



INDEPENDENT
HIGHER EDUCATION
AUSTRALIA

IHEA SUBMISSION

CONSULTATION ON A NATIONAL SKILLS PASSPORT

16 February 2024

IHEA Submission

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Introduction

Independent Higher Education Australia (IHEA) welcomes the opportunity to provide feedback on the consultation paper released by the Departments of Education and Employment and Workplace Relations on the National Skills Passport. The consultation will inform the development of a business case to define the scope, outcomes and benefits of a skills passport. The Terms of Reference are included as an Appendix.

The National Skills Passport has the potential to be a practical solution that helps individuals who choose to take the next step in their education or career. It will enable them to share and assess their skills and qualifications across Vocational Education and Training (VET) and higher education through a trusted and integrated digital system, which is validated from trusted sources.

Overview

From a jobseeker or employee's perspective, a National Skills Passport has the potential to provide a single source of all of their qualifications and skills for them to demonstrate in support of changing jobs or career and to make it easier for them to upskill.

From an employer's perspective, while its utility may vary depending on the profession, the ability to easily identify a potential employee's verified skills and qualifications provides confidence and has the potential to streamline hiring and recruitment practices.

A National Skills Passport does need to be clear in the role it will play and how it will seamlessly integrate with the existing landscape.

For example, the Australian Government's Unique Student Identifier (USI) is already in place for both these sectors, so it is unclear why this existing, secure platform is not being built upon and enhanced to deliver the ambitions of a National Skills Passport – particularly as a transcript for accredited VET training is already available.

The National Skills Passport is a logical next iteration of the USI. As such, a threshold question is how a proposed National Skills Passport and the existing USI will work alongside – and complement – each other, without overlapping and being duplicative.

The consultation on a National Skills Passport taps into the critical issue for the Australian economy, employees and employers of how we better incentivise and support lifelong learning and upskilling/re-skilling throughout a person's life to meet skills shortages and jobs of the future.

Over the coming two decades, Australian workers will change jobs regularly – up to 2.4 times and tasks within Australian jobs will change 18 per cent every decade. To keep pace with these changes, Australia needs a flexible and adaptable education system that will enable people to update their skills over the course of their working lives.

While predictions can be made that skills in some broad areas will experience greater demand in the future, specific skill needs can be difficult to predict. Many occupations that will be created in coming decades may be hard to envisage and also rely on technologies that have not yet been developed. This puts a critical focus on lifelong learning to update skills in response to changing technologies and occupational demands.

As such, the education sector needs to be dynamic, agile and adaptable to keep pace with – and to actively support – a National Skills Passport. In considering the business case for the National Skills Passport, the Australian Government also needs to consider in parallel the underpinning funding arrangements that transcend higher education and VET in order to support lifelong learning, which will deliver qualifications and skills to feed into a National Skills Passport and meet emerging occupations.

In maximising its utility to users, a National Skills Passport should – in addition to transcripts of higher education and VET qualifications – also include evidence of an individual's skills and qualifications, including microcredentials, resumes and references. However, the consistency and veracity of the information that is

included in a National Skills Passport will ultimately underpin its integrity and the extent to which it is used.

To achieve the articulated value proposition that the National Skills Passport aims to meet, it must follow the key principles of:

- Being free for all users to access.
- Clear in its objective and not overlap or duplicate other initiatives.
- Have integrity as to the information it contains.
- Flexible and agile to support modular courses (microcredentials) and jobs of the future.
- Be able to build upon its functionality i.e. to become a careers portal that connects with other initiatives and incentives to participate in the workforce, especially where there are skills shortages.
- Be an easily accessible online tool, noting that there will be varying degrees of digital access and capability.
- Be a safe and secure portal.
- Be user–friendly in its operation.

If a business case for a National Skills Passport is able to deliver on these principles, then its specific and detailed design should occur in consultation with stakeholders. This will be paramount as the success of the National Skills Passport will depend on its ability to transcend education and employment sectors, Commonwealth and state and territory governments, professional bodies and industries, and education providers, such as IHEA members, who deliver quality education and training that will be critical to the quality of information included in a National Skills Passport.

