



Response to the Productivity Commission

# Building a Skilled and Adaptable Workforce

Consultation Questions | May 2025

## Contact Information

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May we contact you about your response? Yes

How would you prefer we contact you: Email

## Attribution

Skills Insight Jobs and Skills Council

The organisation does not identify as an Aboriginal or Torres Strait Islander organisation

## Acknowledgement of use

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We agree to the Productivity Commission guidelines and policies related to this consultation.

We are not providing additional supporting documentation at this time. Relevant documentation has previously been provided to the Commission.

## Section 2

# Improve school student outcomes with the best available tools and resources

### 1. What (if anything) needs to be done to improve the use of edtech tools (including GenAI) in schools?

Edtech may well be at its best when it provides an opportunity to provide real experiences or creates simulated environments which can be used to simulate learning, through experiential and narrative aspects.

Most states and territories deliver school-based Vocational Education and Training (VET) programs as part of their formal school completion and certification programs. The use of edtech in schools is generally considered from a standard matriculation (under whatever scheme) viewpoint, and rarely considers the particular needs of school-based apprenticeships and traineeships (SBAT), even when they are contributing to an ATAR or equivalent.

In the SBAT context, edtech will include the technology used in the industry related to the field of study. It is highly unlikely that most schools, other than specialty schools such as those for manufacturing in Queensland and for agriculture in NSW, will have access to the current technology. The same is also true of most RTOs, which will struggle to meet the costs and demands of current technology. Sales of current technology will generally be to businesses and employers.

This is particularly true in the agriculture, food, fibre, furnishing, and animal care and management industry sectors. Given the technology will usually be workplace-based, it is also important for training to have an appropriate level of workplace-based guidance and practice.

There may be opportunities to also consider the use of simulated training spaces, which may be able to be shared among schools nationally. This is becoming increasingly important to protect local environments - for example, while some tree-felling must be practised in the real world, there are opportunities to limit real tree felling through the use of simulated environments in early stages of learning and practice.

## **2. What more (if anything) needs to be done to improve awareness and access to high quality lesson planning and curriculum materials in schools?**

Griffith University, commissioned by Skills Insight, undertook research on how RTOs adapt Training Packages to become curriculum. While not strictly school-related, there are similarities with the requirements of the school system, as well as the need to do this work for SBAT delivery.

Key systemic recommendations with broad applicability include:

- Review of funding models to recognise the real costs to providers of high-quality translation of school curriculums and training packages into learning programs and resources.
- Training and Education qualifications be reviewed to ensure that the capabilities and attributes that educators require to perform their translation roles are developed effectively.
- At least one national site/agency be established to act as a clearing house, to facilitate the sharing, purchasing, and distribution of learning and assessment resources developed to support the delivery of individual qualifications.

The full report can be found at: <https://skillsinsight.com.au/project/from-training-package-to-training-delivery/>

We do not wish to respond to Questions 3 - 11  
(note: these questions are for current teachers only)

## **Section 3.**

### **Support the workforce through a flexible post-secondary education and training sector**

**12. In your experience, how well does the credit transfer and recognition of prior learning system operate in Australia? Does it adequately support students to move between courses or have their work experience recognised as part of a qualification? Are there ways it could be improved?**

The credit transfer systems do not work very well in the experiences of our stakeholders. From Universities having policies to restrict recognition of prior

learning (RPL) to a specific maximum number of units within a degree, to Registered Training Organisations (RTOs) who find it too expensive to undertake appropriate RPL, and learners who are unable to supply the evidence requirements to satisfy assessment (particularly when Training Packages specify assessment and performance evidence), there are barriers to credit pathways at every level.

In an exercise undertaken by Skills Impact a few years ago, not one RTO offered RPL to a staff member with previous relevant formal qualifications and current experience. As far as possible, the question was avoided, despite the prevailing Standards for RTOs at the time. In the experience of another staff member, who applied for RPL based on existing AQF 7 and 9 qualifications, more than 15 years sector experience, and more than a decade of teaching the relevant AQF Level 9 qualification at universities and having taught more subjects than were required for the qualification, two universities offered two units towards the AQF level 9 qualification as required by university policy (which stipulated a maximum). A third university sought an exception ruling to the maximum limit policy of the University and offered just over half the qualification as RPL (which was satisfactory for the learner).

The VET system is based on Training Packages which set occupational skills standards. These skills standards should as easily be applied to credit processes as they are to training delivery. Higher Education has no similar national standards, and a variety of approaches can be taken by each individual institution.

The continual references to RPL rather than recognition of current competency or references to credit pathways, biases responses towards formal learning, to the detriment of the build-up to current experience. Stipulations of evidence in Training Packages, such as records for assessment purposes, are also a barrier, as RTOs report their view is often that the assessment of RPL needs to also conform to the evidence requirements of the Training Packages (this is an interpretation which is open to question and would not reflect our advice). In any event, RTOs are united in suggesting that it is often more economically viable for them to provide the training rather than go through RTO processes due to the requirements of RPL and the lack of access to appropriate funding for its assessment.

