



Feedback to the Productivity Commission Adaptable Workforce Interim Report

15 September, 2025

Dear Productivity Commission,

The Australian Association of Psychologists incorporated (AAPi) appreciates the opportunity to provide recommendations regarding the Building a Skilled and Adaptable Workforce Interim Report from the perspectives of psychologists. We have limited our responses to those relevant to psychologists. We are in an unfortunate position where the workforce is not currently meeting the community demand due to barriers in the training and registration of psychologists. There is presently a significant deficit in the number of psychologists vs the required amount, and this shortfall is expected to grow significantly in the next 5-10 years without substantial intervention. We thank the Productivity Commission for the work it has done thus far in identifying these issues and provide the following comments for your consideration.

Information request 1.1

Not within AAPi scope.

Information request 2.1

1. *The impacts and use of credit transfer and RPL*
2. *How do the current challenges in navigating credit transfer and RPL impact Aboriginal and Torres Strait Islander people, people with disability, people living in regional and remote locations, women, mature aged workers, and people from culturally and linguistically diverse backgrounds?*

Credit transfer and Recognition of Prior Learning (RPL) are essential for enabling flexible education pathways and lifelong learning. AAPi supports reforms that improve transparency, consistency, and accessibility of these processes. Currently, those who are trained in Australia face several challenges when seeking credit transfer and Recognition of Prior Learning (RPL), particularly when transitioning between institutions or upgrading qualifications. These issues span regulatory, procedural, and practical domains. Each education provider has its own RPL and credit transfer policies, which can vary significantly in terms of required documentation, assessment criteria, and application timeframes. This lack of standardisation can lead to confusion and delays, especially for psychologists moving between institutions or seeking to upgrade qualifications. This is seen for students who complete 1-year Master of Professional Practice and want to move on to the Master of Clinical Psychology or another area of practice master's degree. With more courses closing as the demand for Clinical Psychology Masters grows, it has become imperative that there be ways to revitalise the less popular masters degrees in order to ensure diversity of training within the profession.

Applicants must also provide extensive documentation to support their RPL claims, including transcripts, certificates, subject outlines, portfolios of work, employer declarations, and demonstrations of competency or interviews.

For psychologists, especially those with informal or non-accredited experience (e.g., community work, supervision), gathering this evidence can be time-consuming and difficult. There is a process of applying for substantial equivalence and gaining an Area

of Practice Endorsement, but this process fails to recognise training gained outside of the formal university setting and training in non-psychology areas that may be equivalent (e.g. mental health nursing, health, population health, organisational mental health). While the Australian Qualifications Framework (AQF) allows for recognition of informal and non-formal learning, many institutions are cautious about granting credit for such experiences, as is the Psychology Board of Australia. This is particularly problematic for experienced practitioners who have gained substantial skills outside formal education settings.

Some institutions also do not allow RPL or credit transfer for placement subjects and subjects previously awarded as 'Advanced Standing' by another provider. This can be a barrier for psychologists who have completed similar practical components elsewhere. Our members report to us that this contributes to their experience of placement poverty and disadvantage. 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.

Providers must ensure that granting credit does not compromise the integrity of the qualification or disadvantage the student in achieving learning outcomes. This often leads to conservative decisions, where credit is denied even if prior learning is relevant.

Many students are unaware of their eligibility for RPL or credit transfer until after enrolment. Institutions are required to inform students, but this is not always done effectively.

Current challenges in navigating credit transfer and RPL disproportionately affect Aboriginal and Torres Strait Islander people, people with disability, those in regional and remote areas, women, mature-aged workers, and culturally and linguistically diverse individuals. AAPI advocates for inclusive policies that address these barriers and promote equitable access to education.

Information request 2.2

Establishing a national credit database

The PC is interested in participant views on the following questions.

1. *Is a national credit database feasible with the current credit data infrastructure?*
2. *Would it be possible to codify RPL decisions into the database? What are the key challenges?*
3. *What are the major risks of establishing a national database? How can they be mitigated?*
4. *What are the key barriers to coordinating consistent and accurate data on credit decisions across providers? How can providers be supported to overcome these barriers?*

AAPI supports the feasibility of a national credit database by formalising and integrating existing databases. This would improve transparency and support informed decision-making for students.

