strengthening occupational entry rules for hairdressers and barbers as a matter of consumer safety, workforce sustainability, and industry integrity. (South Australian Hair and Beauty Association, sub. 128, p. 5)”</p>	<p>Electrical</p> <p>“These regulations are needed for high-risk professions, such as those in the Electrical industry, to protect consumer and worker safety and infrastructure integrity. (National Electrical Communications Association, sub. 14, p. 10)”</p> <p>“The electrical industry is a high-risk sector with deliberately high Occupational Entry Requirements (OER), including four years of training and completion of a Certificate III qualification. (Master Electricians Australia, sub. 94, p. 14)”</p>
<p>Other</p> <p>“Plumbing is a licensed and regulated trade for sound reasons based on lived experience. (Master Plumbers Australia and New Zealand, sub. 158, p. 1)”</p> <p>“Reducing the minimum entry requirements for air conditioning and refrigeration mechanics would create risks to consumers, workers, and the environment. (The Australian Institute of Refrigeration, Air Conditioning and Heating, sub. 133, p. 1)”</p> <p>“Registering engineers is therefore critical because it ensures engineering professionals meet benchmarked education, training, professional conduct and competency standards. (Engineers Australia, sub. 187, p. 2)”</p> <p>“For project management, maintaining standards through recognised competency frameworks is essential. (Australian Institute of Project Management, sub. 51, p. 1)”</p>	

Industry-specific arguments regarding the benefits and costs of OERs are set out below.

Motor vehicle repairer licensing

The Motor Traders' Association NSW (sub. 115, p. 3) rejected the argument that licensing in New South Wales had restricted employment in the automotive industry.

The argument that licensing in the automotive industry is a barrier to entry and/or restricts the movement of labour is simply untrue ... the NSW state government, working alongside MTA NSW, have reduced the wait time for licenses. The *Motor Dealers and Repairers Act* has not reduced the importation of workers from other jurisdictions.

However, the ICA (sub. 97, p. 3) provided evidence to contend that licensing in motor repair trades does not improve quality.

Data from Insurance Council members, who collectively oversee in excess of 1.5 million motor repairs each year shows that:

1. rectification rates are consistently low (<1%) indicating minimal risk of poor repair quality overall, and
2. there is little difference in rectification rates between states with licensing (NSW, ACT, WA) and those without (VIC, SA, TAS, NT).

Mandatory hairdresser qualifications

Participants raised consumer safety risks as a reason for qualification requirements in hairdressing.

Hairdressers and barbers work daily with chemicals, electrical equipment, and sharp instruments. Mandatory qualifications ensure workers are properly trained in hygiene, chemical handling, and occupational safety practices. (Australian Hairdressing Council, sub. 72, p. 2)

Beyond safety and quality, participants also considered that mandatory qualifications in hairdressing are necessary to uphold quality and sustain apprenticeship pathways (National Australian Apprenticeships Association, sub. 73, p. 2).

... graduates of deregulated pathways often receive lower-quality training and cannot match the skills of those who undertook a traditional integrated work-based apprenticeship. Many eventually return to complete the apprenticeship, anyway, making the process more time-consuming and inefficient than if they had done so from the outset. (ACCI, sub. 126, p. 6)

... South Australian hairdressing apprentices achieved a 69% completion rate in 2023 ... In contrast, the national average sits at only 30–35%, underscoring the strength, stability, and long-term benefits of regulated training models. (South Australian Hair and Beauty Association, sub. 128, p. 2)

Hair and Beauty Australia (HABA) (sub. 85, p. 5) noted that replacement of qualification requirements rather than removal would be necessary to continue to manage risks.

HABA recommends that any change be accompanied by alternative mechanisms that maintain standards, support salon owners, and protect consumers.

Conversely, the ARA and NRA (sub. 22, p. 5) viewed OERs in hairdressing and jurisdictional inconsistencies as burdensome.

Occupational licensing in low-risk retail roles including beauty and hairdressing is overly restrictive, adding time, resourcing and cost burdens despite VET training and Australian Consumer Law (ACL) protections. State-based inconsistencies create confusion for workers and Small and Medium Enterprises (SMEs), limiting workforce participation and exacerbating skill shortages in the retail sector.

