

Productivity Commission Five Pillars Interim Reports

CAG TAFE Submission - Pillars 2 and 3

Executive Summary

Australia's economic vision seeks to harness the benefits of new technologies, including artificial intelligence (AI), to build a more skilled workforce and tackle productivity challenges. Fundamental to this vision is quality tertiary education and training that equips students with the technical skills and qualifications needed to thrive and adapt in a digital economy.

National commitments to the vocational education and training (VET) system

Commonwealth, state and territory governments have committed to the National Skills Agreement (NSA) which included a landmark \$30 billion investment "to strengthen and transform Australia's VET system, ensuring access to high quality, responsive and accessible education and training."

The Prime Minister stated in relation to the NSA:¹

"We need to train Australians for the jobs of today as well as the jobs of tomorrow... This important National Skills Agreement... will mean more boilermakers, more chefs, more aged care workers, more childcare workers, and more Australians with the skills that they need, but also the skills that our economy needs."

A national priority stated in the NSA is "ensuring Australia's digital and technology capability".² TAFEs play a critical role in ensuring Australians have the skills needed to enhance Australia's digital and technological capability to ensure Australia meets its productivity goals.

The link between skills and productivity

The importance of this issue has been repeatedly underscored at the highest levels of government. The Prime Minister has acknowledged the direct links between education and productivity:³

"Education is the most powerful weapon we have against disadvantage – and it is the best investment we can make in building Australia's future. Because every challenge we have to meet, every opportunity which is there to be seized, depends on investing in the skills and capacity of the Australian people."

The importance of lifelong learning

CAG TAFE is a strong supporter of the Productivity Commission's (PC) draft recommendations to

¹ Prime Minister of Australia, *Landmark National Skills Agreement to Unlock Billions*, Media Release, 17 October 2023 <https://www.pm.gov.au/media/landmark-national-skills-agreement-unlock-billions>.

² NSA, p 7, [A28]. Available at <https://federalfinancialrelations.gov.au/agreements/national-agreement-skills>.

³ Prime Minister of Australia, *Building Australia's future*, Speech, 3 November 2024 [Building Australia's future | Prime Minister of Australia](#).

boost Australia's productivity growth through a focus on building skills and training as part of lifelong learning. As the PC notes:⁴

"Lifelong learning strengthens labour markets and industry. By continuously updating their skills, workers become more adaptable and capable of meeting the evolving demands of the job market."

The Australian Government is already strengthening skills and training to ensure students and members of the workforce who choose to re-qualify can keep up with and adapt to technological change. As Minister for Skills and Training, the Hon Andrew Giles MP stated:⁵

"The Albanese Government is focused on investing in skills and training for the benefit of Australians, their communities, and critically for our nation's productivity and prosperity."

Barriers to productivity in the TAFE sector

Ensuring that TAFEs can appropriately use digital technologies, edtech and AI for the benefit of Australian learners and the economy more broadly must be a key part of achieving Australia's productivity goals. This submission highlights two critical issues that are standing in the way of achieving these goals:

1. Australia's outdated educational copyright framework is not suitable for digital and online learning approaches, or achieving the educational and productivity benefits of AI and edtech across the TAFE sector.
2. Teaching and training in the VET system requires teachers and students to have access to Australian standards. However, there are a number of systemic issues standing in the way of TAFEs having access to these standards.

Unless these issues are resolved, the barriers to TAFEs will remain, preventing them from:

- sharing in the productivity benefits identified by the PC
- delivering the highest-quality training to students by reaping the benefits of edtech and AI.

Issue One - Copyright

Copyright blockers to productivity

Extensive reviews of Australia's copyright framework have consistently highlighted the need for a more flexible and adaptive framework to facilitate digital teaching and learning. Without reform we risk failing to fully recognise our productivity goals in the TAFE sector and falling further behind other nations with more flexible and adaptive copyright systems.

There are four critical copyright blockers to productivity in the VET system:

⁴ Skilled and Adaptable Workforce Interim Report, p 33.

⁵ See <https://ministers.dewr.gov.au/giles/supporting-australians-their-skilling-journey-we-celebrate-national-skills-week>.