While a "Skills Passport" central method of tracking credits and credentials may improve the current situation, this would need to include recognition of industry and professional body certifications, as well as recognition of current competency (based on units of competency) and workplace experience.

There are currently a number of different "alignments" applied across Higher education and VET, including the formal AQF and ANZSCO levels (which we note are often inconsistent with each other). Further complication is added when

considering non-formal training, and workplace skills development including experience that is mainly overlooked by a focus on formal qualifications. In addition, there are credentials which are complementary, but which may exist within different tertiary systems, such as the bachelor degrees and VET diplomas related to Agronomy. Often, systems are designed as though the AQF levels are a pathway that climbs upwards, whereas the learner journey can be fluid and multidirectional. Any system will need to be based on treating skills and competency acquisition and practice (experience) as the central focus, and that the differences in AQF level choices are mainly based on the learner's preferences for how they can best acquire skills. For there to be value in a tracking system, all stakeholders need to be able to understand the current safe, effective and productive skills of the individual, regardless of how those skills were obtained.

Any system will almost certainly lack value and potentially introduce discrimination against regional Australians and members of priority cohorts if work experience and on the job learning and training are not included. Any national system will become the starting point for searching for candidates, and if it only includes formal credentials, this would then be the only (or main) filter for the search, leading to an entrenchment of disadvantage that already exists due to lack of formal education access. We suggest that the "skills" in any tracking system be defined quite broadly. We would agree with the Regional Universities Network observations during the Skills Passport initial consultations, that equity gaps may emerge based on how effectively a user can use the system, rather than on their skill levels. Even if experience and other on-qualification skills development are included in a future skills tracking system, there will still be a risk to be addressed to prevent formal qualifications being over-used as an elimination filter.

### **13. Which of the following best describes you? Please select all that apply**

Other - we are a Jobs and Skills Council

We have no responses to questions 14 - 16

Note: These are for respondents who have actually applied for RPL in the last three years

***Please note: Responses to Qs 17-19 inclusive only relates to structured, non-formal education or training undertaken for work purposes, and therefore does not include VET***

## **17. What are the main reasons individuals and/or businesses do or do not participate in work-related training?**

Skills Insight has undertaken and published research in its Exploring Training Demand and Supply Challenges paper previously provided to the Productivity Commission, which includes relevant evidence related to questions 17, 18 and 19. We ask the Productivity Commission to consider that evidence-base in its considerations.

Many businesses and individuals recognise the value of training, and in the agriculture, food, fibre, furnishings, animal and environmental management industries, there is recognition that training is necessary to support a safe, effective and productive workforce, and aids attraction and retention. These industries include some sectors that have relatively higher rates of injury than most other Australian industries, and they are committed to improving safety in particular. It should be noted that these businesses comply with existing WHS requirements but are looking at training over and above compliance to actively reduce incidents and improve productivity.

The research supports the contention that training decisions may be impacted by structures, policies, funding, investment, regulation, information flows, labour supply, business decisions and training viability considerations, as well as actual demand. In regional, rural and remote Australia (RRR), the primary consideration is access to training, with employers and learners often denied training they need because of lack of supply.

Work-related training (which we suggest is an extraordinarily poor term for structured, non-formal training given the very nature of VET!) may be the only viable option for individuals and businesses, and even that may not be available in many areas of Australia. Often, this training will be supplied via manufacturers or retailers of technology who supply support training on specific purchases of equipment. Other support may be through extension work by RDCs and state and territory government departments.

This training is practical and may be affordable, especially when compared to a full formal qualification. In addition, there are likely to be fewer administrative barriers and costs associated with obtaining the training. Trainer shortages are also widespread, again affecting access to alternative forms of training.

## **18. What role, if any, should businesses be playing to address any barriers and better support the offer of work-related training to employees?**

Current government policy of federal, state and territory governments as outlined in the National Skills Agreement indicates that the primary mechanism of skills development should be through formal training opportunities. This makes it difficult to respond to this question which asks for comments related to non-formal training.

Industry stakeholders working with Skills Insight have been suggesting that there needs to be improved recognition of non-formal learning in the credit systems related to formal learning (and in any future skills tracking system). Businesses should be trying to ensure that the nature of any work-related training is recorded in ways that can be used by businesses and individuals for recognition purposes.

**Major tripartite bodies, representing government, industry and unions, will need to be responsible for changes to jobs and skills environments that go beyond VET, but which have significant impacts on VET.**

This could include:

- encouraging employers to take responsibility in recognising their role in supporting RTO training viability and student enrolment growth, and potentially for work-related training growth if this is considered a better option and can be recognised through credit systems
- encouraging industry-based strategies to improve the reputation of sectors and roles within them
- encouraging reconsideration of approaches to and funding of information flows related to training
- considering the confusion created by misnamed “training packages” and making changes to terminology: This will clarify that they set industry skills standards, making them very useful for developing work-related training and mapping that training to existing formal qualifications
- challenging the competency system design to consider what roles RTOs and enterprises should play in skilling
- maximising the Commonwealth Government’s Skills for Education and Employment program
- encouraging further investment in Regional Learning Hubs and Centres of Excellence.

