

Submission to 5 Pillars Interim Reports Consultation

September 2025

As a national institution with campuses across the country, Australian Catholic University is uniquely positioned to support Australia's economic and social wellbeing through our mission-based research and education.

ACU is grateful for the opportunity to provide feedback on the draft recommendations and findings of the Productivity Commission's interim reports. With the highest numbers of nursing and teaching graduates in the country, our submission focuses primarily on Pillars 2 and 4 - workforce and care, while also offering commentary on Pillars 1 and 3, in alignment with our commitment to the common good and our vision of flourishing lives, thriving communities, and ethical futures.

NB. Parenthetical numbering below refers to PC information requests, not draft recommendations.

Pillar 1. Creating a more dynamic and resilient economy

ACU broadly supports the Productivity Commission's draft recommendations to regulate in ways that promote business dynamism. Setting a clear agenda for regulatory reform, bolstering high-level scrutiny of regulations, and enhancing regulatory practices are all worthwhile pursuits for a more dynamic and resilient economy.

As a university with campuses and substantial operations across seven sites in three states and one territory, ACU has unique insight into higher education regulation and compliance across multiple jurisdictions. While not formally part of the five-pillar inquiry process, ACU notes that in response to letters from the Treasurer, Dr Jim Chalmers, and the Minister for Finance, Senator Katy Gallagher, both the Department of Education and the Tertiary Education Quality and Standards Authority (TEQSA) have committed to regulation that is proportionate, risk-based, and designed to safeguard quality while promoting innovation.

TEQSA's acknowledgement that some legislative requirements place unnecessary burdens on regulators themselves highlights the need for reform that enables regulators to focus resources on higher-risk activities.

In addition to these commitments, ACU recommends that **frameworks and regulations that ease the pathway for universities to support industry should be considered and harmonised with other higher education regulations**. For example, industry PhDs—an important mechanism for translating research into commercial outcomes—can be slow to establish due to misaligned regulations around work hours, Research Training Scheme (RTS), and Research Support Program (RSP) funding, and intellectual property arrangements. These misalignments can hinder industry's ability to engage quickly and effectively with universities, thereby limiting the potential for innovation and economic dynamism.

Regarding **[Information Request 2.3]**, ACU notes that several reviews of the higher education sector have been undertaken in recent years. The focus should now be on implementing the recommendations from these reviews. Once implemented, it would be prudent to review the regulatory landscape holistically. The establishment of the Australian Tertiary Education Commission (ATEC) is a significant development in this regard. As TEQSA recognises, ATEC's work agenda has the potential to improve coordination across the sector and support the Federal Government's productivity objectives.

Pillar 2. Building a skilled and adaptable workforce

ACU supports the Productivity Commission's focus on improving credit transfer, recognition of prior learning (RPL), and work-related training, particularly for small and medium enterprises (SMEs). However, to ensure these reforms lead to meaningful change, ACU recommends the following outcomes-focused enhancements:

1. Recognition of Prior Learning (RPL) and Credit Transfer

To improve accessibility and equity in RPL and credit transfer systems ACU recommends:

[Information request 2.1] - 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?

- The application process for RPL is not consistent across the sector. Universities present alternative application paths for applicants to self-direct their way through the RPL process, the processes are inconsistent and

challenging relying on applicants to understand the Australian university landscape to successfully navigate their way through dual processes RPL/credit and application.

- Applicants outside of metropolitan cities highlight the challenges of access to stable technology to proceed through the online application process inclusive of RPL/Credit and University applications and ability to receive support to complete the complex process.
- Credit tools on university websites are inconsistent and the language and mode of communication can disadvantage equity groups who are unfamiliar with the terminology used across the application process.
- Centralised RPL/credit assessment tools at universities can be challenging for equity groups, as they often focus on 1:1 unit matching or offer few TAFE pathway options.
- 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.
- Access to historical information (e.g. Unit Outlines) to prove unit content and EFTSL or credit point load varies depending on the age of the studies and the provider's archiving methods (online versus individual desktops).
- Applicants from culturally and linguistically diverse backgrounds who are unfamiliar with the current university system and language experience barriers to successful application and support.

Recommendation: There is an opportunity to address challenges by providing targeted support and resources so that the system design promotes applicant success and ensures accessibility as well as direct connection to relevant advocacy services during the process. Advocacy support should be no/low cost embedded in advocacy services with linkages to university support services or government providing applicants from equity groups with a seamless process.