Painter and decorator licensing

Participants raised concerns that deregulation of the painting and decorating occupation would have consequences for worker safety due to the high-risk nature of the work, and may also impact consumer wellbeing.

SafeWork Australia's Beta Occupational Hazards Dataset that measures relative exposure of jobs to different types of hazards found that painting trade workers had an exposure score of 70% from utilising ladders, scaffolds or poles – the third highest for construction trade workers. (CFMEU Construction and General Division, sub. 191, p. 4)

Data from ReturnToWorkSA (RTWSA) ... indicates higher-than-average risk profiles for Painters and Decorators in the areas of chemical exposure, working at heights, and equipment use. (South Australian Skills Commission, sub. 226, p. 4)

An individual consumer or (an organisation) experiencing a 'bad paint job' may have spent hundreds or thousands of dollars on hiring the painter or painting firm. This isn't 'cosmetic'; it's real; it would cause distress. Recourse to the law is not a helpful suggestion. (Erica Smith, sub. 113, p. 3)

Air conditioning and refrigeration mechanics licensing

Industry representatives raised concerns about environmental damage and long-term risks associated with air conditioning and refrigeration work, citing anecdotal evidence of poorer quality work from under-qualified workers.

Removing or diluting [Certificate III level qualification requirements] would expose the community to ... widespread environmental damage through refrigerant leakage and mismanagement. (Air Conditioning and Mechanical Contractors' Association of Australia, sub. 110, p. 1)

Accounts abound of fully qualified technicians being called out to fix poor quality HVAC&R installations performed by Certificate II level trades. In the absence of hard data from regulators on the quality of installations done by differently qualified air conditioning and refrigeration trades – data that AIRAH would, incidentally, welcome – the on-the-ground feedback is that the introduction of Certificate II workers has weakened the HVAC&R sector, and the outcome has actually been to create a less skilled workforce. (The Australian Institute of Refrigeration, Air Conditioning and Heating, sub. 133, p. 1)

Rather than removing OERs, the Australian Refrigeration Council (ARC) (sub. 108, p. 3) recommended:

- National harmonisation of [refrigeration and air conditioning (RAC)] licensing pathways, particularly for restricted licences (e.g. split systems).
- Risk-based regulation that reflects the actual safety and environmental risks associated with RAC work.

Mandatory qualifications in the care sector

While the interim report did not make recommendations about OERs in the care sector, discussion of the Royal Commission into Aged Care Quality and Safety recommendation to introduce OERs elicited some discussion. The Royal Commission recommendation was supported by some participants.

Dementia Australia supports the professionalisation of the aged care workforce through a national worker registration scheme, with a mandatory minimum qualification. Positive benefits would include recognition of capabilities, career progression, workforce growth and retention. (Dementia Australia, sub. 3, p. 2)

Others raised concerns that stricter entry regulations in the care sector would make it harder to recruit workers.

... a Certificate III is not the preferred option for an entry level qualification. Most of the many people asked, believe that if mandated, this requirement alone will turn people away from the [disability] sector. (National Workforce Collaboration, sub. 65, p. 7)

Some suggested recognition of existing or informal experience could expand entry opportunities for workers in the care sector.

Many individuals in remote areas have been delivering care informally or in non-registered roles for years, accumulating significant hands-on knowledge and expertise. (Aged Care Workforce Remote Accord, sub. 98, p. 9)

IAHA recommends ... recognition of prior learning and lived experience to accelerate entry and progression through health careers. (Indigenous Allied Health Australia Ltd, sub. 145, p. 3)

NewDirection Care (sub. 21, p. 3) suggested greater benefit may come from attracting the right talent rather than OERs.

With regards to the care economy, we propose greater benefit would come from shifting a focus from 'qualifications' to attracting the right talent ... These individuals could then be supported to complete ongoing on-the-job training once they have entered the sector to improve expertise and outcomes.

Effect of OERs on labour mobility

Submissions highlighted issues with mobility for workers operating across state borders noting inconsistent and duplicate licensing with current frameworks not working as intended. Inconsistencies can negatively affect the availability of workers and add to the burden faced by workers and businesses seeking to work across jurisdictions.