In its consultation paper, the Departments of Education and Employment and Workplace Relations refer to five Key Principles. They are addressed below:

Key Principle 1: Valuable and Useful

If a National Skills Passport can be put in place that makes it easier for employees to demonstrate their skills, change jobs, and upskill or re–skill, while making it simpler for employers to hire new staff with the skills and qualifications they need, then it has the potential to be a highly valuable and useful tool.

However, there are a number of issues that need to be considered and addressed to reach this point.

Nexus with the Unique Student Identifier

Firstly, in developing and implementing a National Skills Passport that reflects a person's skills and qualifications, there needs to be a clear understanding of its purpose and objective and how it will work alongside and with a USI. Therefore, a threshold question that needs to be addressed is the nexus between the USI and National Skills Passport.

It is already essentially mandatory to have a USI a person is studying higher education or VET. Without one in higher education, a student cannot receive Commonwealth assistance (a Commonwealth supported place (CSP), HECS–HELP, FEE–HELP, OS–HELP, SA–HELP) and graduate and receive their award. For VET, it provides an online record/transcript of VET courses studied in Australia.

For current or former VET students, the USI provides access to an online record of the training undertaken since 1 January 2015 in the form of a comprehensive transcript. This can be used when applying for a job, seeking a credit transfer or demonstrating pre–requisites when undertaking further training.

Since 1 January 2023, all higher education students, including those who commenced prior to 2021, must have a USI. It also goes broader than domestic students, with international higher education students who are studying in Australia with an Australian education or training provider need to have a USI to receive their award – which may also be beneficial in the context of international students who enter the workforce on a Temporary Graduate Visa and/or become permanent residents of Australia.

It would appear that the investment that the Australian Government has already undertaken in developing a safe and secure framework and platform that underpins the USI would allow for its enhancement to be the centralised hub for the functionality of a National Skills Passport.

Further, while not yet in place, work is advanced by the Australian Government to implement a USI for children who commence primary school, who will carry it with them throughout their lifelong educational and working life and which provides a strong platform for the National Skills Passport into the future.

Informal Skills and on the Job Training

The inclusion of verified higher education and VET qualifications is an obvious first step for the National Skills Passport and should be progressed as the priority. To do so for VET would require an interface with the USI transcript functionality and an extension of this functionality for higher education. This needs to occur without placing any additional burden or cost on education providers.

However, there is a question about whether a National Skills Passport should go beyond formal VET and higher education qualifications.

From a practical perspective, the functionality of a National Skills Passport will be enhanced and maximised if it includes informal or non-accredited training that people may undertake. Arguably, a significant amount of informal training and development occurs on the job, or in an individual's spare time, which can be a valuable addition to their skill set and to their current or future employer.

Informal qualifications, which should be a secondary issue once the National Skills Passport is implemented and functional, will require a framework and processes to validate the integrity of what is included on a National Skills Passport. One approach is for the Australian Government to develop guidelines to ensure consistency and veracity of the information that is included.

An aim of the National Skills Passport is to foster a culture of lifelong learning. Microcredentials is a critical element which is at the heart of supporting lifelong learning, as they are small, targeted courses designed to upskill and reskill workers in short timeframes. As short courses, microcredentials allow people to learn or update their professional skills quickly to adapt to the economy's and employers' workforce needs. They also offer students increased flexibility to mix and match studies across the higher education sector to enable them to find a new job or to progress within their existing career.

The Australian Government is currently undertaking a limited microcredentials pilot that specifically targets addressing lifelong learning, which has been identified in the Australian Universities Accord and Employment White Paper as a critical path to support students and employers. We recommend that the microcredentials project be progressed at a pace to be able to support the National Skills Passport. This should include expanding the coverage of microcredentials for units of study/competencies that may otherwise be unaccredited, but which will be relevant for inclusion in a National Skills Passport and ultimately supporting Australians to increase their skills and to change jobs and careers, if they chose.

International Insights

In developing a National Skills Passport, the Australian Government should consider and review of the operation of international passports that are already operational.

In 2019, Singapore introduced a Skills Passport, which is a digital record of an individual's skills, certificates and licenses, which are issued by accredited schools, polytechnics, universities and other training providers. The records in the Skills Passport are digitally signed and tamper proof, students and graduates maintain access to their documents for life and decide if they want to share them with employers or other organisations.