[Information request 2.2] - Is a national credit database feasible with the current credit data infrastructure?

- It is possible, however, one of the challenges will be in the level of engagement across the sector, for success there is criticality in determining sector wide support.
- Discussions with universities without an RPL system expressed strong support for a national solution. Universities who had invested recently in RPL/credit solutions expressed an alternative view, while supportive, they had indicated they would be unlikely to support given recent investment.
- To progress the following must be addressed: consistent data standards, annual validation (or otherwise) of approved RPL/Credit identifying changes to curriculum that will flag re-assessment of precedents is required given the vast volume of units and pathway articulations. This would include methodology of updates (e.g. API v's manual).

Recommendation: ACU is prepared to contribute over ten thousand precedents to a national credit database. However, prior to that contribution, ATEC would need to establish the guidelines and format required for the database and ensure that all participating universities were using a consistent approach to credit/RPL.

[Information request 2.2] - Would it be possible to codify RPL decisions into the database? What are the key challenges?

- 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 (e.g. API's v's manual).
- Diverse response across the sector, with some universities already having an existing database, annual validation processes that respects the nuance requirements of academic requirements and integrated application/credit assessment process, it could significantly reduce academic and professional staff duplication of effort.

- Responsibility for ongoing maintenance. Is this something that the national database owner would actively review or would this be a 'push' process from the HEP's.

[Information request 2.2] - What are the major risks of establishing a national database? How can they be mitigated?

- Establishing a clear framework and guardrails, deployment cycles, consider state jurisdictional requirements, professional accrediting bodies and TAFE or other provide provider national training package review cycles. The key risk is maintenance of such a large cache of information which will quickly become obsolete.
- Another risk would be if the system were not mandatory and individual institutions choose a separate approach which may offer market advantage over those participating in the mainframe approach.
- Incomplete data sets if universities are within the national system and how this could impact equity groups if their regional university does not participate and they cannot access support to engage with the process.
- The risk can be mitigated by ensuring the design principles factor in the risks and embed advocacy support within the system and process design to enable accessibility.
- The cost of resourcing and maintenance on institutions is a risk for smaller universities with smaller operating budgets.
- For academics, the key risk may be sharing unit outlines that contain their/the university's intellectual property which could risk our market edge.

[Information request 2.2] - 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?

- Resourcing – staffing and systems bring disparate systems and curriculum frameworks and mapping credit point system together, ensuring academic buy-in, protecting of sensitive and personal data and expected fraudulent activity.

[Information request 2.3] - The PC is interested in hearing from education providers that have RPL assessment processes. What approaches are used? What costs are incurred? What level of staff involvement is required?

- ACU maintains a central credit precedent database which is publicly accessible for prospective students to gain an indication of credit they may receive. Applicants, either prospective or enrolled students- complete an online form to be assessed against prior learning outcomes. Where possible, credit is offered with course offering but most cases see credit offered after enrolment. The system automatically updates the students' records after credit is applied and the student is notified.
- Building and implementing the credit system incurred significant cost at close to \$400,000. Maintenance is less than \$30,000 per annum. However, the current ACU system is vastly under-resourced with 1.6 FTE supporting the 'external' credit process. The cost of assessing 'internal credit', for students who move between courses within one institution, is more hidden because it is undertaken by staff within a team (Enrolments) that also performs other functions. It is currently estimated that we have 0.5 FTE supporting the 'internal credit' process, but this does not incorporate a 'proactive credit' approach that we seek to implement. It is difficult to see how a national system would cover this aspect of RPL effectively.
- An ACU faculty estimated their cost of RPL assessment for one semester equal to a cost of \$416,900 (rounded for ease) Number of applications: 5250.
- Time per faculty professional staff ranged from 10 - 30 minutes depending on complexity - averaged this out at 20 minutes per application.
- Time per CC is about 5 minutes per unit the student is applying for, and student often apply for between 5-10 units. This averages out at 7 units for about 35 minutes. This means about 4,810 hours are being spent on this every year.

[Information request 2.3] - 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?

- It would be helpful to applicants to have access to a centralised precedent database. That would save applicants the need to visit several university websites to compare the RPL available to them for the same course. Access to this would also bolster the precedent database we currently have within our own system. However, the feasibility of maintaining such an enormous database poses potentially significant risk with outdated information providing inaccurate information to applicants. The database must contain the fullest and latest data – how will this happen and what regulations are required to schedule coordinated updates. There is also the loss of functionality for universities that already have systems in place – ACU's system automatically updates the student record when credit is granted. This will need to be replaced with staff or AI to replicate.