Under current arrangements there are licensed plumbers who need to hold an individual license in every state of Australia and New Zealand and must pay license fees each year to each regulator. This situation is clearly inefficient and could be improved. This is particularly the case in “cross border” locations where plumbers in their normal course of operation find themselves working in multiple jurisdictions requiring, in most cases, separate licenses. (Plumbing Industry Climate Action Centre (PICAC), sub. 180, att. A, p. 6)

There are multiple “mobility” schemes (Mutual Recognition (MR), Automatic Mutual Recognition (AMR), and the East Coast Electricians Scheme (ECES)) seeking to address interstate workforce mobility, however they are highly fragmented and not working as intended, lacking cohesion and creating confusion. Licensed electrical workers may be uncertain about where they can work and under what conditions, and in jurisdictions where AMR or ECES do not apply, they face increased costs and administrative burdens. These inconsistencies result in duplicated licence application and maintenance processes, delays to project mobilisation, lower standards of skill or experience for some electrical workers, and underutilisation of available labour. (Master Electricians Australia (MEA), sub. 94, p. 20)

Targeting qualification and entry requirements to risk

Growing credentialism

The Council of Australian Postgraduate Associations (CAPA) (sub. 150, p. 6) described undue qualification requirements as ‘keeping Australians from the workforce whilst saddling them with larger HECS debts’.

Inquiry participants gave examples of what they considered to be growing credentialism, arguing:

- post-graduate practical legal training required for admission as a lawyer imposes undue costs and time-pressures on students (CAPA, sub. 150, p. 6)
- requirements for a Master of Education Leadership for principals ‘may be a barrier for otherwise capable leaders’ (Queensland Catholic Education Commission (QCEC), sub. 121, p. 4).

Some submissions gave examples of how credentialism has been successfully wound back. ASQA (sub. 146, p. 6) noted amended registered training organisation standards for VET teachers’ qualifications had ‘helped alleviate pressures on the VET workforce through expansion of the workforce pool, but without increasing risks to quality’. Several participants noted the potential benefits of micro-credentials (ARC, sub. 108, p. 3; QCEC, sub. 121, p. 4) ‘enabling professionals to “stack” learning into formal qualifications and supporting lifelong adaptability’ (Australian Institute of Project Management, sub. 51, p. 3).

A more flexible approach to licensing

Responses to the interim report’s discussion of flexible approaches to licensing were mixed. Several participants from the electrical industry did not support modular licensing.

The electrical license is a general license and is purposely broad and comprehensive. Maintenance of consistent and broad skills base for all electricians through the licence ensures versatility for electricians in an industry that is susceptible to cyclical demand. The versatility of the electrical licence is especially important for electrical workers engaged in construction of transmission and renewable energy projects on a predominately fixed-term, single-project basis. (ETU, sub. 69, p. 4)

As the steward of the UEE (Electrotechnology) training package, PSO does not support a modular approach to licensing. We are concerned that such an approach would dilute the licence, erode the required skills base, and increase the risk of individuals working outside the scope of their licence. Feedback from stakeholders strongly indicates that the industry shares these concerns. (Powering Skills Organisation Ltd, sub. 221, p. 3)

However, other participants supported more flexible approaches like modular and task-based licences.

AGWA supports universal occupational licensing complemented by minor licenses, which would be validated through skill sets tailored to specialised sectors within the industry. (Australian Glass and Windows Association (AGWA), sub. 100, p. 4)

The CFMEU does support the task-based licensing which already happens with high risk licensed work for scaffolders, riggers, dogmen, crane operators and hopefully will soon apply to operators of telehandlers and piling rigs. (CFMEU Construction and General Division, sub. 191, p. 8)

Other examples include WA's Restricted Electrical Licence for hybrid electric and battery electric mobile mining equipment, which specifically references an original equipment manufacturer training course rather than a certified qualification. (Chamber of Minerals and Energy Western Australia (CME WA), sub. 120, p. 3)

Additional opportunities for more modular licensing were identified by participants.

- AGWA (sub. 100, p. 14) noted some glaziers may dedicate their careers to shower screens and pool fencing which would make the Certificate III in Glass and Glazing not entirely necessary. They also argued that requiring the full qualification may deter entry as 'employers are unlikely to support apprenticeships for qualifications only marginally relevant to specific roles, and individuals are similarly disinclined to pursue largely irrelevant coursework'.
- MEA (sub. 94, p. 22) suggested restricted licences for electricians to do fire, air conditioning, and plumbing and gas work. They argued such licensing would 'streamline entry requirements for electrical workers across the country, reduce the number of trades required on-site, lower costs, time, and labour pressures at a time of high demand'.