Further, the European Union's Europass scheme, which is an online/digital tool, commenced in July 2020. Europass allows individuals to manage their lifelong learning and career experiences through the creation of a free profile. This includes documenting a person's work history, education, training experiences, language skills, digital competences, project involvement, volunteering experiences, and any other significant achievements

A Europass profile can be shared (by the profile owner) with employers, recruiter, institutions, educational institutions, and guidance counsellors and is self-contained record of an individual's achievements in study and work. An important feature of the Europass is that it is secure and can only be accessed and shared by the profile owner.

It is worth noting that when someone creates their own Europass profile, it is a self-declaration based on a person's understanding of their qualifications. While supporting documents can be attached to a Curriculum

Vitae, Europass does not verify qualifications directly. It is up to employers, educational institutions, or other relevant authorities to independently verify a person's qualifications. However, Europass does have guidelines to ensure consistency of the uploaded information.

At present, there is no free, government supported platform (USI does not currently have this feature) where people can generate digitally signed higher education qualification transcripts. A private, fee for service platform, My eEquals, is operated by 87 providers across Australia and New Zealand. Students and graduates maintain access to their documents for life where the user controls the usage of the documents and, if they chose, can share them with employers and other organisations. The platform also ensures the authenticity and validity of the credentials.

IHEA supported My eEquals submission in response to the Australian Universities Accord Interim Report advocating for the establishment of a National Credentials Platform (NCP) that builds on My eEquals. This was in strong preference to the alternative of building a new platform.

In developing a National Skills Passport, the operation of existing tools such as Singapore's Skills Passport, Europass and My eEquals should be assessed, including how they receive data externally, the application of digital signatures and the consistency and validity of information they contain.

Key Principle 2: User–Centred

A National Skills Passport should be free for all users, user–friendly and inclusive and able to be accessed by everyone. Ultimately it should be as comprehensive as possible, but this may require a staged approach.

As per the European Union's Europass, it has the potential to be a centralised study and career hub with applications that go beyond a repository of skills and qualifications. This could include career guidance as well as connections to career search engines and even JobSeeker recipients who are trying to enter the workforce and may not be aware of changing and emerging jobs that they could access. An obvious point of intersection would be with the National Careers Institute (NCI), which is administered by the Department of Employment and Workplace Relations.

The NCI was established to provide Australians with access to accurate careers information and resources, irrespective of their age or career stage. Critical elements of the NCI are the labour market intelligence provided by Jobs and Skills Australia regarding skills shortages as well as Your Career, which provides resources and support to change jobs and careers.

As occurs with the Europass, building in/connecting such features to a National Skills Passport would be beneficial to the user/job seeker as a being a one stop portal for people to progress their educational and career ambitions.

Incentivisation and Support for Lifelong Learning

If the National Skills Passport, at least initially, is to focus on formal higher education and VET courses and support students in seamlessly acquiring relevant skills and qualifications, this needs to be incentivised by an appropriate funding system, for which some of the foundations are already in place.

However, IHEA's view is that the funding settings need to be more flexible to support lifelong learning, including facilitating rapid upskilling and reskilling by enabling the entire tertiary sector, as opposed to addressing individual segments in isolation.

IHEA members are already leading the way through the delivery of diverse courses in specialised fields, microcredentials and tailored and commissioned industry–specific, unaccredited programs that meet real–time needs in workplaces. However, the innovative approach of the independent sector needs to be underpinned by a systemic approach from the Government, which will be imperative if the ambitions of the National Skills Passport are to be met.

To this end, we can learn from the United Kingdom, which is introducing the Lifelong Learning/Loan Entitlement (LLE) in 2025 and which already has income contingent loans in place for VET and higher education.

The LLE will give individuals access to a joined up income contingent loan to cover the cost of four years of tertiary study when it best suits them, that goes across the tertiary sector. During 2025 and 2026, the LLE will

include qualifications across vocational and higher education and include bachelor's degree or technical qualifications, such as certificate, diploma and higher apprenticeship. Support will be for either full degree or technical qualifications or modules, which are similar to microcredentials.

The LLE will allow people to develop new skills and gain new qualifications at a time that is right for them and will individuals up to the age of 60 access to a single loan that will cover the costs for the equivalent of four years of study. The loan aims to help people – and employers – to respond flexibly as skills in the workplace and employment patterns change.