2. SME Workforce Development and Training Incentives

[Information request 2.4] - To increase SME participation in work-related training, ACU recommends:

- **Simplified application processes and targeted financial incentives**, such as subsidies or tax deductions, tailored to SME size, turnover, and workforce needs. Sole traders and SMEs aligned with underrepresented groups should be eligible.
- **Co-designed, accredited, and scalable training programs**, with advisory services prioritising technical capability gaps—especially in digital transformation across systems. Training formats should include short courses, workshops, online modules, and workplace-integrated learning.
- **Robust monitoring and evaluation systems** to reduce fraud and misuse, with ongoing eligibility assessments and reviews to ensure training remains relevant to community and individual needs.
- **Publicly funded SME advisory services**, coordinated by appropriate government entities, to support decentralised RPL coordination and address persistent capability gaps such as managerial capacity and digital competencies.

Recommendation: A responsive and inclusive SME training ecosystem that supports productivity growth through tailored incentives, advisory support, and flexible learning pathways.

3. Individual Participation in Work-Related Training

[Information request 2.6] - To address barriers faced by individuals, ACU recommends:

- **Collaboration between TAFE, industry, and higher education providers**, supported by harmonised frameworks and co-designed training programs aligned with current and future skill needs.
- **Flexible learning options**, such as online courses, block mode delivery, and hybrid formats, to support equity groups including full-time workers and carers.
- **Financial support and incentives**, including subsidies, placement payments, and tax credits for individuals and employers.
- **Community consultation and mobilisation campaigns** to promote the benefits of work-related training and ensure programs align with local needs and aspirations.

Recommendation: Increased participation in work-related training through flexible, inclusive, and community-informed approaches that address systemic barriers.

Pillar 3. Harnessing data and digital technology

1. Artificial Intelligence (AI)

[Information request 2.1, 2.2] - how to introduce lower cost and more flexible data access pathways for a broad range of use cases and types of data should be covered by the pathways. ACU recommends:

- **Establish a national testing and validation framework for AI systems**, ensuring tools are safe, fair, explainable, and trustworthy before widespread adoption. This framework should be sector-sensitive, with mandatory guardrails reserved for genuinely high-risk domains such as health, education, and vulnerable populations.
- **Embed ethics, fairness, and transparency during AI system design**, rather than relying solely on post-deployment risk management. This proactive approach will reduce harm and build public trust.
- **Consider the role of universities in leading workforce training in responsible innovation literacy**, equipping educators, health professionals, and SMEs to confidently adopt and use AI.
- **Support copyright reforms** that balance creator protection with enabling AI research. A broad “text and data mining” exception, particularly for non-commercial use would accelerate responsible AI development, provided safeguards are in place to clarify fair use boundaries.
- **Promote a multifaceted, user-centric approach to cybersecurity**, integrating technical defences with insights from psychology, sociology, and economics to ensure inclusive protection.
- **Use responsible AI to detect and counter malicious AI**, embedding ethical safeguards in system architecture.

Recommendation: A national AI ecosystem that is ethically grounded, technically robust, and socially inclusive supported by clear regulatory frameworks, training programs, and innovation pathways.

2. Data Access and Interoperability

[Information request 2.1, 2.2] - how to introduce lower cost and more flexible data access pathways for a broad range of use cases and types of data should be covered by the pathways. ACU recommends:

- **Prioritising high-impact sectors** such as health, wellbeing, education, and consumer financial data for early rollout of flexible data access pathways. These sectors offer significant productivity and social value at relatively low cost.
- **Supporting individual and organisational rights to access their own data**, enabled by secure digital ID frameworks that streamline access and reduce silos.
- **Developing Trusted Research Environments (TREs)** to allow secure access to sensitive data for approved researchers and partners, particularly in health and education.
- **Embedding shared vocabularies, semantic interoperability, and consistent standards** to enable cross-sector data integration and reduce duplication.
- **Ensuring high data quality alongside access**, as poor-quality data undermines productivity and service innovation.

Recommendation: A national data infrastructure that is interoperable, secure, and equitable enabling innovation while protecting individual rights and data integrity.