Alternative entry pathways

Accelerated apprenticeships

Participants raised concerns that accelerated apprenticeships – an idea explored in the interim report – would undermine safety and quality outcomes.

Electrical apprentices in their third and fourth years undertake many tasks that a qualified tradesperson would perform, but they do so under direct supervision. This is an essential stage of the apprenticeship to ensure that training is being appropriately applied. (ETU, sub. 69, p. 7)

Participants expressed support for fast-tracking in specific circumstances such as where experienced tradespeople are seeking qualification in a similar trade.

CME members highlight examples where their employees, such as tradespeople, are considering cross-skilling to become electricians, but a lack of 'core and common' units from other Certificate III trade qualifications that can be credited to an electrical apprenticeship act as a barrier, requiring experienced tradespeople to undergo a full apprenticeship again. (CME WA, sub. 120, p. 3)

MEA accepts that in some cases where an individual has already completed a full trade qualification (e.g. as a refrigeration and air conditioning mechanic), it may be appropriate to credit and fast-track to electrical qualification through an independent assessment. (MEA, sub. 94, pp. 18–19)

A truncated or otherwise tailored plumbing or fire protection apprenticeship could be appropriate and low risk for those with an existing trade qualification. (PICAC, sub. 180, p. 8)

There was also support for acceleration for mature-age apprentices.

ACCI recognises the benefits of alternative approaches to acquiring competencies in trade-based occupations, such as accelerated apprenticeships for mature-aged students, but cautions against over-expanding and streamlining qualification requirements for occupations. (ACCI, sub. 126, p. 7)

Expanding non-apprentice pathways

Our draft recommendation to expand entry pathways into trades elicited a range of responses. Some considered that only traditional entry pathways, such as apprenticeships, deliver mastery and competency.

Alternative pathways carry the risk of only delivering point-in-time competency but cannot guarantee the proficiency and mastery that underpins what employers truly value. (ACCI, sub. 126, p. 7)

... only a practitioner with a holistic understanding gained through an apprenticeship, can understand how one part of the integrated system of building services work together and how changes to one can impact another. (PICAC, sub. 180, p. 7)

Others also considered that apprenticeships are essential to safe work.

Apprenticeships offer significant value to workers and employers and are the bare minimum requirement for workers to operate safely in those occupations. (ACTU, sub. 209, p. 25)

Unions also expressed concerns that non-apprentice pathways would result in less transferrable skills and a lesser ability for skills to be recognised through award- or enterprise agreement-based pay increases.

Non-apprentice pathways typically offer no job security for workers, require workers to meet the cost of their own education and deliver a lower standard of training. (ACTU, sub. 209, p. 25)

The AEU supports broadening access to high-quality, portable qualifications, but cautions against approaches that narrow pathways to short, unaccredited products or rely on employer purchasing power rather than system stewardship. (AEU Federal Office, sub. 119, p. 14)

However, some participants supported using RPL to provide alternative entry pathways for experienced workers.

Appropriate alternative pathways can be effective and appropriate where the RPL process is maintained with rigor, transparency and overall equivalence of skill (for those coming through the Cert III apprentice pathway); and where competence can be verified by way of a pre-registration exam (Victorian model). (PICAC, sub. 180, p. 4)

The CFMEU supports the Commonwealth Government's commitment to establish the Advanced Entry Trades Training program to fast track the qualifications of 6,000 experienced but unqualified workers in residential housing and civil construction as an example of this. The program will use recognition of prior learning to assess participant's existing skills, followed by individualised gap training delivered by TAFEs and other high-quality registered training organisations. (CFMEU Construction and General Division, sub. 191, p. 7)

Several participants highlighted the value of expanded pathways for specific cohorts, including:

- women who have gained their skills in prison (Sisters Inside, sub. 42, p. 4)
- people with less privileged social networks such as young people without university degrees, people from lower socio-economic backgrounds, people with disability and First Nations youth (Social Ventures Australia, sub. 156, p. 7)
- women, mature-aged workers and migrants (WAVE, sub. 109, p. 15).