Codifying RPL decisions into the database is possible but requires standardised frameworks and consistent data collection. Challenges include variability in practices and provider incentives.

Major risks include data privacy and inconsistent data quality. These can be mitigated through strong governance, national standards, and oversight by the Australian Tertiary Education Commission.

Key barriers include a lack of standardisation and provider incentives. Providers should be supported through funding, training, and policy enforcement.

Information request 2.3

Recognition of Prior Learning (RPL) assessments

1. *What approaches are used? What costs are incurred? What level of staff involvement is required?*
2. *Would it be helpful to have a coordinated RPL assessment process that spans across multiple education providers? Would that be feasible? What would be the challenges and risks?*

RPL assessments vary widely and can be costly. They require specialist staff and individualised evaluation. AAPi recommends developing best practice guidelines to support consistent and efficient assessments.

A coordinated RPL assessment process across providers would be beneficial and feasible with the establishment of national standards and governance. Challenges include maintaining provider autonomy and ensuring quality.

Information request 2.4

Financial incentives for training in small and medium enterprises (SMEs)

The PC is seeking further information on the design and implementation of financial incentives for SMEs to provide work related training.

1. *What is the most effective way to encourage SMEs to increase work related training? What lessons are there from past programs and policies?*
2. *What should be considered in determining an appropriate size of SMEs eligible for financial incentives for training? Should sole traders be eligible?*
3. *Which types or formats of training (for example, management or IT related, short courses versus workshops) should be covered by financial incentives? How should training providers be vetted? What types of training would be most effective in increasing productivity in SMEs?*
4. *How and at what level should support for training be capped (per firm, per employee)? How can co payment requirements be designed to reduce inefficiencies without disadvantaging small businesses?*
5. *What other criteria should be considered when determining eligibility for financial incentives?*
6. *Can the introduction of financial incentives for training in SMEs lead to increased risks of fraud or misuse? Have past measures identified significant fraud or misuse?*

7. *What other risks, complexities or unintended consequences should the Australian Government be aware of?*

AAPi recommends financial incentives such as grants, tax credits, and vouchers to encourage SMEs to increase training. Lessons from past programs highlight the importance of targeting and evaluation.

Australia has a large number of provisional psychologists who have high training needs, particularly supervision costs, during their internship requirements. Subsidising supervision costs in workplaces will incentivise businesses to employ provisional psychologists and upskill staff to become formal Board Approved Supervisors. We propose that funding be provided to cover the cost of Board Approved Supervisor training in underserved areas such as rural and remote areas of Australia and Aboriginal and Torres Strait Islander communities, where psychology services are exceedingly difficult to access for the public. This will ensure that practitioners local to these areas can complete their formal training in their own communities and will encourage those from outside these areas to relocate due to the increased opportunities available.

Eligibility should consider business size and include sole traders where appropriate. During previous workforce surveys, it has been identified that more than half of the psychology profession work either in sole trader or small private practice arrangements. To exclude smaller workplaces would mean that psychologists would largely be excluded from work-related training initiatives. Thresholds should be carefully set to avoid disincentives to participation.

Incentives should cover training formats that improve productivity, such as management and IT courses. Providers should be vetted using quality assurance frameworks. With the move towards further digital integration of the healthcare workforce, it is of high importance that the psychology sector as a whole is upskilled and able to manage this transition safely and effectively to ensure that the public is not at risk of increased privacy breaches if providers are not adequately trained.

Co-payment requirements should strike a balance between efficiency and equity. Other criteria include business sector, training relevance, and workforce needs.

Risks of fraud or misuse exist but can be mitigated through monitoring and clear eligibility criteria. Other risks include administrative burden, inequity, and unintended market distortions.

Information request 2.5

SME advisory services for training provision

The PC is seeking further information on the value of SME advisory services for training provision.

