

Public consultation – National Skills Passport

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Name: National Centre for Vocational Education Research (NCVER)
Contact: Simon Walker, Managing Director
Phone: 08 8230 8400
Email: simon.walker@ncver.edu.au

Overview

The National Centre for Vocational Education Research's (NCVER) submission is presented in the form of a short literature review and responds to selected questions under Key principle 1: 'Valuable and useful' and Key principle 3: 'Integrated and interoperable' of the Australian Government's *National Skills Passport Consultation Paper* (Commonwealth of Australia, 2024).

Context

Australia's economy and labour market are changing, in response to five key forces - expanding use of digital and advanced technologies, ageing population, rising demand for quality care and support services, changing climate and the net zero transformation, and geopolitical risk and fragmentation, as reported in *Working Future: The Australian Government's White Paper on Jobs and Opportunities* (Commonwealth of Australia, 2023). These forces are and will continue to change the composition of industries, workforce needs, and the nature of work.

Over recent decades, the number of jobs in traditional industries, such as manufacturing, has declined while the number of jobs in service-orientated sectors, such as health care, have grown (Snell, Gekara & Gatt, 2016). The level of skills employers seek is also changing; *Australian Jobs 2023* (National Careers Institute, 2023) reports that almost 90 per cent of jobs currently advertised require post-school qualifications; nearly 40 per cent require a bachelor's degree or higher and around 50 per cent require a vocational education and training (VET) qualification. These shifts impact people's jobs and the skills employers seek.

A National Skills Passport that recognises students', jobseekers' and workers' full range of skills would likely help them with job mobility, from getting their first job, to promotions or a transfer to a different occupation in another industry. It may also support models of continuing education identified by workers and supervisors involved in learning that involve wholly work-based, work-based with direct guidance, work-based with educational interventions and wholly education institution-based (Billet et al, 2014).

About NCVER

NCVER is an independent, not-for-profit company owned by the Australian Government and state and territory government ministers responsible for vocational education and training (VET). NCVER collects, manages, analyses and communicates research and statistics about VET. NCVER's vision is to transform national understanding of VET.

According to the available research, a Skills Passport may also enable better matching of job applicants' skills with job openings, which may benefit employers. The verification of skills and knowledge learned as part of successful completion of units of competencies, subjects, certificates, microcredentials and qualifications, may assist with efforts with recognition of prior learning, benefitting education and training providers, and support possible key reforms to facilitate greater collaboration between the VET and higher education sectors and alignment within a tertiary sector (see in particular the Australian Universities Accord Interim Report, 2023).

Responses to consultation questions

Key principle 1: Valuable and useful

1. How would you describe the value of a National Skills Passport for: a) learners; b) employees; c) employers/business; and d) education and training providers?

Learners

Many students view the heavy focus on scholastic performance pays too little regard to other skills and attributes they require for successful adulthood (Panel for the Education Council Review of Senior Secondary Pathways into Work, Further Education and Training, 2020). As such, the Review advocates for focusing more on preparing 'the whole person', no matter what career path they choose and recommends the implementation of the Learner Profile and an Education Passport.

The Learner Profile would identify each student's range of skills, knowledge and experiences gained inside and outside of school. Importantly, the Learner Profile would underpin the development of the lifelong ability to recognise the attributes they have acquired through study, work experience, volunteering, and personal achievement.

Building on the Learner Profile, the Education Passport/Skills Passport would progressively record both formal and informal learning opportunities. In doing so, the Review argues it would provide a valuable framework through which young people would continue to identify capabilities, and record their skills, certificates and/or qualifications, professional development, workplace learning and micro-credentials. Young people consulted on such a Passport said it could be like a student 'LinkedIn' (Panel for the Education Council Review of Senior Secondary Pathways into Work, Further Education and Training, 2020).

Employees

A skills passport, such as that outlined in the Consultation paper and backed by the Australian Universities Accord Interim Report as offering an opt-in, validated, digital system to view, share and access the full range of qualifications, microcredentials, workplace experience and general capabilities can offer employees several long-standing benefits. These include:

- Recognition of skills and competencies for those for whom a formal qualification is a barrier
- Recognition of the different paths and settings through which employees acquire skills and competencies
- Support the employment of those who do not have formal qualifications
- Demonstration to employers an individual's capabilities
- Encouragement of upskilling and reskilling over time (ANTA, 1997).

The reshaping of the economy, labour market and workforces may result in some workers facing retrenchment over the course of their working lives. Research by Snell et. al., and published by NCVER (2016) finds many of these workers focus on their technical skills when applying for jobs and do not consider other skills they may have developed in their current or past jobs. A National Skills Passport that helps individuals elicit their full range of skills (technical and non-technical, such as communication and problem-solving) in a way that is verifiable and meaningful to all users would be of benefit to workers facing retrenchment and job or occupation change.