For Australia, many of the building blocks of an LLE are in place, including a seven year student learning entitlement (although limited to students in a Commonwealth Supported Place), income contingent loans in higher education and VET (Australian Qualifications Level 5 and 6) and work to progress microcredentials as recognised qualifications.

As such, work should be progressed to consolidate the loan system across VET and higher education as well as learning entitlement that transcends the sectors to support an LLE style arrangement which will be necessary to foster lifelong learning and the ensuing individual and workforce benefits. Not progressing this work in parallel with a National Skills Passport would result in a key piece of infrastructure being absent from supporting lifelong learning.

Digital Literacy and Accessibility

As a digital platform, it will be imperative that the National Skills Passport is accessible and able to be used by all Australians. According to the Australian Digital Inclusion Index (ADII), which uses survey data to measure digital inclusion across the three dimensions of access, affordability and digital ability, the ADII in 2023 was 73.2 per cent and increasing. However, there are gaps for First Nations people, those living outside capital cities, those with lower levels of education and people living in public housing.

The success of a National Skills Passport will depend on these cohorts having increased access and ability to navigate the digital environment – especially those who are disadvantage and who may want to enhance their education to enter the workforce or change careers.

As such, the development of National Skills Passport needs to be mindful of this and Government needs to consider, in parallel, additional support to enhance digital access and capability which will support inclusivity and ensuring that the National Skills Passport is not elitist.

Key Principle 3: Integrated and Interoperable

As mentioned above, the National Skills Passport should aim to include VET and higher education qualifications, microcredentials as well as on the job training and informal qualifications. The inclusion of formal qualifications should be actioned as the first stage of the National Skills Passport.

As outlined in the Valuable and Useful section, the interaction and connection with the Australian Government's administered USI, which is essentially mandatory for all students undertaking higher education and VET, needs to be clarified as well as resolving why it can not be enhanced to be the platform for a National Skills Passport.

There are already approximately 15 million USIs in operation in Australia. While some students can end up with more than one USI, once this has been determined, all training is amalgamated and the additional USI is revoked. Subject to implementation of the USI for all children who commence primary school, this will ensure that from that point forward it will become a default to have a USI.

This will enable students who go on to study VET to be able to access their transcript. If this is applied to the higher education sector to cover all higher education qualifications, the first stage of the National Skills Passport is in place, without starting over and without further duplication.

Irrespective of the platform that underpins the national Skills Platform it needs to be agile and adaptable. Over time, it should be developed into a one stop shop– for careers advice and guidance as reflected under the User–Centred section, this will maximise its usefulness. Connecting with the NCI would be an opportunity, including Jobs and Skills Australia's labour market analysis and Your Career, which provides resources and support to change jobs and careers.

The National Skills Passport should be a feature that is connected with JobSeeker recipients so that they can have additional support and guidance to enter or re-enter the workforce

Key Principle 4: Trusted and Reliable

Individuals, employers and providers will only engage with the National Skills Passport if it can clearly be demonstrated as a trusted and reliable tool. As such, the National Skills Passport needs to be developed and operated by the Australian Government.

Fundamental to this is the integrity of information contained in the National Skills Passport. Formal qualifications that a person has received should be able to be included in the National Skills Passport. This should be administered by the Australian Government, in much the same way as the USI (further supporting the USI as the platform to be enhanced to become the National Skills Passport, particularly as the USI contains VET qualifications obtained since 2015). However, any cost or time burden in achieving this should not be transferred to education providers or employers.

For informal skills, these should be informed by clear guidelines and protocols that users need to follow to ensure validation, consistency and veracity of the information in the National Skills Passport.

Trust will also be gained through the National Skills Passport being a safe and secure portal with decision making controlled by the user, as discussed in the next section.

Key Principle 5: Privacy Enhancing and Secure

The USI is already a safe and secure platform that minimises privacy infractions and fraud and should be utilised and enhanced to become the National Skills Passport.

Notwithstanding, a National Skills Passport should adopt the following principles to ensure it is private, safe and secure.