Participants broadly emphasised the need to maintain competency standards and implement safeguards in any expanded entry pathways, with some suggestions on how to do so.

Introduce alternative pathways only with safeguards, such as:

- Formal competency assessments.
- Mandated supervised hours.
- Coverage under the award to protect against unpaid labour. (Ashlee Glazbrook, sub. 151, p. 2)

The priority for AAPi remains high-quality and safe practice, which can be explored through the piloting of risk-tolerant models that maintain safety but allow more flexible entry routes. (AAPi, sub. 106, p. 7)

Migrant skills recognition

Participants noted migrants play an important role in addressing skills shortages, particularly in regional areas.

Migrants are a critical component of the overall labour and skills mix in Australia and at times of skills shortages are a key avenue of labour for Australia's growth and productivity. (Australian Institute of Company Directors, sub. 206, p. 3)

Several submissions highlighted the need for better skills recognition pathways for migrants to make full use of their existing skills.

... there are 18,400 permanent migrants in Australia with qualifications in building and construction who are working below their skill level, and a key reason for this is Australia's costly and confusing approach to recognising overseas skills and qualifications. (Master Builders Australia, sub. 215, p. 11)

Almost half of permanent migrants in Australia have skills that are not fully used – a clear productivity loss. (BSL, sub. 90, p. 3)

Improving migrant skills recognition will enable migrants living in regional Australia to utilise their skills to address regional skill shortages and contribute to higher productivity. (Regional Australia Institute, sub. 16, pp. 5–6)

Emerging reform ideas

During the consultation process participants raised some reform ideas that were outside of the scope of this inquiry. Some of the ideas are outlined below.

Additional support for apprenticeships and VET

A number of inquiry participants raised funding and sustainability challenges for the VET sector. Participants commented on funding settings for TAFEs, RTOs and for apprenticeships, noting the need to better support contemporary learning approaches and ensure funding meets the costs of delivery for all courses. Some participants commented on the impact of current approach to funding caps and the introduction of fee-free TAFE.

... BKI urges immediate reform of VET funding models based on student contact hours. This model limits innovation and flexibility in vocational education and training. It does not adequately support contemporary learning approaches such as recognition of prior learning (RPL), microcredentials, and blended delivery. A modernised funding framework is essential to enable responsive, learner-centred pathways that meet evolving workforce needs. (BKI, sub. 99, p. 1)

A key part of the challenge for non-TAFE providers (Industry RTOs) in the current environment are state-level funding caps and per-course funding rates ... In Industry's view, the caps on places are restricting uptake, and creating a level of unmet demand for training ... Current state subsidy rates are often insufficient to meet the true cost of delivery, especially for specialist programs in [heating, ventilation and air conditioning], fire protection and energy transition technologies. This makes it increasingly difficult for many RTOs to participate at scale and undermines the training pipeline. (PICAC, sub. 180, p. 9)

By limiting students to only being able to upskill for free through TAFE, rather than through any quality provider, skills shortages are being exacerbated rather than alleviated, as capacity constraints within TAFE limit the system's ability to deliver training at the scale required. (PICAC, sub. 180, p. 10)

Some participants commented on the status of apprenticeship and VET pathways, compared with higher education pathways, despite the current and projected future demand for skills.

It is vitally important that school students (irrespective of gender, socio economic or cultural background) are informed about the opportunities in these growth areas and understand their pathway options into VET training and a career in a key, in-demand sector, or trade ... Industry believes this could be addressed to a large extent by structured pre-apprenticeship programs and early career awareness initiatives in schools. (PICAC, sub. 180, p. 11)

Participants also commented on financial barriers to students wanting to pursue a career in trades.

Prospective construction trade workers are discouraged from gaining apprenticeships due to the financial burden of doing so – would you accept working for less than minimum wage for four years to undertake an apprenticeship or enter the industry immediately with less qualifications but with a living wage? Apprentices and trainees must earn a living wage whilst completing their qualifications. (CFMEU Construction and General Division, sub. 191, p. 9)

Several participants also noted that the growth of generative AI and its use in the workplace had implications for VET teachers and students, and noted work underway to support the development of AI skills in these settings.