- **Productivity Blocker 1 - impediments to industry partnerships**

Despite the development of digital infrastructure, and expectation on TAFEs to collaborate with industry to encourage lifelong learning across the community, there are copyright impediments to this. The existing classroom exception, which permits the use of copyright materials in lessons, does not apply if someone from the community (external to TAFE staff) is involved in attending or delivering the lesson or training. This means that uses of copyright material that would be covered by a copyright exception if delivered by TAFE staff or contractors, would be infringing or require a licence if delivered by an industry partner. This results in significant additional copyright compliance steps when delivering collaborative training than if the lesson were to be delivered solely by TAFE staff/contractors.

- **Productivity Blocker 2 - impediments to online teaching and training**

Current copyright exceptions do not extend to the use of copyright materials in online learning environments, such as delivering lessons via Zoom. This means that activities permitted in physical classrooms and face to face teaching are not permitted, or require additional licence fees, when conducted in virtual classrooms.

- **Productivity Blocker 3 - impediments to developing and deploying AI in TAFEs**

TAFEs are not clearly permitted under copyright laws to undertake the technical steps required to develop and deploy AI (and other forms of machine learning models) for educational purposes in the public interest. As a result, TAFEs are taking a conservative approach to developing and deploying AI, which operates as an impediment to the potential educational benefits and productivity gains that could be realised by AI.

- **Productivity Blocker 4 - impediments to teaching and using AI in TAFEs**

Teachers cannot legally teach students the basics of building and training AI tools due to a lack of public interest exceptions that would apply to the making of the technical copies required to perform this activity for all forms of copyright materials in a classroom. Current copyright exceptions also do not neatly apply to TAFE teachers using AI in teaching and learning.

Removing the copyright blockers to productivity

CAG TAFE calls on the PC to recommend four practical reforms to remove these critical copyright blockers to digital skills adoption and the rollout of AI in the TAFE sector:

1. Urgent introduction of the **remote learning reforms** announced in 2024, which would solve Productivity Blockers 1 and 2.
2. A new copyright exception to permit **non-commercial text and data mining (TDM)**, which would solve Productivity Blocker 3.
3. A new **'fair dealing for education'** copyright exception, which would solve Productivity Blocker 4.
4. A review into the governance arrangements for the educational statutory licences in section 116P of the Copyright Act 1968 (**Copyright Act**) to ensure that the governance framework is appropriate for the digital environment, and the emergence of edtech and AI.

Issue Two - Access to standards

National policy action on standards is urgently needed.

Students in construction, engineering, and other trades must graduate with a working knowledge of mandatory Australian standards. Yet TAFEs face high costs, restrictive licensing, and inconsistent access to these very standards. Without reform, apprentices and trainees risk entering the workforce underprepared, undermining safety, quality and productivity.

The ACCC has already authorised collective bargaining by TAFEs with Standards Australia and its distributors, implicitly recognising that current arrangements impose inefficiencies.⁶

CAG TAFE submits that the PC should recommend that the Australian Government undertake a full review of the standards licensing model, with a focus on:

- pricing and affordability for education providers
- stable, platform-agnostic access (no disruption when distributors change)
- clear and flexible teaching permissions (classroom, remote, workplace, blended delivery).

This reform would directly boost productivity in priority sectors like construction, where standards knowledge is critical to meeting housing and infrastructure targets. It would build on the ACCC's recognition that improved access terms for TAFEs are in the public interest.

⁶ [The National Copyright Unit on behalf of the Copyright Advisory Group for TAFEs | ACCC.](#)

Submission

This submission is made by the TAFE Copyright Advisory Group (**CAG TAFE**), the peak body for copyright policy and administration for the Australian TAFE sector (excluding Victorian TAFEs). CAG TAFE represents TAFEs outside Victoria and their more than 300,000 students on copyright matters.

CAG TAFE thanks the PC for its in-depth analysis, draft recommendations and requests for information to boost Australia's productivity growth. CAG TAFE will respond to the following:

- Building a Skilled and Adaptable Workforce Interim Report (**Skilled and Adaptable Workforce Interim Report**). While this submission will not address the specific draft recommendations made by the PC, it will discuss skills and training which is a critical aspect to building a skilled and adaptable workforce.
- Harnessing Data and Digital Technology Interim Report (**Data and Digital Technology Interim Report**), information request 1.1.

Quality VET is a critical bridge between the foundational skills students learn at school, and the skills they will need to become full contributors to the workforce. Now more than ever, TAFEs need a regulatory framework that supports them to leverage the benefits of new technologies in skills and training to boost productivity across the Australian economy.