## **19. What, if anything, could government do to address barriers and better support the offer of work-related training to employees?**

As noted earlier, the National Skills Agreement is based on a strategic prioritisation of formal training. Unless this agreement is significantly changed, it is unlikely that existing barriers will be addressed. It will also be difficult to develop tertiary harmonisation when there is limited harmonisation in the VET sector, due to the inconsistencies between states and territories, and lack of access to cross-border delivery systems.

Federal, State and Territory Governments (including regulators) should

- Review the structures and funding of skills development
- Encourage equitable delivery of training, especially in RRR
- Fully redesign the regional funding strategy supporting training to replace the current “loading” system
- Understand the true value of the National Training Register and encourage access to help design work-related training, and alignment with formal training
- Improve regulation of VET and compliance policies, particularly relating to the delivery of work-related training that can be mapped to existing national skills standards.

A critical government action, and one that could be developed with the assistance of the Productivity Commission, is the complete re-design on the RRR Funding systems for skills development, especially for RRR VET training delivery. RRR RTO financial viability is highly precarious, which is leading to increasing lack of access to formal training. This may need to include consideration of supporting work-related training.

In particular, it is well-beyond time to abandon the notion of “thin markets”. This concept has done nothing to deliver education and training at appropriate levels in RRR. It should now be recognised that the use of this term is hampering the development of viable solutions. There is no “market solution” that has been implemented in the last two decades that has resulted in improved RRR formal training delivery, while non-market solutions have been limited in their success because they have been constrained by competition and market-based designs.

RRR residents should have the fundamental right of access to education and employment opportunities available to other Australians. This should be the starting point for solutions, and it is up to governments to clearly make this the priority.

Given development of technology, both industry and edtech, old definitions of “thin markets” are now challenged by the potential of new delivery systems. These technologies are routinely utilised in “markets” with less need, but that have high volume and higher returns. This is increasing disadvantage across RRR.

The costs of RRR training delivery are not related to the costs of urban delivery: the system of adding loadings does not reflect that at every stage of the training process, the nature of delivery becomes more resource intensive and costly. RRR has limited access to capital, as this is drained from RRR into urban national and internal headquarters. What capital they may have access to is subject to increased costs of finance, and in recent times to increasing restrictions of banks and other financial institutions which apply ESG considerations to financial decisions. Issues with RRR connectivity are well-known and widely reported.

The need to deliver skills development over wider regions, and to deliver in occupations dealing with live animals and plants, with major biosecurity risks, as well as industries that are essentially responsible for the Australian ecosystem, are vastly different to delivery of Cert II and III business qualifications. There are major infrastructure investments required, essentially with a decision to be made about whether the RTO has to also become a fully operational agribusiness in many of the sectors covered by Skills Insight.

A full reconsideration and redesign of the RRR funding mechanisms for skills development may allow for the incorporation of work-related training and encourage greater access to training that can lead to a more safe, effective and productive workforce.

*We have no responses for Qs 20 - 28 inclusive which are specific for employers. While we could answer these as an employer, I think we'd prefer not to get into potential role confusion.*

## **Section 4. Balance service availability and quality through fit-for-purpose occupational entry regulations**

### **29. What are the effects of occupational entry regulations? Please describe your experience and name the specific occupations you are referring to**

In the agriculture, food, fibre, furnishings, and animal and environmental management industries, there are few occupational entry regulations. Where they do exist (such as in the racing industry), their main purposes are safety and welfare of humans and animals, and the integrity of the industry.

Many industries in these sectors are seeking trade recognition through an entry barrier related to the completion of formal training or demonstration of

equivalency through credit recognition. In many industries, such as arboriculture and veterinary nursing, their primary concerns are safety and welfare. For other sectors, there are perceived to be major advantages to attraction and retention of workers, and the improved reputation, professionalisation and marketability of the industry.

It is also recognised that trade recognition may result in additional administrative burdens, which could be mitigated if the design of regulations could consider how it could benefit industry, rather than being a control mechanism.

**30. Do you believe current occupational entry regulations are proportionate to the level of risk associated with different professions? Why or why not? If not, do you have any suggested improvements to regulations to better reflect risks? Please name the specific occupations you are referring to.**

Where occupational entry regulations exist in the Racing industry, they are constantly reviewed and are considered to be necessary and appropriate for safety and integrity reasons.

Some of the occupations we cover are experiencing entry regulation creep: for example, landscaping is being impacted by extensions of licensing coverage related to construction and plumbing in some states and territories, making it harder for them to compete for work.

Veterinary nursing and pet industries are seeking improved recognition, and potentially entry regulation, in their industries, to improve welfare and skill standards given the risk profile of industries. On the other hand, veterinarians are using "scope of practice" positions to attempt to influence regulating Veterinary Boards to limit the scope of allied animal health occupations and practises, such as equine dentistry and the administration of some treatments.

Generally, industry bodies undertake risk profiling of their industries and support or do not support regulation based on those risk profiles.

Question 31: no response - it relates to which licensed profession we are in

**32 Which state or territory are you predominantly based in?**

Other – national body