Employers

A key concern for employers is having employees with the required capability to perform the job (NCVER, 2021) and a National Skills Passport can provide benefits, namely:

- Clearer information about a prospective/current employee's skills and competencies
- Better matching of skills, competencies, and knowledge to job requirements
- Greater flexibility in work organisation (ANTA, 1997).

The encouragement of lifelong learning may also improve an employer's skill base and competitiveness (ANTA, 1997). According to the research, the benefits to employers of such an approach is that it can provide a comprehensive and verified view of skills, expertise, and work history of potential employees and assist in recruitment, reduce costs and identify skills gaps and needs (ILO, 2021).

Providers in the education and training sector

A National Skills Passport could offer providers in the education and training sector benefits, including:

- Information on skills that may aid planning, resource allocation and recognising prior learning, of which the latter could be critical if greater collaboration (Employment White Paper, 2023) or moves towards an aligned tertiary sector (as recommended in the Australian Universities Accord Interim Report, 2023) are to be realised
- support of key reforms, such as improved collaboration between VET and higher education sectors (Employment White Paper, 2023) and moves towards an aligned tertiary system (Australian Universities Accord Interim Report, 2023)
- encouragement of flexibility in the delivery of training (ANTA, 1997).

The Employment White Paper (2023) affirms that stakeholders have long called for a tool, like a National Skills Passport to help Australians demonstrate their qualifications to prospective employers. *Preliminary advice on a Skills Passport system* published in 1997 reported other VET system benefits, including:

- reduction of provider dominance of certification arrangements
- better measurement of the outcomes of the system over time (noting at the time of publication the previous iteration of the National Student Outcomes was in its infancy and it preceded the recently developed National VET Data Asset)
- measurement of the value of the VET systems products and make a difference to individuals and employers (noting at the time of publication both the National Student Outcomes the National Survey of Employers' Use and Views of the VET System had only been operation two years).

Skills Passport-type tool in development

The New South Wales Government has committed to the development of the NSW Digital Wallet, a skills passport-like digital record. The Digital Wallet will provide an electronic way to store, use and share credentials securely with government and commercial organisations (NSW Government website, 2023). A credential is defined as a qualification or achievement which proves a person's eligibility to do something, such as a First Aid Certificate or Working with Children Check renewal. People using the NSW Digital Wallet will have the ability to renew, add, retract, or remove credentials and have a record of what credential, or information from a credential, they chose to share with whom and when (NSW Government website, 2023).

Possible challenges

As well as the many possible benefits, which may come with the introduction of a National Skills Passport, experience demonstrates, there are challenges (ANTA, 1997). In Australia, the evidence on Skills Passports and skill recording systems shows there can be difficulties in acceptance when:

- the effort to maintain the system outweighs the perceived benefits
- the benefits of the system are insufficiently identified
- the inadequate establishment of benefits with those required to maintain the system, including training and education providers
- there is insufficient demand for the system
- the system is overly centralized, bureaucratic and inconvenient
- the documentation is not kept up-to-date
- the system provides limited links to the formal qualification structures (ANTA, 1997).

Separately, other issues raised include the:

- security of data particularly for younger VET students (aged from 15 years), and the potential risk of cyber-attacks
- clear identification of the purpose of a National Skills Passport and its design, particularly for learners (Paton, 2021).

The International Labour Office (ILO, 2021) have identified some other challenges and considerations around:

- the potential cost of technology
- data protection and ensuring the quality and reliability of information provided
- digital and gender divides in the use of such technologies and systems
- the need for these systems to be inscribed in the broader discussion on credentials and recognition of learning as well as the general framework of workers' rights, and
- the quality of the information provided and the reliability of the qualification and verification institutions and mechanisms.

Key principle 3: Integrated and interoperable

2. What systems do you operate or interact with that may be impacted by a National Skills Passport?

NCVER collects data about the Australian VET sector through a number of administrative statistical collections and two national surveys (see aforementioned surveys). All collections meet the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS), which ensures consistent quality of data. Within AVETMISS, NCVER administers the Collection Specifications on behalf of Australian governments and manages the AVETMISS Validation Software. NCVER also engages with key stakeholders representing registered training organisations and governments (Commonwealth, state, and territory) as part of revising the Standards.

Further information about AVETMISS and NCVER's role is available from [NCVER's website](#). Presently, work is underway with all governments and the VET sector to develop a new VET Data Standard.

A National Skills Passport may impact systems, including training qualification design systems operated by Jobs and Skills Councils, the Australian Qualifications Framework and possibly skills identification systems (for example, see Siekmann and Fowler (2017) on international approaches of identifying work skills), student management systems, state and territory data collections systems, and the national register of VET (known as training.gov.au), the Office of the USI Registrar and VET Transcript service, and regulators.

A National Skills Passport would logically need to leverage data already being collected through these systems as well as possibly capturing information on non-formal education to understand a jobseekers' full range of skills and experiences and could require changes (for example) to data standards or legislation (Australian Financial Review 2023 and Commonwealth of Australia 2023).

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