This submission is set out in three parts:

- Part 1 highlights the critical role of TAFE in reaching Australia's skills and productivity goals
- Part 2 identifies a number of copyright blockers to productivity and the adoption of technology in the TAFE sector, and submits that copyright reform should be seen as a core part of the national skills and productivity agenda
- Part 3 highlights the need for improved access to Australian standards in order to deliver critical training that is fundamental to achieving productivity benefits and reducing friction in the national skills and training framework.

CAG TAFE thanks the PC for the opportunity to present these views.

Part 1 - The role of TAFE in Australia's skills and productivity agenda

TAFEs provide critical pathways for students to participate productively in Australia's workforce through up-to-date VET programs designed to support Australian industry. The increasingly important role of VET in building Australia's digital capabilities is clear. As the PC noted in their 'Advancing Prosperity' inquiry into productivity in 2023:⁷

"...Australia needs to expand the number of people achieving post-secondary qualifications, to respond to technological change in the economy."

More recently Jobs and Skills Australia in their Employment Projections predicted:⁸

"More than 90% of employment growth over the next decade is projected to be in occupations requiring a tertiary or vocational qualification."

National commitments to the VET system

Quality VET is also critical to ensure our workforce remains adaptable as technology changes. Commonwealth, state and territory governments have already committed to putting TAFEs at the heart of VET through the NSA, which included a landmark \$30 billion investment "to strengthen and transform Australia's VET system, ensuring access to high quality, responsive and accessible education and training."⁹

The Prime Minister stated in relation to the NSA:¹⁰

"We need to train Australians for the jobs of today as well as the jobs of tomorrow... This important National Skills Agreement... will mean more boilermakers, more chefs, more aged care workers, more child care workers, and more Australians with the skills that they need, but also the skills that our economy needs."

A national priority stated in the NSA is "**ensuring Australia's digital and technology capability**".¹¹ Further, the vision statement recognises the need for all governments to work toward an agreement which:¹²

"ensures that no Australians are left behind as the Australian economy transitions and adapts to structural change, including by providing opportunities for life-long learning and foundation skills development"

⁷ Cited in Skills and Adaptable Workforce Interim Report, p 6. Original report available at <https://www.pc.gov.au/inquiries/completed/productivity/report>.

⁸ Cited in Skills and Adaptable Workforce Interim Report, p 6. Original report available at <https://www.pc.gov.au/inquiries/completed/productivity/report> and Adaptable Workforce Interim Report, p 30.

⁹ Available at <https://www.dewr.gov.au/national-skills-agreement>; See also <https://ministers.dewr.gov.au/giles/supporting-australians-their-skilling-journey-we-celebrate-national-skills-week>.

¹⁰ Prime Minister of Australia, *Landmark National Skills Agreement to Unlock Billions*, Media Release, 17 October 2023. <https://www.pm.gov.au/media/landmark-national-skills-agreement-unlock-billions>

¹¹ NSA, p 7, [A28]. Available at <https://federalfinancialrelations.gov.au/agreements/national-agreement-skills>.

¹² <https://www.dewr.gov.au/national-skills-agreement/national-skills-agreement-vision-and-principles>.

Ensuring that TAFEs can appropriately use digital technologies, edtech and AI for the benefit of Australian learners and the economy more broadly must be a key part of achieving this national agreement.

The importance of skills to productivity

The need for high-quality skills and training with and about cutting-edge technologies has never been greater as Australia seeks to lift productivity in the digital economy.

The importance of this issue has been repeatedly underscored at the highest levels of government. The Prime Minister has acknowledged the direct links between education and productivity:¹³

“Education is the most powerful weapon we have against disadvantage – and it is the best investment we can make in building Australia’s future. Because every challenge we have to meet, every opportunity which is there to be seized, depends on investing in the skills and capacity of the Australian people.”

The Minister for Skills and Training, the Hon Andrew Giles MP stated:¹⁴

“The Albanese Government is focused on investing in skills and training for the benefit of Australians, their communities, and critically for our nation’s productivity and prosperity.”

CAG TAFE appreciates that the importance of skills to productivity was also recognised by the PC in the Skilled and Adaptable Workforce Interim Report:¹⁵

“Skills are also vital to building an adaptable workforce. Strong foundational skills, and the ability to upskill and reskill as jobs change, help workers and businesses adapt to emerging technologies (including artificial intelligence) and structural change.”