... there is no question that fluency in the use of AI tools will become foundation skills for school leavers, workers and professionals now and into the future. (SkillsIQ, sub. 131, p. 1)

One of the most divergent drivers of labour-market change is AI, including generative AI and agentic AI. ... FSO is responding to this need by developing VET training products to build generalist AI skills. (Future Skills Organisation, sub. 154, p. 12)

Clarity on copyright arrangements in the context of AI and digital tools

Some inquiry participants raised concerns around copyright of instructional materials because of emerging AI use in schools. While this was not specifically addressed in the recommendations, some diverging issues were raised that may benefit from further exploration.

Copyright Advisory Group (CAG) – Schools (sub. 171, p. 3) suggested that:

Our educational copyright laws are stuck in the ‘chalk and talk’ era and place an unreasonably high burden on teachers and Education Bodies. These challenges pose significant roadblocks for teachers, students, parents and schools in using digital technologies and AI in education. Extensive reviews of Australia’s copyright framework have consistently highlighted the need for a more flexible and adaptive framework to facilitate digital education. Without urgently needed updates, we risk falling further behind other nations and failing to fully realise our productivity goals.

Independent Schools Australia (sub. 225, p. 6) ‘supports calls for copyright reform to enable schools and teachers to fully utilise digital technologies and AI for education’.

Two participants presented alternative views. The APA (sub. 141, p. 7) outlined that:

Educator use of AI on in-copyright publisher content often entails copying or ingestion into a tool. Where that use is for classroom preparation or delivery, it should occur under the education statutory licence (or another licence) and must not enable vendor retention for training or broader reuse. Contrary to CAG submissions to the PC, the education statutory licence (Copyright Act s 113P) is technology-neutral and already supports many AI-assisted classroom uses while ensuring creators are paid.

The APA (sub. 141, p. 8) suggested that ‘[if] harnessed properly, the statutory licence reduces uncertainty and workload, supports inclusion, and enables responsible AI adoption—while sustaining investment in high-quality Australian resources’.

The Copyright Agency (sub. 152, p. 3) had a similar view.

The education statutory licence allows teachers to copy and share any material that is available online, where they would otherwise require permission under the Copyright Act (e.g. if the terms of use for the material limit use to personal use only). Teachers know that they are covered by the statutory licence, and that they do not need to check the terms of use.

A. Overview of engagement

Details of the consultation process and engagement methods for the inquiry are outlined below.

Consultation phases

The figure below outlines the inquiry timeline and the key phases of consultation. In addition to the formal opportunities provided for participants to share their views, we also held meetings with participants and maintained a ‘5 pillars’ e-mail inbox open for correspondence throughout the inquiry.

Inquiry timeline and consultation phases



The responses received through Australia's Productivity Pitch are not summarised in this paper. A summary of what participants told us during this initial phase of consultation was published in February 2025. [Read Australia's Productivity Pitch](#).

Engagement methods

We gathered written feedback from participants through three main methods.

Online questionnaires

We developed a targeted questionnaire to explore specific issues related to the three reform areas and to inform the direction of our interim report. The questionnaire included a mix of multiple-choice and open-ended questions, allowing participants to provide responses focused on particular aspects of the reforms. We also gave participants the option to submit additional documents to support their response. [Read responses to the consultation questionnaire](#).

Pre-interim submissions

Some participants chose to provide submissions by email instead of completing the online questionnaire. These contributions were viewed alongside the questionnaire responses when drafting the interim report.

Post-interim submissions

Following the publication of the interim report on 11 August 2025, we sought further input on the reforms through information requests included in the interim report. Participants were asked to upload their submission via an online webform, with an option for uploading supporting documents.

Participants were also given the opportunity to make submissions via video or phone call.

Other consultation

In addition to written responses, we held 137 meetings with organisations and individuals, including government departments, peak bodies, Aboriginal and Torres Strait Islander organisations, unions and industry peak bodies. These meetings were held on a confidential basis to enable open discussion and are not summarised in this paper. The discussions informed our understanding of the issues and contributed to the development of our reform areas and the draft and final recommendations.

Participation

We received 95 questionnaire responses, 37 pre-interim submissions, and 189 post-interim submissions from across the Australian community.