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UOW submission to the Productivity Commission Interim Report:

Section 2 – Building Skills and Qualifications for a More Productive Workforce

September 2025

EXECUTIVE SUMMARY

The University of Wollongong (UOW) welcomes the Productivity Commission's Interim Report on Building a Skilled and Adaptable Workforce. We strongly support reforms that improve credit transfer, workforce training and lifelong learning, while ensuring government investment delivers maximum productivity outcomes.

Universities are central to productivity as they generate skills, knowledge and innovation. Bold investment in research, innovation and talent is essential if Australia is to reignite productivity.

As a leading regional university, UOW also plays a critical role in connecting local communities to national and global opportunities, ensuring that reforms deliver equitable outcomes across metropolitan and regional Australia.

Key recommendations

- Establish a single national accreditation body by combining TEQSA and ASQA, ensuring credential consistency across VET and higher education, repairing the AQF, and simplifying credit transfer.
- Prioritise Commonwealth Supported Places (CSPs) within a managed system for universities demonstrating strong performance in government priority areas such as health, education, clean energy, defence and advanced manufacturing.
- Create a Co-operative Training Centre (CTC) model, piloted in the Illawarra, modelled on CRCs, where industry and education providers co-design workforce solutions aligned to national skills needs. This could be funded through the Future Made in Australia scheme.
- Introduce SME training incentives that address cost and capacity barriers, enabling regional businesses to upskill their workforce.
- Create regional SME skills hubs linked with universities and TAFE to streamline access to specialist expertise and training.
- Apply AI-driven labour market analytics to guide workforce investment and ensure training priorities reflect future demand.



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Additional opportunities for reform

UOW highlights further opportunities to strengthen Australia's workforce system:

- Triple the number of AI-skilled graduates by 2030, embedding AI literacy across all disciplines to meet forecast workforce shortages. For example, enrolments in UOW's AI & Big Data program have grown six-fold since 2022.
- Expand microcredential and lifelong learning frameworks tied to national standards, supporting rapid reskilling and workforce adaptability.
- Fund 10,000 industry-linked PhDs annually through R&D tax credits to accelerate innovation transfer.
- Support start-ups and scale-ups with tax settings and targeted incentives to strengthen Australia's innovation pipeline.
- Strengthen partnerships across universities, TAFEs, industry and government to deliver coherent skills pipelines and regional Centres of Excellence.

BACKGROUND

UOW is a regional university with global reach, producing highly employable graduates and driving innovation in priority sectors such as health, education, clean energy, advanced manufacturing and defence. We turn education and research into workforce outcomes, ensuring reforms deliver for students, employers and communities. UOW is ranked in the top 1% of universities worldwide and has around 33,000 students. 87% of our graduates secure full-time employment within four months, with employers ranking them among the most career-ready in Australia. In 2025, UOW marks 50 years of delivering quality higher education across the Illawarra, South West Sydney and South Coast. We play a central role in regional workforce development, working with industry, government and communities to address national priorities. UOW operates nine campuses in NSW and four internationally, contributing more than \$2.5 billion annually to the economy.

DRAFT RECOMMENDATION 2.1: NATIONAL CREDIT TRANSFER AND RECOGNITION OF PRIOR LEARNING (RPL) SYSTEM

UOW strongly supports a national, transparent and consistent system for credit transfer and recognition of prior learning (RPL). This will allow learners to progress without duplication or unnecessary cost, while enabling Australia to respond quickly to labour market shifts.

To work effectively, the system must:

- Recognise microcredentials, industry certifications and work-integrated learning alongside traditional qualifications.
- Use AI-driven labour market analytics to dynamically align credit recognition with future workforce demand.
- Enable stackable, modular pathways to support lifelong learning and mobility between VET and higher education.



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There is a strong case for establishing a single national accreditation body, bringing together TEQSA and ASQA. With VET delivering degrees and universities offering sub-degrees, the current dual system creates confusion. A consolidated body would ensure consistency, improve credit transfer and take responsibility for repairing the Australian Qualifications Framework (AQF).

UOW examples:

- The Energy Futures Skills Centre, co-developed with TAFE NSW and industry, demonstrates connectivity between VET and higher education, training both new entrants and mid-career workers for clean energy and advanced manufacturing roles.
- The Sustainable Buildings Research Centre (SBRC), working closely with TAFE NSW, demonstrates how vocational and higher education can be integrated to address national priorities in energy, housing and sustainability.
- UOW has more than 40 formal credit transfer and articulation agreements with TAFE NSW and other partners.

DRAFT RECOMMENDATION 2.2: TARGETED SME TRAINING INCENTIVES

SMEs are vital to Australia's productivity but face barriers to training including cost and capacity. Targeted incentives should reduce financial burdens, provide advisory support, and align training with business needs.

Regional SME skills hubs, co-located with universities and TAFE, can provide streamlined access to expertise and training. Digital delivery will ensure SMEs can participate without disrupting operations.

There is an opportunity for Government to pilot a CTC in the Illawarra, modelled on CRCs, bringing together industry and training providers around a single skills theme. This initiative could be funded through the Future Made in Australia scheme, ensuring training pathways are directly linked to workforce demand.

UOW example:

- UOW's iAccelerate is one of Australia's largest university-led innovation ecosystems, having supported over 520 ventures and created more than 1,100 jobs since 2016. In 2024 alone, 2,200 students engaged in programs and 90 alumni worked with resident ventures. These outcomes show how university-SME collaboration can directly build productivity and regional economic growth.



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CONCLUSION

UOW is committed to working with the Productivity Commission, governments and industry to deliver the reforms outlined in this submission. With deep regional roots and global reach, we have the expertise, partnerships and infrastructure to pilot national initiatives that build a more skilled, adaptable and productive workforce.

We look forward to contributing to the next stage of this reform agenda and would welcome the opportunity to discuss how UOW can help ensure that Australia's workforce system is consistent, future-focused and responsive to emerging skills needs.

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