Investments in digital skills infrastructure

Commonwealth, state and territory Governments, in conjunction with industry bodies, have made significant investments in digital infrastructure and future workforces. For example:

- the Tech Council of Australia, in partnership with the Commonwealth, has set a national target of growing Australia’s tech workforce to 1.2 million people by 2030.
- the Commonwealth invested “\$149.2 million over four years from 2021-22 to establish up to 15 industry owned Skills Enterprises to deliver improved skills and workforce outcomes through collaboration with industry and to ensure that the VET system is responsive to industry and employer skills needs.”¹⁶
- the South Australian Government committed \$12.7 million over two years from 2021-22 to deliver contemporary digital student learning systems and support services. This includes “the

¹³ Prime Minister of Australia, *Building Australia’s future*, Speech, 3 November 2024 [Building Australia’s future | Prime Minister of Australia](#).

¹⁴ See <https://ministers.dewr.gov.au/giles/supporting-australians-their-skilling-journey-we-celebrate-national-skills-week>.

¹⁵ Skills and Adaptable Workforce Interim Report, p 30.

¹⁶ *Budget 2021-22 (Budget Paper No. 2)*, The Commonwealth of Australia, pp 93-94. This material is licensed under a [CC BY 3.0 Licence](#) and is available at <https://budget.gov.au/2021-22/content/bp2/index.htm>.

redevelopment of training product to support digitised blended delivery using contemporary and future technologies.”¹⁷

- the Commonwealth and ACT governments jointly contributed \$5 million towards a national hub for cyber skills and innovation at the Canberra Institute of Technology. This hub, the Cyber Security TAFE Centre of Excellence, will provide *“the next generation of cyber students the opportunity to build their skills and benefit from the best of government, industry, and business in enhancing workforce cyber security”* and *“train students in how to tackle and prevent national cyber threats, and deliver skills to boost cyber literacy across Australia’s workforce.”¹⁸*

This continued focus on lifelong learning, and the development of critical national digital skills is reflected in key initiatives across Australia, including in individual states and territories. For example, the Institute of Applied Technology (**IAT**) will offer curriculums designed in collaboration with industry and focus on NSW’s emerging labour market needs. More detail on the IAT is set out in the case study below.

Since opening, the Meadowbank IAT has offered several microcredentials, including courses specifically on AI.¹⁹ These investments will improve the delivery of digital education in the TAFE sector and allow governments to achieve their education and digital economy goals.

The adoption and use of new technologies, including AI, is fundamental to:

- TAFEs’ ability to deliver high-quality skills and training adapted to different industry settings and students²⁰
- students developing the necessary technical skills to undertake further study and become productive contributors to Australia’s digital economy.

However, despite the investment in digital infrastructure and development of industry partnerships, outdated copyright provisions and lack of access to Australian standards present roadblocks to TAFEs engaging with new technologies and partnering with industry, putting Australian students behind and impacting Australia’s global competitiveness.

The rest of this submission focuses on identifying roadblocks to achieving Australia’s productivity goals, and the solutions to remove those roadblocks.

¹⁷ See South Australia State Budget 2021-22 Budget Paper 5, Budget Measures Statement, p 85. Available at <https://www.statebudget.sa.gov.au/budget-papers/2021-22-Budget-Measures-Statement.pdf>.

¹⁸ Minister for Skills and Training, *Cyber security TAFE Centre of Excellence to skill up next generation of cyber-ready students*, Media Release 15 September 2025 <https://ministers.dewr.gov.au/giles/cyber-security-tafe-centre-excellence-skill-next-generation-cyber-ready-students>.

¹⁹ See <https://www.iat.tafensw.edu.au/course-finder>.

²⁰ Ibid, p 5.

Case Study: NSW IAT and VET Programs

In March 2021, the NSW Government committed to implementing the 5 recommendations from the NSW VET Review, including a new model of tertiary education through the IAT and improving the quality of vocational education made available in high schools.²¹ This aligns with the priorities outlined in the NSRA.

IAT

The IAT is a new tertiary education model that integrates university-level theoretical study with the practical training of vocational education through a network of constituent colleges. These colleges design their curricula in collaboration with industry and focus on meeting NSW's emerging labour market needs. Students have flexible study options: for example, completing a Certificate IV in the first year, progressing to a diploma in the second, and potentially earning a Bachelor of Applied Technology in the third.²²

Funding for the pilot sites was allocated by the NSW Government, with \$108 million towards two IATs, including the Meadowbank IAT specifically for Digital Technology and Kingswood IAT for Construction.²³ Both IATs opened in 2023.

