



Australian Government
Australian Skills Quality Authority

ASQA

Commissioner
Productivity Commission
Building a skilled and adaptable workforce inquiry

By email: 5pillars@pc.gov.au

Dear Commissioner

Submission in response to the interim report on the inquiry into *Building a skilled and adaptable workforce*

Thank you for the opportunity for the Australian Skills Quality Authority (ASQA) to make a submission in response to the interim report on the inquiry into *Building a skilled and adaptable workforce* (the Inquiry).

This submission is focussed on draft recommendations in relation to building skills and qualifications for a more productive workforce and ensuring fit-for-purpose occupational entry regulations.

I trust ASQA's submission will assist the Inquiry. If you have any questions in relation to the content of this submission, please contact Fiona O'Brien, Executive Director, Policy and Engagement via email at

[REDACTED]

Yours sincerely

[REDACTED]

Saxon Rice
Chief Executive Officer
15 September 2025

ASQA's role and purpose

ASQA is the national regulator of Australia's vocational education and training (VET) sector.

Our purpose is to ensure quality VET so that students, industry, governments and the community have confidence in the integrity of national qualifications issued by Registered Training Organisations (RTOs).

We support confidence in sector by:

- ensuring our combination of monitoring, compliance, enforcement and education activities are risk-based and data driven
- responding adeptly to non-compliance, applying regulatory responses that are proportionate to the level of risk and protecting students
- uplifting the quality and governance of RTOs to ensure accountability and responsibility for meeting their obligations and continuously improving VET outcomes.

We also take regulatory action against non-registered training providers and other entities not authorised to deliver VET qualifications, if they breach the law.

Building skills and qualifications for a more productive workforce

Draft recommendation 2.1: Move to a national system of credit transfer and Recognition of Prior Learning (RPL)

Supporting integrated education pathways

ASQA recognises that enabling more streamlined movement of students between VET and higher education (HE), or indeed from HE to VET, is essential in responding to the needs of a dynamic economy, critical skill shortages and a changing labour market. Accordingly, ASQA supports the intent of draft Recommendation 2.1.

We note that improved integration of pathways has been a long-held policy goal, however, has proved difficult to achieve. Over the past few decades, many policies and initiatives, reports and research projects have examined and promoted pathways that use qualifications as a vehicle for facilitating movement between the two sectors. However, barriers such as system complexity and a general cultural barrier between the focus of the two sectors remain.

In addition, and particularly more recently, threats to the quality and integrity of RPL (as opposed to credit transfer practices) have significantly increased, either as a result of poor quality assessment or due to models purporting to be RPL but which are disingenuous 'cash for qualifications'. These practices are often driven by mandatory qualifications in skill shortage areas such as aged care, childcare, disability services and trades - making the lure of "quick" qualifications through fraudulent RPL more appealing to unscrupulous RTOs and potentially complicit students.

As a consequence, and as the interim report suggests, some HE providers are "reluctant to grant credit due to concerns about the quality and relevance of prior learning".

Responding to RPL risks in VET

Undertaken well, RPL recognises skills and knowledge built from prior learning experience, including through formal and informal learning, and provides a robust framework to ensure individuals can have their skills recognised.

RPL is a requirement for all RTOs to consider for all potential enrolments, unless ASQA takes enforcement action to prohibit an individual RTO from offering RPL. In addition, RTOs may engage third party providers to assist in the RPL process.

RPL has been one of [ASQA's Regulatory Risk Priorities](#) for three consecutive years since 2023-24. However, in 2025, ASQA has assessed threat behaviours associated with RPL as critical, which is an escalated risk rating compared to 2024. 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.

In response to these risks, we continue to undertake a large-scale program of regulatory action against non-genuine providers, bad-faith operators and professional facilitators. Since November 2024, ASQA has cancelled the registration of 13 RTOs found to have issued VET qualifications without the appropriate training or assessment, along with more than 29,000 qualifications. Many of these qualifications were issued based on a purported model of RPL.

In addition to this enforcement action, 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.

We are also continuing to explore other regulatory mechanisms and/or additional regulatory and legislative reform that may be required to effectively prevent and respond to risks associated with RPL.

However, we recognise that a balanced approach is needed, exercising appropriate caution, while also enabling effective solutions to workforce and skills shortages. That balance needs to ensure capability is built within the sector for RPL while not further incentivising inappropriate use of RPL as a "quick" and "cheap" way of obtaining qualifications, at the expense of quality training and assessment. Particularly noting that while RPL can reduce the cost of learning for an individual, it does not necessarily reduce the cost of assessment (and gap training) for providers.