3. Privacy Regulation

[Information request 3.1] - feedback on implementation issues, including how an alternative compliance pathway should be embedded.

ACU recommends a shift toward a privacy framework that enables innovation while ensuring accountability, equity, and public trust. The university sector has a critical role to play in shaping and delivering this transformation, particularly through research, training, and community engagement.

To support this, ACU recommends:

- **Introducing a Privacy Impact Assessment (PIA) framework**, requiring structured reviews whenever AI or data-driven services are deployed. Universities can contribute to the development and delivery of PIA methodologies, drawing on interdisciplinary expertise in law, ethics, and technology.

- **Supporting an outcomes-based compliance model**, with clear accountability through duties of care, transparency obligations, and independent oversight. The university sector is well positioned to help define and evaluate these outcomes, ensuring they are evidence-based and socially grounded.
- **Strengthening safeguards in lieu of a “right to erasure”**, including enforceable rights to correction, enhanced consent controls, and greater transparency. These measures should be co-designed with input from academic experts and community stakeholders to ensure they are practical and inclusive.
- **Providing plain-language privacy information**, especially for vulnerable or disadvantaged communities, to support informed decision-making. Universities can lead research and public education initiatives to improve digital literacy and accessibility of privacy communications.
- **Leveraging privacy-preserving techniques**, such as differential privacy and federated learning, to manage sensitive data securely. The university sector can accelerate the adoption of these technologies through applied research and collaboration with government and industry.
- **Expanding the Digital ID program**, with universities contributing expertise in cybersecurity, responsible innovation, and digital trust to support secure verification, reduce identity fraud, and build user confidence.
- **Establishing a Cyber Victim Support Hub**, offering resources, guidance, and recovery assistance to affected individuals and organisations. Universities can play a convening role in this initiative, integrating technical support with social and psychological services.

Pillar 4. Delivering quality care more efficiently

[Information request 1.1, 1.2, 2.3, 3.1, 3.2]

Regarding the PC's characterisation of veterans' services as overlapping substantially with aged care and disability services, ACU is concerned that this is a fundamental misunderstanding based on the Department of Veterans' Affairs' (DVA) expenditure on services for veterans, rather than the types of services veterans are accessing. ACU notes that while the PC's consultation for the pillar four report did involve the DVA, it did not include any other organisations in the veteran community; we would urge the PC to undertake a genuine consultation with the veteran community before proposing changes to how services for veterans are regulated to the extent the PC has proposed.

ACU has previously called for better accreditation of veterans' services but does not endorse the PC's proposal for a single aged care, veterans' services, and disability services sector to achieve this. While we recognise there are many aged care and disability services providers also providing services to veterans, there are also aspects to these services which are veteran specific. The unintended consequences of such a harmonised approach would privilege providers over people and impede innovation in care (1.1 and 1.2).

Instead, ACU proposes a human-centred approach to healthcare innovation that can drive system-wide change and attract new generations and businesses as the care economy expands by a projected 6 per cent over the next four decades. Such an approach would prioritise:

- people-centred roadmaps, co-developed with students, staff, patients, providers, and government, which underpin models of preventative care (3.1 and 3.2) as well as place-based care (2.3).
- student and staff experiences to address attrition and strengthen career pathways in allied health fields, especially aged care.
- tailored, ethically robust tech-enabled care that can unlock human agency and attract industry investment.

Human-centred care solutions, as opposed to provider-centred, that enhance client autonomy and engagement, while often seen as costly due to the requirement for flexibility in delivery and new skills, can lower the long-term costs to the healthcare system. As mentioned above under Pillar 2, the PC's own modelling shows a projected \$10 billion annual savings from mature data-sharing regimes that support and inform consumers to use their own data on nutrition and exercise, for example, to access fit-for-purpose services centred on where they live.

Alongside tangible health and economic outcomes, such an approach can also attract innovation-oriented health and wellbeing businesses, which can build, trial, and demonstrate new services and technologies, including client-centred frameworks for the ethical application of AI to allied health and education. Integrating the next generation of systems, services, policies, and protocols into a care ecosystem would provide further productivity advantages through heightened inter-agency integration, intergenerational participation, workforce innovations, and technology.

Finally, human-centred innovation in the care economy aligns with the initial findings of the Strategic Examination of Research and Development, identifying the need for a research, development, and innovation (RD&I) agenda that benefits the nation's economic, social, and cultural life.