



INDEPENDENT
HIGHER EDUCATION
AUSTRALIA

IHEA SUBMISSION

JOBS AND SKILLS AUSTRALIA 2025–26 WORKPLAN

27 February 2025

IHEA Submission

Jobs and Skills Australia 2025–26 Workplan

Independent Higher Education Australia (IHEA) welcomes the opportunity to provide feedback on the Jobs and Skills Australia 2025–26 Workplan, for which submissions are due by 28 February 2025.

Introduction

The functions of Jobs and Skills Australia (JSA) are outlined in Part 2, Section 9 of the *Jobs and Skills Australia Act 2022*. Item (v) specifically identifies ‘pathways into VET and pathways between VET and higher education’.

While the Act sets out the framework for the operations of JSA, the JSA Strategic Plan 2024–2027 identifies five Commissioner’s outcomes to guide its work plan. These are:

- **Fostering inclusive participation** – broadening employment opportunities through identifying and removing barriers for people and communities.
- **Understanding today’s workforce** – building the evidence base to inform and address current and emerging labour market and skills needs.
- **Shaping Australia’s future workforce** – projecting forward to plan for the opportunities and challenges for our nation’s future workforce needs.
- **Optimising pathways and system architecture** – monitoring, analysing and advising on the effectiveness of the national skills system.
- **Activating an informed dialogue** – convening stakeholders across the skills system, to provide the best evidence and advice, on Australia’s current and future workforce and skills needs.

Under Optimising Pathways and System Architecture, the JSA Strategic Plan states that, “A well–functioning national skills system is fundamental for delivering the skills Australia needs today and into the future. We aim to provide analysis and advice on a more cohesive education and training system that is well defined, universally accessible, equitable, easy for students to navigate and responsive to meet the current and emerging needs of industry and society.”

Under Part 2, Section 9, Item (v) of the *Jobs and Skills Act 2022* regarding pathways between VET and higher education and the JSA Commissioner’s Optimising Pathways and Systems Architecture, there is an imperative to ensure that the education and training system is cohesive, navigable by students and able to meet the needs of industry and society.

IHEA believes a fundamental next step is to ensure the appropriate architecture is in place to enable students to better navigate the higher education and VET systems and to acquire the knowledge and skills they need for jobs that will drive the economy.

As outlined below in this submission, we believe this should take the form of adapting the Lifelong Learning Entitlement (LLE), which is being rolled out in the United Kingdom.

IHEA recommends that JSA should undertake further investigation/commission a study as part of its 2025–26 Workplan about how a single entitlement or loan, such as the LLE, could be put in place to better support lifelong learning, and in turn, a streamlined approach to enable students to acquire the skills they and industry need in the workplace.

This will ensure that students can access the education and training sector as needed to acquire the necessary knowledge and skills.

Meeting the Needs of Students and the Economy

The Australian Universities Accord (Accord) Final Report identifies that Australia needs to increase the number of skilled workers, which would require a significant increase in participation and tertiary education attainment.

The Accord not only identifies this as an issue that needs to be addressed, but sees it as requiring urgent attention, stating that “Australia is not meeting its current skills needs and will not meet them in the future unless we produce more higher education and VET graduates” (p.2, Accord Final Report).

“Failure to increase student numbers to meet these needs will do lasting damage to Australia’s prospects of national economic success. It will also do lasting damage to social cohesion by preventing generations of Australians from enjoying the career opportunities and higher incomes that tertiary education makes possible” (p.2, Accord Final Report). As such, the Accord Final Report identified a key area for review is about how Australia meets its knowledge and skills needs now and in the future.

This will be important to "enhance the delivery of quality education that meets the needs of students across all stages of lifelong learning and develop the skills needed now, and in the future. This will include recommendations for new targets and reforms recognising that more than 9 in 10 new jobs will require post–school qualifications, and fifty per cent of new jobs are expected to require a bachelor’s degree or higher" (p.310, Accord Final Report).

This led to the Accord Final Report recommending, and the Australian Government subsequently agreeing to, lifting the tertiary attainment rate of the working age population (people with at least one Certificate III qualification or higher) from 60% currently to at least 80% by 2050.

The target specifically identifies the working age population, which will inherently rely upon an appropriate system to support lifelong learning. Lifelong learning will maximise the opportunities for meeting the target by affording people opportunities throughout the entirety of their working life to engage with the education and training sector at a time they want and need.

Not only is lifelong learning important educational infrastructure to meet the Government target, but it will also be necessary to keep pace with an evolving jobs market as well as meeting the needs of the Australian economy.

Lifelong learning

Lifelong learning provides an opportunity for people to upskill and re–skill as they move through their working lives.

With expectations that over the coming decades, Australian workers will frequently change jobs and tasks within jobs, we will need a flexible and adaptable education system that will enable people to update their skills over the course of their working lives.

This will be essential for Australians to achieve their ambitions and becoming appropriately qualified to stay employed, and for employers and the economy to have people appropriately skilled and trained to support the workforce.

While the Government has set a target for tertiary attainment in 2050, meeting the target alone will not be sufficient action and infrastructure to support lifelong learning.

