Luke Sheehy
Chief Executive Officer

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Ms Megan Lilly
Deputy Commissioner, Jobs and Skills Australia

Dear Ms Lilly

Response to the 'Building a system that puts people and skills first' discussion paper

Universities Australia (UA) appreciates the opportunity to respond to the 'Building a system that puts people and skills first' discussion paper. UA has actively engaged with Jobs and Skills Australia's work towards the development of a National Skills Taxonomy (NST) and continues to see strong potential in a shared, national approach to skills recognition.

A successful NST will make it easier for people to understand and show what they can do. Today, skills are described in many different ways, which makes it hard for learners, job seekers and employers to connect. A shared, national system creates one clear language for skills. This means people can move more easily between study and work, have their prior experience recognised and find pathways into education and new jobs. The NST will make the system simpler, fairer, and more responsive to change.

Universities are essential to Australia's future. They deliver the pipeline of skills and innovation our economy and communities need to grow and thrive. To support our sector in this critical task, the development and implementation of the NST should be guided by a series of core principles:

- Learner and worker centred – the NST should help people understand and communicate their skills, support recognition of prior learning and credit, and ease movement between study and work.
- Complementary to qualifications – the NST should support, not displace, accredited qualifications and the AQF, and avoid creating a hierarchy of skills over qualifications.
- Practical and proportionate – implementation should be workable, with staged, test-and-learn approaches and shared tools to manage the effort of mapping to skills.
- Equity-enhancing – the NST should strengthen recognition and pathways for First Nations students, regional and remote learners, people with disability, migrants and others with non-traditional learning histories.

Consistent with the above principles, the NST is well placed to succeed if its purpose and uses are clearly articulated. If the NST's shared purpose and language is not understood by learners, workers, employers and providers, it will not be used effectively; accessibility and clear language are critical. It's particularly important that learners and job seekers can recognise themselves, their skills and experiences in the taxonomy and not unintentionally exclude the very people it's designed to support.

For the NST to be an integral part of the wider tertiary reform agenda, it needs to sit cleanly alongside existing frameworks. In regulated professions, qualifications and accredited programs will remain the core currency, and the NST should be framed as supporting, not bypassing, existing accreditation and registration frameworks. Clarity regarding how the NST will practically connect with the Australian

Qualifications Framework (AQF) reform implementation and the National Skills Passport infrastructure is critical for these initiatives to reinforce each other rather than creating parallel layers.

UA supports a staged implementation plan that is practical, transparent, and supported by shared tools. Mapping programs and microcredentials to a skills list requires significant effort; starting with priority occupations and cross-sector pathways will deliver the greatest impact. Starting with a practical level of detail, focusing first on areas of greatest value (such as priority occupations and cross-sector pathways), and providing shared tools and examples will help keep the task manageable. Using simple, common data formats will make it easier to connect the NST to existing systems, rather than requiring education providers to rebuild what they already have.

In designing the implementation, UA recommends a test-and-learn approach that includes cross-sector pilots, co-led by universities and VET providers from the outset. Pilots should be phased and clearly scoped, and test the interactions between disciplines, occupations and industries, not just single sectors in isolation. UA recommends beginning in priority workforce areas where community and workforce benefits can be more easily demonstrated, building an evidence-based before scaling settings nationally.

Given the breadth of stakeholders, a multilateral design and governance model is fundamental for ensuring the currency of the taxonomy. This model should routinely bring together higher education, VET, industry, unions, accrediting bodies, governments and community voices to maintain the taxonomy's relevance and trust. Clearer coordination across JSA, Jobs and Skills Councils, departments and other skills bodies is needed to minimise duplication and avoid mixed signals. Clear decision-making criteria, transparent rationales for changes to the taxonomy and simple pathways to resolve contested issues will support trust and ongoing engagement.

Equity, diversity and inclusion must underpin the NST at the outset. A skills-first system has the potential to make it easier for First Nations students, regional and remote learners, people with disability, migrants and others with non-traditional learning histories to have their skills recognised, and to move through integrated pathways between VET, higher education and workplace learning regardless of where they first enter the system. UA supports co-design with relevant communities, deliberate attention to how skills are described and grouped, and tools that are straightforward to use for people with different levels of digital access and literacy.

UA recommends ongoing evaluation and monitoring of how the NST is used in practice to give a clear picture of the contribution it is making – its efficacy in helping people move between study and work, support recognition of prior learning, and provide better information to providers and employers.

UA looks forward to continuing to work closely with JSA, through existing engagement through the National Skills Taxonomy Advisory Group and future consultations, as this work progresses.

Yours sincerely

Luke Sheehy
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