VET programs in high schools

The NSW Government committed to implementing the NSW VET Report recommendation to make vocational education and training attractive and accessible to secondary school students by:²⁴

- a) ensuring practical course offerings, vocational learning, work exploration and career education are available to all students
- b) increasing the number of selected vocational courses that can be incorporated in the calculation of the ATAR
- c) strengthening the opportunity for the Vocational Education delivered to Secondary Students (**VETSS**) courses they undertake
- d) providing more opportunities for externally delivered VET where that is in the best interests of the student
- e) enhancing the number of school-based apprentices and trainees.

²¹ See <https://education.nsw.gov.au/about-us/strategies-and-reports/our-reports-and-reviews/review-on-the-nsw-vocational-education-and-training-sector>.

²² NSW VET Report, chapter 1; <https://www.nsw.gov.au/media-releases/world-class-standard-for-vocational-education-and-training>.

²³ <https://www.innovationaus.com/nsw-funds-4-year-pilot-of-new-tertiary-tech-education-model/>.

²⁴ NSW VET Report, chapter 3.

Part 2 - Copyright reform must be a core component of the national skills and productivity agenda

We discuss above the importance of education to Australia's productivity and economic reform agenda. The Minister for Skills and Training has also been clear that TAFE and VET sit at the heart of this national agenda:²⁵

"The Albanese Labor Government believes that every Australian should have the opportunity to get ahead, without adding to cost of living pressures. A strong VET sector, with TAFE at its heart is a key part of this."

"VET is a game-changer for Australia – for young Aussies wanting to get ahead, and for unlocking future growth for businesses."

Australia simply cannot achieve these critical national objectives without ensuring that Australia's copyright system is updated to ensure that TAFEs can develop, teach and use AI for the benefit of Australian students.

Ensuring TAFEs can confidently teach students how to use, understand and ethically deploy AI and other technologies is essential to building a digitally capable workforce – skills that are increasingly foundational across all sectors. TAFEs are already building digital capability and productivity by offering a number of AI and other technology related courses. For example:

- TAFE NSW offers an 'Introduction to AI' micro skill course through IAT which includes both an introduction to machine learning as well as advice from industry experts.²⁶
- TAFE QLD offers a 'New technology' microcredential through their [Queensland Future Skills Partnership](#) which covers a variety of new technologies including AI and virtual reality.²⁷
- North Metropolitan TAFE in WA offers an 'Artificial Intelligence Skill Set' which provides skills and knowledge in use and implementation of AI, including the opportunity to build a project in AI automation.²⁸

Despite this, TAFEs are taking a conservative approach to adopting and using AI, in part due to the lack of clarity around what is permissible under Australia's current copyright framework. This means that:

- teachers face increased burden due to lack of clarity as to what and how AI tools can be used
- systemic barriers hinder AI's potential to reduce the long hours that teachers spend on administrative tasks outside lesson delivery²⁹

²⁵ Minister for Skills and Training, '\$12M boost to VET workforce – a 'game changer' for Australia's future', Media Release, 19 August 2024 [\\$12m boost to VET workforce - a 'game changer' for Australia's future | Ministers' Media Centre](#).

²⁶ See <https://store.training.tafensw.edu.au/product/introduction-to-artificial-intelligence/>. For more information on IAT, see NSW IAT and VET Programs case study above.

²⁷ See <https://coursegateway.tafeqld.edu.au/product?catalog=MCC00049>.

²⁸ See <https://www.northmetrotafe.wa.edu.au/courses/artificial-intelligence-skill-set>.

²⁹ Data and Digital Technology Interim Report, p 7.

- the lack of legal certainty surrounding AI means TAFEs cannot confidently provide the necessary skills and training needed, including using AI, without undue legal risk, which again hampers the potential productivity dividends of upskilling our current and future workforce.³⁰

Without urgent reforms, Australia cannot achieve its national goals regarding edtech and AI or our vision to deliver lifelong skills and training for VET students to boost productivity.

Reform to remove copyright and standards barriers for TAFEs is not marginal or technical. It is directly aligned with the Government's stated national priorities: equipping Australians with skills, boosting productivity, and ensuring the economy can meet the challenges of the future. Copyright reform must be considered a core part of Australia's skills and productivity agenda.