While predictions can be made that skills in some broad areas will experience greater demand in the future, specific skill needs can be very hard 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 and training sector needs to be dynamic and adaptable.

The report released by the Productivity Commission on 7 February 2023 (the Productivity Commission released 5–year Productivity Inquiry: From Learning to Growth Inquiry Report – Volume 8), recommends that the

Australian Government should build a consolidated strategy to ensure that all Australians can access learning throughout their lives and grow with the economy.

The report makes a number of recommendations to the Australian Government around fostering a culture of lifelong learning, covering both the higher education and VET sectors.

Of particular note in the report is the need for Australia to consolidate and examine the effectiveness and accessibility of available programs to support lifelong learning and to reduce gaps and increase uptake, extend income–contingent loans to more VET courses and ensuring the accessibility of microcredentials across higher education and the VET sector.

While some measures are in train to support lifelong learning, the critical element that isn't in place is a more connected higher education and VET sector.

We believe this could be facilitated by a common and shared loan system for tuition fees as proposed by the United Kingdom's Lifelong Learning Entitlement initiative, which specifically supports continuous learning throughout a person's working life.

The United Kingdom's Lifelong Learning Entitlement

From September 2026, the United Kingdom (UK) will introduce the Lifelong Learning Entitlement (LLE). It will be a single funding system to help people pay for higher education or further (vocational) education courses.

The LLE is designed to assist people to train, retrain and upskill flexibly over their working lives. It 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.

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.
- Allow people to develop new skills and gain new qualifications at a time that is right for them and will allow 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.
- Enable tuition fee limits to be based on credits and the amount of study in a course. This is instead of being based on the number of academic years in the course, as is the case under the existing system. The fee limit directly relates to the amount of study in the course rather than the number of years studied.

In light of these developments in the UK, which modelled their income contingent loan system on Australia's, IHEA's view is that Australian education and training sector funding settings need to be more flexible to support lifelong learning, including facilitating rapid upskilling and re–skilling by enabling the entire tertiary sector, as opposed to addressing individual segments in isolation. As per the UK, this should not just include conventional qualifications and units of study but also microcredentials

Opportunities for Australia

The benefit to Australia of an LLE system is that it is a national delivery mechanism of taxpayer subsidised support across the tertiary education sector and would deliver a more efficient (and productive) allocation of resources between higher education and VET.

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.

The LLE takes a further step in the trajectory that Australia is on to support lifelong learning. It does this under a single income contingent loan system, which applies for both higher and vocational education.

Better connecting the higher education and VET sectors will be critical to underpinning and supporting lifelong learning and the evolving jobs market.

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The report makes a number of recommendations to the Australian Government around fostering a culture of lifelong learning, covering both the higher education and VET sectors.

Of particular note in the report is the need for Australia to consolidate and examine the effectiveness and accessibility of available programs to support lifelong learning and to reduce gaps and increase uptake, extend income-contingent loans to more VET courses and ensuring the accessibility of microcredentials across higher education and the VET sector.

While a number of measures are in train to support lifelong learning, the critical element that isn't in place is a more joined up higher education and VET sector. This could be facilitated by a common and shared loan system for tuition fees as proposed by the LLE.

Current Activities to Support Lifelong Learning in Australia

There are already some policies in train or in place to support lifelong learning, however, these are only being delivered in the higher education sector. A broadening of these arrangements is needed across the tertiary education sector.

A key ingredient that is missing is an LLE which would afford students access to a single income contingent loan throughout their working life, to access the education and training they want and require. An LLE would bring cohesion to a lifelong learning framework.

Microcredentials Pilot

From 2023–24 to 2025–26, higher education providers were delivering microcredentials in national priority areas such as teaching, nursing, IT and engineering.

As small, targeted courses designed to upskill and re-skill workers in short timeframes, microcredentials 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.

They also have the potential to expand collaboration with industry to improve the ability of the education sector to respond to industry needs.

The Microcredentials Pilot, involving 40 higher education providers, specifically targets addressing lifelong learning, which was identified in the Australian Universities Accord and Working Future: The Australian Government's White Paper on Jobs and Opportunities, September 2023 (Employment White Paper) as a critical path to support students and employers.

According to the Department of Education website, "an independent evaluation of the Pilot is planned for 2025 to strengthen understanding of how microcredentials can be used to address skills shortages, support partnerships with industry and employers, improve access and equity; and provide pathways towards further higher education".

While the Microcredentials Pilot, to date, has been limited to higher education, IHEA believes fast-tracking and broadening the development and inclusion of microcredentials across the tertiary education sector is an urgent step that needs to occur to support lifelong learning.

The timing for this work is aligned with a recent decision of Commonwealth, State and Territory government Education and Skills Ministers have agreed to make the Undergraduate Certificate a permanent qualification in the Australian Qualifications Framework (AQF). As part of the COVID–19 Higher Education Relief Package, Undergraduate Certificates were first included in the AQF, but this arrangement was due to expire on 30 June 2025.

The decision of Ministers embeds Undergraduate Certificates, which are ostensibly microcredentials, as a recognised qualification in the AQF. The benefit of Undergraduate Certificates is that they offer a flexible and efficient way to gain valuable qualifications, commence a higher education journey and prepare for further study or employment opportunities.