1. *What advisory or consultation services would most effectively support SMEs to increase their provision of work related training? In what form should this support be made available or delivered?*

2. *Which government entities should be responsible for coordinating and delivering support services?*
3. *What should be considered in deciding whether and how support services are publicly funded?*
4. *Do Australian SMEs have persistent capability gaps, such as managerial capacity, digital competencies or any other critical skills, that an advisory or consultation service should prioritise?*

Advisory services should include tailored consultation on training needs, delivered through existing SME support infrastructure.

Government entities such as Jobs and Skills Australia or state business advisory services should coordinate and deliver support.

Public funding should be considered based on both cost-effectiveness and targeted impact. Evaluation is essential.

Advisory services should prioritise gaps in managerial capacity, digital skills, and other critical competencies.

Information request 2.6

Supporting access to work related training for individuals

The PC is seeking information on policies to encourage individual participation in work related training.

1. *With ongoing tertiary education reforms in mind, what else can the Australian Government do to address the work related training barriers individuals face?*
2. *How does low participation in work related training impact different segments of the population, such as Aboriginal and Torres Strait Islander people, women, people with disabilities and workers in regional and remote areas?*
3. *What risks, complexities or unintended consequences should the Australian Government consider?*

AAPi recommends recognition of informal learning, flexible training options, and targeted support to address barriers to work-related training.

Low participation impacts disadvantaged groups by limiting career progression and adaptability. Tailored support is needed.

Risks include inequitable access, ineffective targeting, and unintended consequences such as credential inflation.

Information request 3.1

1. *What occupational entry regulations should be prioritised for review?*
2. *Are there examples of requirements other than occupational entry regulations that overly limit entry into professions? How could these be addressed?*
3. *How do occupational entry regulations uniquely impact segments of the population, such as Aboriginal and Torres Strait Islander people, women,*

- mature aged workers and people from culturally and linguistically diverse backgrounds?*
4. *Aside from regulatory impact assessments, what other policy instruments could Australian governments use to better address excessive occupational entry regulations?*
 5. *What data collection would best inform the evaluation of occupational entry regulations?*
 6. *What alternative approaches to apprenticeships should governments consider to improve pathways into trade based occupations, while maintaining quality standards? And what are the potential implications of alternative pathways?*
 7. *How can Australian governments and industries facilitate and incentivise greater use of accelerated apprenticeships?*
 8. *How can the Australian Government best support state and territory governments in reforming occupational entry regulations?*
 9. *How can the National Competition Policy process (or other longer term arrangements) help to incentivise reform on occupational entry regulations?*
 10. *What other aspects of occupational entry regulations (or broader, contextual issues) warrant consideration by Australian governments?*

There has already been a need to review course content and ensure it is more practical and enables a work-ready workforce. While the Psychology Board is undertaking this review, a review of the substantial equivalence for Area of Practice Endorsement is also required to determine if training and qualifications outside of psychology masters degrees can be used to determine substantial equivalence.

There is a need to streamline credit transfer and RPL processes across institutions and jurisdictions and promote automatic mutual recognition of psychology qualifications between universities. International equivalency frameworks can be considered to better integrate overseas-trained psychologists into the Australian workforce. Currently, this process is overly time-consuming and difficult, providing a barrier to skilled workforce immigration. Creating a centralised database of credit transfer decisions and RPL outcomes to guide applicants and providing clear, accessible information on pathways to registration for domestic and international psychologists will assist the workforce to understand their eligibility and requirements.

It is also important to establish a regular review cycle to ensure regulations remain fit-for-purpose and responsive to workforce needs. This needs to include stakeholder consultation, especially with professional bodies like AAPi, APS, and educational institutions, to ensure that workforce training needs are identified and prioritised.

There has also been discussion of alternative pathways to registration with recent consultations on competency-based assessments, supervised practice alternatives by the Psychology Board of Australia. 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.

Data collection should focus on safety outcomes, employment impacts, and service availability. The Australian Government can support reforms through coordination, funding, and guidance.

AAPi thanks the Productivity Commission for the opportunity to provide feedback and stands ready to provide any additional assistance, such as more information and feedback specific to the psychology profession.

Kind regards,

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