CAG TAFE has reviewed the CAG Schools submission to the Five Pillars inquiry and endorses its detailed explanation of the copyright challenges facing Australia's education system. Rather than repeat that analysis, this submission focuses on the particular barriers and reforms needed in the VET sector, where copyright intersects directly with the delivery of technical skills, industry standards, and Australia's productivity agenda.

We highlight four areas where copyright acts as a blocker to achieving Australia's national goals:

1. digital inclusion and industry partnerships
2. online teaching and training
3. AI development and deployment
4. teaching and using AI in lessons.

CAG TAFE also highlights the need for improved governance arrangements for educational licensing schemes.

2.1 Copyright Blocker 1 - impediments to industry partnerships

What is the problem?

TAFEs cannot rely on the copyright exception in section 28 of the Copyright Act (**classroom exception**) if students are remote, on job placements, or if an industry expert joins the lesson.

Both the NSA (through its focus on work-related training)³¹ and its predecessor, the NSRA (through its focus on VET partnerships with schools),³² reiterate the importance of lifelong learning, with particular focus on digital capabilities. This is also highlighted by the PC in the focus on work-related training to boost productivity.³³

³⁰ Skilled and Adaptable Workforce Interim Report, p 37.

³¹ Available at <https://www.dewr.gov.au/national-skills-agreement>; see also <https://ministers.dewr.gov.au/giles/supporting-australians-their-skilling-journey-we-celebrate-national-skills-week>.

³² Available at <https://www.pmc.gov.au/resource-centre/domestic-policy/heads-agreement-skills-reform>.

³³ See Skilled and Adaptable Workforce Interim Report, p 43. See also p 30 where the PC citing the Organisation for Economic Co-operation and Development (**OECD**), *Employment Outlook*, OECD Publishing, Paris, p 218: "Lifelong learning

Yet TAFEs cannot rely on the classroom exception if someone from outside the TAFE is involved in the lesson. For example, if a TAFE invites a certified tradesperson to demonstrate a new renewable construction technique in class, or a student is at home or on a workplace placement while accessing a lesson.

The practical result of this limitation in the classroom exception means that using copyright material in a lesson is covered by the exception if the lesson is delivered by TAFE staff or contractors, but the same use would be infringing or require a licence if the lesson is delivered by, or in the presence of, an industry partner. This results in additional copyright compliance steps when delivering collaborative training, compared to if the lesson were delivered solely by TAFE staff/contractors.

This has a real impact on the capacity of TAFEs to partner with industry in developing high quality lessons with hands-on support from industry experts, or to provide high quality learning materials to students who are learning on job sites as apprentices.

What is the solution?

Resolving this issue was a key component of planned reforms to the classroom exception announced by the (then) Attorney-General, The Hon Mark Dreyfus KC MP in April 2024 (**Remote Learning Reforms**):³⁴

“The changes will make clear that individuals or organisations, such as local police, can make a presentation to a classroom without this affecting how copyright material can be used in teaching, enriching the diversity of the educational experience.”

These reforms were not introduced in the previous Parliament. CAG TAFE requests the PC to recommend that these reforms be introduced as a priority in this term of Parliament.

2.2 Copyright blocker 2 - impediments to online teaching and training

What is the problem?

The CAG Schools submission identified in detail how existing copyright protections do not appropriately enable teachers to use copyright materials when teaching in remote and digital learning environments. These problems apply equally in TAFEs.

For example, a TAFE teacher could read aloud from a technical manual, or show an instructional video in a classroom, activities which are clearly permitted under the classroom exception. However, if the teacher wants to use the same copyright content in a lesson conducted via Zoom, or recorded for access by students at a later date, the classroom exception does not apply.

can help older workers stay in the workforce longer, adapt to labour market changes over the course of their careers and prevent skill atrophy.”

³⁴ <https://markdreyfus.com/media/media-releases/copyright-reform-to-protect-remote-learning-mark-dreyfus-kc-mp/>.

What is the solution?

The Remote Learning Reforms were designed to update the classroom exception to permit remote and online learning. As the Attorney-General noted on announcing the reforms:³⁵

“The use of copyright material in lessons is a crucial part of modern education practice. The Government will ensure that the Copyright Act treats all students equally, regardless of whether they are being taught online, or in the classroom”

“For students who live in remote areas or regional areas, online learning is often the only option for them to complete their education.”

As discussed above, these reforms were not introduced in the previous Parliament. Implementing them as a priority will remove a key copyright blocker to the use of digital technologies and online teaching methods in the TAFE sector.