This goes to the very heart of the issues raised in the Accord Final Report regarding the importance of lifelong learning and microcredentials as an important vehicle to meet workforce challenges now and into the future.

Student Learning Entitlement

A Student Learning Entitlement was introduced from 1 January 2022 that gives students seven years of full–time subsidised higher education study in government funded Commonwealth Supported Places.

While this initiative targets primarily undergraduate students at public universities, it is particularly focussed at providing flexibility to students. It also has a provision for accrual as students may choose to upskill/re–skill and commence further study later in life.

The student learning entitlement forms the basis of what could be extended to all higher education and at least higher level (course) VET students. Although not included in the Final Report, this was recognised in the Australian Universities Accord Interim Report

Developing a *universal* learning entitlement will be important to ensure Australians can gain the qualifications and credentials as they need or desire.

Such an entitlement, in the form of access to an income contingent loan to study across all of the tertiary education sector, regardless of provider type, as per the LLE, would assist all Australians access high–quality tertiary education and bring lifelong learning to fruition in a practical and achievable way.

Why Australia Needs a Lifelong Learning Entitlement

Reform of the national architecture of tertiary education delivery is critical to realise the economic and societal benefits that education brings.

Historically, higher education and VET have ostensibly been two separate pathways, with some intersections. As a result, there are differences in funding, regulation and a lack of credit transfer for students between the sectors.

Addressing the skills needs of the future will require more collaboration and alignment between the higher education and VET sectors.

For example, the Australian Government is the primary funder of higher education in Australia through Commonwealth Supported Places and loans for tuition fees. Funding for VET is more complicated as it comes from both the Australian and state and territory governments.

The Australian Government funding is largely through a National Skills Agreement or a National Partnership Agreement. This funding is paid from the Commonwealth treasury to the state and territory treasury, from which it is then distributed within that jurisdiction.

It will be important for appropriate funding arrangements to be put in place that support tertiary students regardless of the provider where they study and to deliver the growth the Australian Government has identified as necessary to meet Australia’s skills needs.

The Employment White Paper supports this assertion that to meet the skills of the future will require a whole-of-tertiary system approach. However, while the integration of higher education and VET has been discussed for decades, attempts to better integrate tertiary education have been challenging due to the need for multi-jurisdictional action, with progress very slow.

Actions to better integrate the sectors to support lifelong learning could include creating pathways between vocational and higher education, including recognising prior study in each. It could also include higher education, VET providers and employers collaborating in the design and delivery of courses to meet emerging skills needs and future workforce needs.

A fundamental and critical first step is for students to have appropriate incentives and access to upskill and re-skill at every stage of their lives to connect with the type of education that is right for them at the time.

This will set in place a core element of any successful lifelong learning approach to meet the skills' needs and employers' needs of the future. Integration and consolidation of these funding arrangements would support the introduction of a lifelong learning entitlement in Australia.

While work on a Microcredentials Pilot is underway and a Student Learning Entitlement is in place for students in Commonwealth Supported Places, these measures are not working together, and are limited to the higher education sector. Taking these measures and incorporating them under an LLE for Australia would unify the existing measures and ensure a holistic approach is being taken to address lifelong learning across both the education and training sectors.

Initially, this could involve aligning the Commonwealth run VET Student Loans and HECS-HELP and FEE-HELP loans to unify the higher education and VET income contingent loans.

Suggested Next Steps in the JSA Workplan 2025–26

A number of building blocks are in place in Australia to go to the next level of a single loan funding system as is occurring in the UK with the LLE.

This submission outlines how and why an LLE for Australia would be beneficial to students, employers and the economy, noting that significant work would need to occur to develop and implement an LLE.

As such, IHEA believes scoping work regarding greater integration of the higher and education sectors to specifically support lifelong learning to meet the skills needs of the future, should be included in the JSA 2025–26 Workplan.

Through specific investigation/commissioning of a study about how a single entitlement or loan could be put in place in Australia to support lifelong learning, JSA will advance how Australia can optimise pathways and system architecture (JSA Commissioner's outcome from the JSA Strategic Plan) and facilitate 'pathways into VET and pathways between VET and higher education' (*Jobs and Skills Australia Act 2022*).

As outlined in this submission, this is urgent work that needs to be progressed to ensure that all of the building blocks are in place to enable lifelong learning, regardless of what the future jobs market looks like.

This will put students at the centre of the education and training system to acquire the knowledge and skills they need for the jobs of now and into the future as well as driving a strong economy.

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). IHEA has 86 members, which comprise:

- Five private universities (Australian University of Theology, Avondale University, Bond University, Torrens University and University of Divinity).
- Six University Colleges (ACAP University College, Alphacrucis University College, Excelsia College, Moore Theological College, SAE University College and Sydney College of Divinity).
- Six self-accrediting institutes of higher education (ACAP University College, Excelsia College, Griffith College, Kaplan Business School, Marcus Oldham College and The College of Law).
- Seventy one 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, human services 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, or seeking registration, 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.

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