Leveraging regulatory harmonisation

Under the Australian Universities Accord 2024-25 Budget measures, ASQA worked in collaboration with the Tertiary Education Quality and Standards Agency (TEQSA) to develop a dual sector strategy aimed at reducing regulatory burden for providers that deliver both VET and HE. This strategy includes measures that are intended to derive benefits in terms of better integrated regulation and reduced administrative burden for providers. This in turn, may encourage more providers to deliver both VET and HE, with a view to more effectively streamlining pathways for their students.

In addition, we suggest that there is an opportunity for ASQA and TEQSA to build on this dual sector strategy, particularly in the context of building the capability of the broader tertiary sector in relation to

academic and corporate governance. This could include supporting a community of practice focussed on high quality assessment, RPL and credit transfer practices.

In addition, we are supporting several other Australian Government initiatives underway that are intended to enable multi-directional pathways between VET and HE, or that otherwise attempt to incentivise or accelerate the acquisition of tertiary qualifications through increased or improved use of RPL and credit transfer. These include:

- an updated Australian Qualifications Framework (AQF) Pathways Policy
- the Advanced Entry Trades Training program, which will fast-track assessment of participants' current skills via RPL and facilitate gap training through TAFEs and "other high quality RTOs"
- the Strategic Review of the Australian Apprenticeship Incentive System, which recommended the Australian Government, VET regulators and Jobs and Skills Councils collectively support best practice in RPL to fast-track apprentices where they can demonstrate competency.

Model of co-ordinated assessments of prior learning

The interim report suggests a "more coordinated approach to entry assessments could be more efficient and would avoid the incentive to not grant RPL (or to fraudulently grant too much)". The report proposes the use of standardised tests or independent assessments to facilitate such an approach, particularly for more common types of assessment.

The concept of independent assessment in VET is not a new one but rather, has previously been framed in the context of validating competency *at the end* of completion of a qualification or training product (i.e. a capstone assessment), rather than for the purpose of assessing and recognising prior learning *prior to* an individual undertaking further education or training.

For example, the *Expert Review of Australia's Vocational Education and Training System* (Joyce Review) recommended piloting independent assessment validation schemes, with the (former) National Skills Commission to investigate how funding should be split between RTOs and independent assessors. Further, the *Review of the National Vocational Education and Training Regulator Act 2011* (Braithwaite Review) recommended introducing the role of 'master assessor' "to be placed at the pinnacle of the VET teacher/trainer career path with responsibility to... assess the quality of an RTO's cohort of graduating students".

The recently released [Credential Policy](#), which forms part of the 2025 Standards for RTOs, also provides the platform to increase the use of industry experts in student assessment, improve the veracity of validation processes, and encourage standalone assessors as a valued part of the VET workforce.

Notwithstanding the necessary program of regulatory activity (outlined above) required to prevent and respond to inappropriate RPL use, ASQA is supportive of measures to explore the introduction of independent assessments of prior learning for students seeking to enrol in VET. This would complement the opportunity outlined above for tertiary regulators to support the building of capability among providers to undertake RPL and credit recognition and could otherwise, at least initially, be focussed where there is a heightened risk associated with a particular RTO or category of RTOs, or courses - for example, RTOs within their first two years of registration as a provider, RTOs with a history of non-compliance, or courses linked to high-risk work licences.

The Joyce Review recommended industry be responsible for independent assessments; though ASQA proposes there may also be a role for trusted or assured RTOs to play (those with demonstrated commitment and capability to quality VET) in executing or supporting independent/peer assessments of

prior learning. This could supplement the use of industry expertise, noting the concept of a 'master assessor' introduced through the Braithwaite Review suggested combining qualifications and experience in education with current industry knowledge and experience.

ASQA notes the use of RTOs in undertaking independent/peer assessments of RPL would require tight parameters to ensure the integrity of assessment outcomes. This may include, for example, establishing a trainer and assessor registration scheme similar to school teacher registration. If such a register were made publicly available, providers and students alike would be able to undertake due diligence on their chosen assessor before proceeding with their RPL or gap training assessment. However, the Commission's focus on fit-for-purpose occupational registration requirements is acknowledged and any such measure would require careful consideration so as not to constrain the VET sector's ability to attract and retain trainers and assessors.

It is also important that tertiary regulators continue to implement sector-wide education campaigns promoting ethical RPL marketing and assessment practices, as well as student-focused resources to help reduce demand for fraudulent qualifications by improving student awareness of unethical RPL operators and the potential consequences.