2.3 Copyright blocker 3 - impediments to developing and deploying AI in TAFEs

What is the problem?

CAG TAFE agrees with the PC’s commentary in information request 1.1 from the Data and Digital Technology Interim Report,³⁶ that copyright barriers to training models are a regulatory issue. These barriers need to be addressed, particularly in the context of education.

To support Australia’s vision for a strong tertiary education system, TAFEs should be able to undertake activities such as training or fine-tuning AI models, making search engines work and analysing trends in text. These all rely on making “technical” copies of works by turning digital copies of material into data that computers can use (ie TDM).

The CAG Schools submission provides a detailed explanation of the copyright barriers to adoption and use of AI in the education context. CAG TAFE agrees with this analysis - Australia’s outdated copyright framework means there is no clear legal capacity allowing TAFEs to develop, practically demonstrate and use AI for the benefit of Australian TAFE students and the wider community.

In Australia, most AI technology has been imported.³⁷ Australia simply cannot build its domestic capabilities or a thriving AI sector without copyright laws that support the skills and training required to do this.

Currently there is no copyright exception that would permit TAFEs to undertake TDM in Australia to develop AI-enabled tools, even for not-for-profit, non-commercial educational purposes.

³⁵ Ibid.

³⁶ Data and Digital Technology Interim Report, p 28.

³⁷ Ibid, p22.

What is the solution?

The PC's interim report has identified the importance of enabling TDM and identified fair dealing as a pathway to support these uses. CAG TAFE endorses the need for reform and suggests that a **new exception for non-commercial TDM** is the minimum reform necessary to achieve this objective in the educational context.

Introducing a non-commercial TDM exception would permit TAFEs to develop local, education-specific AI and edtech tools where they have lawful access to training resources. Some examples of how this could be used in TAFEs include:

- developing a custom AI chatbot for construction students that can answer questions about product specifications or safety rules for students participating in on-the-job apprenticeships
- indexing instruction manuals for tools or plant equipment to enable teachers to quickly and easily identify the right manual to refer to in a unit resource
- fine-tuning language tools for migrant students learning English.

Importantly, this exception must be technology-neutral, as emphasised by the PC in the Data and Digital Technology Interim Report.³⁸ This will ensure our copyright framework is future-proofed as technologies and pedagogies continue to evolve and adapt. An exception that is technology-specific risks becoming quickly outdated and adding to legal uncertainty and burden on teachers.

2.4 Copyright blocker 4 - impediments to teaching and using AI in TAFEs

What is the problem?

As explained in detail in the CAG Schools submission, teachers cannot legally teach students the basics of building and training AI tools due to a lack of public interest exceptions that would apply to the making of the technical copies required to perform this activity for all forms of copyright materials in a classroom. For example:

- a teacher demonstrating how to train an AI model to students in class as part of a short course on AI automation
- a teacher demonstrating how to create an index file in class using a selection of product datasheets and technical specifications as part of a Diploma of Information Technology (Database and Data Management) course.

These are clear public interest educational activities that should be covered by an exception.

Current copyright exceptions also do not neatly apply to TAFE teachers using AI for teaching and learning. Examples include:

- teachers using part of a free publicly shared online poverty report as a prompt in an AI tool to develop class discussion exercises for a Community Services course

³⁸ Data and Digital Technology Interim Report, p 2 (noted in draft recommendation 1.1). See also p 18.

- a teacher developing an AI chatbot to enable AMEP students to practise having conversations with future colleagues and seek explanations of unfamiliar English terms or complex concepts in their native language
- a TAFE ingesting extracts from compulsory Australian standards into an AI tool to generate a quiz for students.

What is the solution?

In addition to a non-commercial TDM exception, a fair dealing for education exception (as previously recommended by the PC and ALRC) needs to be introduced to permit certain non-commercial, educational uses of copyright works, including in connection with AI. For example, when teachers differentiate an existing learning resource to meet student needs or teach students the practical skills they need to safely and effectively use AI.

A fair dealing for education exception would allow TAFEs and teachers to use someone else's material without the need to pay or get permission, but only if what they want to do is fair. TAFEs would still need to pay or get permission to use other people's material in ways that are not fair.

As PC Commissioner Stephen King commented in relation to the operation of a fair dealing exception for TDM:³⁹

"Such an exception would not be a 'blank cheque' for all copyrighted materials to be used ... – the use may also need be considered 'fair' in the circumstances, and this would help preserve copyright holder's interests."

