

Submission: Productivity Commission Interim Report on Building a Skilled and Adaptable Workforce

Background

The Productivity Commission's interim report, *Building a Skilled and Adaptable Workforce*, outlines key recommendations to strengthen Australia's vocational education and training (VET) system. As Australia's leading integrated skills organisation, Bendigo Kangan Institute (BKI) welcomes the opportunity to contribute to this national conversation and supports reforms that better align training with workforce needs.

BKI operates across regional and metropolitan Victoria through Bendigo TAFE and Kangan Institute, and plays a national role via VETASSESS, Australia's largest skilled migration assessing authority. BKI also delivers e-learning solutions through eWorks and is the largest education provider for Corrections Victoria.

In addition to the responses to the draft recommendations, **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 strongly supports initiatives that promote upskilling, reskilling, and workforce mobility, in priority sectors of clean energy, digital, health, and construction. To help meet future demand, BKI is leading the Victorian Government-funded \$2.8 million Artificial Intelligence RPL Tool (AIRT Project), part of a broader \$14 million investment in AI. Delivered in partnership with the Victorian TAFE network, the pilot aims to streamline RPL processes and improve access to skills recognition.

Additionally, BKI has developed digital skills capability mapping for the Future Skills Organisation. This work identified core digital and employability skills for integration into all Australian VET qualifications via BSB and ICT Units of Competency, with potential to expand into other disciplines.

These initiatives demonstrate BKI's commitment to a responsive, future-focused VET system that supports learners and employers alike, and provide the context for our responses, below.

BKI's responses to the draft recommendations

#	Draft recommendation	BKI's response
1.1	Invest in a single national platform for all teachers to access lesson planning materials	Support – Victoria is already progressing shared courseware for VETDSS offerings.
1.2	Lead national efforts to ensure equitable access to educational technology	Support – subject to providers having autonomy to continue to use own systems.

	(edtech) and artificial intelligence (AI)	
2.1	Move toward a national system of credit transfer and recognition of prior learning (RPL)	Strongly support BKI backs a national credit database to improve efficiency and preserve academic records, especially when providers close or merge. RPL across multiple providers can be hard to verify and inefficient over time. BKI is leading the \$2.8m Victorian Govt-funded project to build an AI-powered RPL system: - Speeds up processing, cuts costs, and improves accuracy. - Uses AI to assess evidence against units and qualifications in the National Recognised Training system. - Designed to scale across industries. VETASSESS supports the recommendation, citing benefits for credit transfer, RPL, and migration processes.
2.2	Better target incentives to lift work-related training rates in small and medium enterprises (SMEs)	Support – if training is through government funded providers.
3.1	Remove excessive occupational entry regulations that offer limited benefits	Support – recommend that the Productivity Commission engages the Australian Computer Society (ACS) on onerous requirements as the relate to the IT sector (as an example)
3.2	Expand entry pathways and streamline qualification requirements for occupations	Strongly support Union engagement likely required for successful implementation. Support for stackable, accelerated qualifications (e.g. Cert III in Electrotech for Data Centres contributing to full Cert III/IV). VETASSESS collaborates with the Commonwealth to align migration skills assessments with industry needs. VETASSESS assesses related roles like Internal Auditors and Risk Managers (not External Auditors). Open to pilot initiatives in migration skills assessment.
3.3	Improve the regular reviews of occupational entry regulations	No view
3.4	Incentivise occupational entry regulation reform through National Competition Policy	Support – VETASSESS collaborates with regulators, unions and the Department of Employment & Workplace Relations (DEWR) to align migration skills assessments with industry standards.