National database of academic credit decisions

ASQA supports consideration of the development of a national database of academic credit decisions. However, there will be a need for careful consideration of the inclusion of credit granted from different types of learning, such as microcredentials, informal learning or work experience, including international work experience given these areas inevitably involve an assessment at an individual level based on a blend of objective and subjective criteria in contrast to a credit transfer process that is largely administrative based on objective criteria

As the interim report notes, data elements relating to credit and RPL can be "low quality, with a significant number of missing values and known instances of RPL not being reported when it should be..."

ASQA intelligence and recent regulatory investigations confirms this and indicates RPL is almost certainly being under-reported in Total VET Activity (TVA) data. Undeclared RPL is driven by a range of factors including RTOs seeking to access higher rates of funding, conceal the extent of RPL activity or avoid regulatory scrutiny. Under-reporting distorts VET data, hinders accurate sector analysis, and reduces the effectiveness of regulatory monitoring.

Establishing a national database as proposed would assist in transparency and accountability, supporting overall confidence in the system.

Right to have credit transfer or RPL assessed before acceptance deadline

ASQA notes that this proposed recommendation is primarily focussed on HE admissions rather than VET enrolments. However, it is worth noting that Standard 1.6 of the 2025 Standards for RTOs requires RTOs to ensure that prospective students with prior skills, knowledge and competencies are supported to seek RPL to progress through the relevant training product. An RTO must be able to demonstrate to ASQA that:

- students are offered opportunities to seek RPL and made aware of the RTO's policies for seeking RPL
- RPL decisions are based on evidence of prior skills, learning and assessment, and undertaken in accordance with the RTO's assessment system, and

- RPL decisions are documented and decided in a way that is fair, transparent, consistent amongst students, and maintains the integrity of the training product.

Standard 1.7 of the Standards requires RTOs to ensure students who have completed an equivalent training product are supported to obtain a credit transfer. An RTO must be able to demonstrate to ASQA that:

- students are offered opportunities to seek credit transfer and made aware of the RTO's policies for seeking credit transfer
- decisions relating to credit transfer are based on evidence of prior completion of an equivalent training product demonstrated by AQF certification documents or an authenticated VET transcript, and
- decisions relating to credit transfer are documented and decided in a way that is fair, transparent, consistent amongst students, and maintains the integrity of the training product.

There is currently no explicit requirement for an RTO to complete an RPL or credit transfer process *prior to enrolment*, so this recommendation, if adopted, may require an amendment to the Standards for RTOs if intended to apply to VET.

Nevertheless, ASQA supports the broader intent of draft Recommendation 2.1 to better guide tertiary student decisions about future pathways, by monitoring compliance with Standards 1.6 and 1.7 to ensure RTOs are routinely advising prospective students about RPL and credit transfer processes and undertaking these functions where appropriate.

Fit-for-purpose occupational entry regulations

Draft recommendation 3.2: Expand entry pathways and streamline qualification requirements for occupations

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.

In exploring alternative entry pathways, ASQA suggests consideration could be given to the way in which existing capability in aligned occupations can be utilised to best effect to mitigate the risks associated with revised entry requirements. Changes made in 2024 designed to assist in the alleviation of VET workforce shortages of trainers and assessors provide a case study for potential replication across other sectors, as outlined below.

From 1 March 2024, the Standards for RTOs were amended to enable persons holding an education degree that is sufficient for registration as a secondary school teacher, and those actively working towards a Certificate IV or Diploma in the Training and Education (TAE), to *deliver* VET training and to *contribute to* assessments of students under the supervision of a fully qualified trainer and assessor. Changes also enabled the broader use of industry experts by allowing them to assist in the *delivery* of training alongside a fully qualified trainer and/or assessor.

These changes helped alleviate pressures on the VET workforce through expansion of the workforce pool, but without increasing risks to quality as they focused on the lower-risk VET activities – i.e. training delivery, rather than making assessment judgements about student's competence.

The interim report proposes the introduction of alternative approaches to acquiring competencies in trade-based occupations, including expansion of non-apprentice pathways into trades, which could see greater use of independent assessment to recognise skills and enable unqualified, but experienced, individuals to enter trade-based occupations.

As outlined earlier in this submission, ASQA supports measures that would seek to explore introduction of independent assessment as part of the tertiary education system, including consideration of the increased use of industry experts and licencing bodies to support the assessment of prior learning and existing competencies.