Privacy

- Only collect personal information that is needed to create a profile in the national Skills Passport.
- Verify a person's identity through an encrypted system.
- Enable the profile owner to set controls on who can view or update their National Skills Passport.
- Adhere and comply with the provisions of the Privacy Act 1988.
- Only collect data with the consent of the profile owner, with the profile owner controlling access to their National Skills Passport account.

Security and Storage

- Take all reasonable steps to ensure personal information in the National Skills Passport is protected from misuse, interference, loss, unauthorised access, modification or disclosure.

Accountability

- Maintain a compliance program of regular audits, reviews and assessments of access (by our staff and other authorised entities) of our operations and systems
- Monitor and keep adequate records of compliance efforts, privacy infringements and breaches.

Conclusion

In-principle, IHEA supports the National Skills Passport, which has the ability to evolve the employment landscape and support people who may not have taken a traditional education pathway.

However, a staged approach should be developed for a National Skills Passport, with formal qualifications included from its inception.

A National Skills Passport can be a repository where a person can manage their skills, certificates and training, including microcredentials, as well as resumes and references, its full utility will be realised by going beyond formal qualifications and interfacing with the National Careers Institute and people on JobSeeker to become a

centralized careers hub. The National Skills Passport needs to be built with agility in mind so that its functionality can be easily expanded over time.

A key aim of the National Skills Passport is to support lifelong learning, which will be necessary to meet the needs of the workforce and economy in quickly evolving landscape where digital skills and artificial intelligence are at the forefront, then other pieces of the puzzle need to be included. This includes incentivising lifelong learning through a unified income contingent loan system and learning entitlement that people can access when they need and chose. The UK's LLE provides a model for this.

In implementing the National Skills Passport a cost benefit analysis should be undertaken of the respective benefits of a new system as opposed to building on the existing USI, for which there are 15 million already in circulation, with plans to expand further so that everyone will receive their USI when they start primary school and take with them throughout their life of learning and working. This is particularly relevant as VET students can already access a transcript of their qualifications.

If the National Skills Passport is a safe and secure platform that users can trust, connects with other relevant services, make life easier for employers, employees and jobseekers and promote upskilling and reskilling to help develop build a culture of lifelong learning, it will achieve its ambition.

Who We Are

Independent Higher Education Australia Ltd. (IHEA) is a peak body established in 2001 to represent Australian independent (private sector) higher education institutions. Our membership spans independent universities, university colleges and other institutes of higher education, all of which are registered higher education providers accredited by the national higher education regulator, TEQSA or associate members seeking registration.

Our Vision is that: students, domestic and international, have open and equitable access to world class independent higher education in Australia, built on the foundations of equity, choice, and diversity.

Our Mission is to represent independent higher education and promote recognition and respect of independent providers as they contribute to Australian education, the Australian economy, and to society in general. We achieve this by promoting continuous improvement of academic and quality standards within member institutions, by advocating equity for their staff and students, and by delivering services that further strengthen independent providers' reputations as innovative, sustainable, and responsive to the needs of industry and other relevant stakeholders in both higher education and vocational education and training. IHEA's commitment is to excellence, productivity and growth in independent higher education being delivered through a trusted Australian education system underpinned by equity, choice, and diversity.

IHEA members have different missions, scales, and course offerings across the full AQF range (Diplomas to Doctorates). Members comprise:

- Four private universities (Bond University, Torrens University, University of Divinity, Avondale University).
- Five University Colleges (Alphacrucis University College, Moore Theological College, Australian College of Theology, Sydney College of Divinity and SAE Institute).
- Seventy two not-for-profit and for-profit institutions of Higher Education; and related corporate entities.

IHEA members teach approximately 74 percent of the students in the independent sector (i.e., more than 130,000 students) and educate students in a range of disciplines, including law, agricultural science, architecture, business, accounting, tourism and hospitality, education, health sciences, theology, creative arts, information technology, and social sciences.

IHEA holds a unique position in higher education as a representative peak body of higher education providers. Membership in IHEA is only open to providers registered with the Australian regulator –TEQSA. However, some IHEA members are dual and multi-sector providers who also deliver VET and/or English Language Intensive Courses for Overseas Students (ELICOS) courses.