2.5 Appropriate governance arrangements for declared collecting societies under the statutory licence

The PC has previously highlighted the lack of appropriate governance arrangements for declared collecting societies that administer the educational statutory licences.⁴⁰ The Guidelines for the Declaration of Collecting Societies (**Guidelines**) were last reviewed in 2001, and market conditions, technologies and licensing arrangements have fundamentally changed since this time.

The review into these arrangements called for by the PC in 2016 has not taken place. CAG TAFE submits this review should be prioritised to ensure there is an appropriate governance framework in place to support the administration of the statutory licence.

³⁹ 'Regulating AI the right way' by [Stephen King](#) and [Julie Abramson](#), published in *The Australian* on 10 August 2025. Also available at <https://www.pc.gov.au/media-speeches/articles/regulating-ai-the-right-way>.

⁴⁰ PC IP Arrangements Report, pp 25-26.

Part 3 - National policy action needed on Australian standards

There is an urgent need for improved access to Australian standards required to deliver critical training.

TAFEs must equip students with a job-ready understanding of Australian standards that will apply to them when they go to work in their chosen industries. Accessing the standards TAFEs need to teach is difficult and expensive, even for standards that are mandated by legislation or training packages.

3.1 The barriers to accessing Australian standards

The current licensing model for Australian standards, which is administered by Standards Australia and is distributed through two commercial entities, is not meeting the needs of the education and training sector.

Current issues include high costs, restricted access and inconsistent licensing terms. Even standards that are mandatory under legislation or training packages are difficult and expensive to access.

These barriers pose regulatory handbrakes to high-quality education and training, cause unnecessary burden on teachers and students and leave students underprepared to enter their chosen industry. The potential impact of this is particularly acute in priority industries like digital skills and cybersecurity, given Australia's goals to increase its cyber defence capabilities.⁴¹

3.2 Improving access to Australian standards

In his election speech, the Prime Minister, the Hon Anthony Albanese MP, stated:⁴²

"We will be a Government for every Australian who wants to train or re-train for new skills and a good job at public TAFE."

Efficient and equitable access to Australian standards is a key part in the training of students, apprentices and junior tradespeople. TAFEs must be able to offer students early exposure to the best practices of industry and teach students the practical skills they need to prepare them to be productive members of the digital economy.

We request that the PC recommend the Government to undertake a full review of the standards licensing model to ensure there is fair, affordable access to the standards required to deliver TAFE courses. The review should:

- look at how standards prices are set for education providers
- explore alternative access and funding models
- consider whether mandatory standards should be free or low cost.

⁴¹ <https://www.homeaffairs.gov.au/about-us/our-portfolios/cyber-security/strategy/2023-2030-australian-cyber-security-strategy>.

⁴² Election night speech delivered by The Hon Anthony Albanese MP, Prime Minister of Australia, 3 May 2025. Available at <https://www.pm.gov.au/media/election-night>.

Better access to standards could improve Australia's international competitiveness, industry practices and the ability for workers to more easily upskill via TAFE courses that are delivered with ease and without high costs and limited access rights.

This is particularly important right now in areas like construction, where thousands of skilled workers are required to meet national housing targets. The Government and the public will rightly expect these new workers to have a solid understanding of a range of matters prescribed by Australian standards, like wiring rules and safe work practices, by the time they leave TAFE.

Conclusion

Providing students with a high-quality tertiary education is a critical step towards achieving Australia's economic vision and boosting productivity by harnessing new technologies and developing a skilled, adaptable workforce.

Updating copyright laws and fixing standards access will ensure TAFEs can train the skilled, adaptable workforce the Government, business and community are demanding, and Australia's productivity ambitions require.

Generative AI offers an opportunity to transform the way we deliver Australian tertiary education. Yet TAFEs are taking a conservative approach to the adoption and use of AI, in part due to the lack of clarity on copyright issues.

The reforms proposed by CAG TAFE to:

- remove the copyright blockers standing in the way of Australia's national vision for skills and training
- improve access to Australian standards,

will enable Australian TAFEs to teach students the fundamental skills and training they need in a digital economy.

To ensure that Australia remains internationally competitive, we need a copyright system that facilitates - rather than obstructs - Australia's ability to leverage the benefits of new technologies in education and training, and we need access to the critical standards that underpin our diverse and complex industries.