Contacts:

The Hon. Dr Peter Hendy
Chief Executive Officer
Email: Peter.Hendy@ihea.edu.au
Phone: 0418 679 911

Dr James Hart
Policy and Research Manager
Email: James.Hart@ihea.edu.au
Phone: 0418 694 680

Appendix: Terms of Reference

This submission was emailed to skillspassport@education.gov.au

The below questions were posed to facilitate submissions, however, not all questions required a response.

Key Principle 1: Valuable and Useful

Questions to consider

1. How would you describe the value of a National Skills Passport?
 - a. For learners?
 - b. For employees?
 - c. For employers/business?
 - d. For providers in the education and training sector?
 - e. For governments?

2. From the perspective of an employer:
 - a. Do you access and verify skills and credentials for current and potential employees? If yes:
 - i. How do you currently access, assess and verify skills and credentials?
 - ii. Does this process differ for international skills and credentials?
 - iii. What cost and time impacts do you currently incur? If applicable, provide details around relevant processes.
 - iv. How could a National Skills Passport reduce the cost and time impacts?
 - b. Could a National Skills Passport change your current hiring or other practices? If so, what would it need to offer?
 - c. What impacts do you anticipate if your organisation started using a National Skills Passport?

3. From the perspective of a provider from the education and training sector:
 - a. Do you currently access and assess applications for course admissions, recognition of prior learning and credit transfer? If yes:
 - i. How do you currently access and assess and verify skills and credentials?
 - ii. Does this process differ for international skills and credentials?
 - iii. What cost and time impacts do you currently incur?
 - iv. How could a National Skills Passport reduce the cost and time impacts?

Key Principle 2: User–Centred

Questions to consider

1. From the perspective of an individual:
 - a. How do you currently access and/or share your credentials and skills with education providers, employers and others?
 - i. What does and doesn't work well?
 - ii. How would you like to see this improved?
 - iii. Is there a different experience for individuals from different backgrounds – for example, First Nations people, people living in regional Australia or people from a non–English speaking background?
 - iv. Is there a different experience for individuals experiencing economic hardship?
 - v. Is there a different experience for individuals experiencing and managing physical and mental health challenges?
 - b. What personalised information, advice or links to services would be helpful to allow an individual to more effectively demonstrate their skills to employers, encouraging further education, upskilling, reskilling and workforce mobility.
 - c. What design and accessibility features should be considered in a National Skills Passport?

2. From the perspective of an organisation:
 - a. How do organisations access and use credentials when engaging with students, employees, apprentices, or job seekers?
 - b. What data (such as credentials, qualifications, licences, and skills) and functionality should be included in a National Skills Passport?

Key Principle 3: Integrated and Interoperable

Questions to consider from the perspective of both individuals and organisations

1. What systems do you operate or interact with that may be impacted by a National Skills Passport, and what systems would you like to see integrated?
2. What challenges do you currently face aligning information and qualifications across VET and higher education? What do you need to overcome these challenges, and how could a National Skills Passport assist?
3. Noting the different levels of data standard maturity between VET and higher education, would you see benefit in establishing a single data standard across the tertiary education system? If yes, what features would you expect to see in the data standard?

Key Principle 4: Trusted and Reliable

Questions to consider from the perspective of both individuals and organisations

1. What level of validation of qualifications and skills would you expect from a National Skills Passport? Would you expect more than one level, if so, what can that look like?
2. Who would you expect to provide the validation? For example, would you expect qualifications to be validated by a university, Registered Training Organisation or regulating body, and skills verified by an employer or third party?
3. Do you see value in a National Skills Passport that includes skills and qualifications that are not verified, validated, regulated, or accredited? For example, work experience, unaccredited microcredentials, and industry or other training?
4. What do you see as the role of government in the design, implementation, and operation of a National Skills Passport?

Key Principle 5: Privacy Enhancing and Secure

Questions for both individuals and organisations to consider

1. What privacy, security and fraud protection features would you expect to see in a National Skills Passport? For example, multi-factor authentication, certified by a government agency and verifiable through the system.
2. How would you expect third-party access to an individual's National Skills Passport to be managed? For example, would an individual provide one-off access, permanent revokable access, timebound access or another form?
3. For individuals using a National Skills Passport, what does consent look like? At what age should people be able to obtain a National Skills Passport? For example, should it be accessible to secondary students?