

FSO Paper

HARMONISATION

*Principles for a harmonised
tertiary education system*

23 February 2026

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Principles for a harmonised tertiary education system

This paper is authored through collaboration between Future Skills Organisation, [Mr David Coltman](#), and [Ms Penny Johnston](#).

Executive summary

The current national focus on harmonisation across Australia's tertiary education sector, as a policy direction, emerged from the Australian Universities Accord Final Report (the Accord). Brought together in this Future Skills Organisation (FSO) harmonisation paper (Paper) are the recommendations contained within the Accord, expanded across the tertiary education sector. The framework in the Paper is aimed at seeking to develop a more integrated and equitable tertiary education system, able to respond to the changing needs of industry. This Paper was developed to encourage participation in the debate of what harmonisation should deliver, how it should be shaped, and the way it ought to be implemented. The Paper is presented in two parts:

Part One describes those aspects of the tertiary education system - strengths and failings - seen as driving the need for harmonisation, and why it is needed now. Described are the complexity, duplication, and diversity of programs that are delivered and how internal barriers within the system are putting at risk the sector's ability to meet the future skills requirements of industry. This misalignment of delivery is being compounded by changing labour market participation patterns, increasing global insecurities, and innovations in technology that challenge the sustainability and relevance of the existing tertiary education model.

Part Two takes this information and focuses it on one aspect: qualification development. This intentionally seeks to highlight the complexities and considerations involved in achieving the desired simplicity, skills alignment, efficiency, and a more seamless experience for learners.

A set of Guiding Principles (attached) are proposed to define the key considerations and articulate the essential deliverables expected from an effective harmonisation approach. The intent for the Guiding Principles is to establish a foundational framework that fuels ongoing conversations and informs policy debates.

The Paper describes the outcomes framing the harmonisation agenda. These will be delivered by targeted harmonisation initiatives, but there is complexity to each aspiration. These outcomes rely very heavily, but not fatally, on the successful completion and implementation of a range of other projects, for example, the review of the Australian Qualifications Framework (AQF), the National Skills

Taxonomy, and the introduction of technology to indirectly support harmonisation programmes of work.

Harmonisation should:

- Lift the rates of participation and attainment levels in both higher education (HE) and vocational education and training (VET) to deliver on the 80% national target from the Accord.
- Program to ensure greater portability and agility between HE, VET, and employment, providing learners with greater flexibility and options, and include transparent credit recognition for learning and experience that can be awarded.
- Learners should not be assumed to have the same learning requirements which require all people to start at the same point or be taught with the same pedagogy. Pathways into qualifications must be improved, be more efficient, and be more transparent.
- Proportionally increase the participation and attainment of priority cohorts of learners in both VET and HE programmes to ensure industry has access to a broader home-grown pool of talent for its future workforce and the economic benefits of employment are able to be accessed more equitably.
- Target funding to address distortions and incentivise harmonisation initiatives as a priority. Focus on the unmet critical skills required, that will increase productivity and innovation and support existing workforce transitions.
- Reduce the regulatory burden, remove unnecessary duplication in the system, and release the resources that are caught up in inefficient repetition.
- Increase the standing / status of VET in the working-age population, recognising that for most it is not a second choice or a full-back option.

The roles of the various tertiary education stakeholders (University, registered training organisations (RTOs), funder, regulator, FSO) will be impacted as harmonisation occurs. The changes could be amplifications of existing functions, or more significant shifts in ways of work. For Jobs and Skills Councils, like FSO, there could be a different focus in the development of qualifications that are harmonised.

The intent for the Paper is to stimulate engagement of the JSCs and broader stakeholders, to reflect on the current system, and to consider what their role might be in the future.

Provided in the Paper is a roadmap for FSO to consider a very different future. FSO would deliver an expanded function, using a new methodology for

qualification development and reform based around harmonisation. In this scenario, FSO would become the lead agency and the core to the harmonised process, bringing industry, universities, and RTOs together to develop more harmonised offers.

This is one scenario through which the harmonisation policy direction is not prescriptive, but one that creates an approach to tertiary education through which stakeholders are able to guide the implementation of the national harmonisation aspiration.

Introduction

This paper seeks to inform engagement in the evolving policy direction of Harmonisation within the Australian tertiary education sector, offering a platform to participate in and critically challenge the debate about what Harmonisation should deliver, how it should be shaped, and the way it ought to be implemented. At the heart of the Harmonisation discourse is the Australian Universities Accord Final Reportⁱ (the Accord), which has catalysed the current focus on Harmonisation and become a framework to develop a more integrated and equitable tertiary sector.

This paper was commissioned by leadership in the Future Skills Organisation (FSO), a Jobs and Skills Council (JSC), who have deep knowledge of the skills required for the finance, technology, and business sectors, and the development of standardised education qualifications and content. The paper reflects their established commitment and contribution to the development of all aspects of tertiary provision, including policy settings. FSO sought the expertise of David Coltman and Penny Johnston, who bring their deep experience in education delivery and a nuanced understanding of the sector's challenges and opportunities to inform. Their insights have been tested and evolved through consultation, research, and engagement with Harmonisation stakeholders, and they acknowledge that their influences and potential biases will be evident in the content of the paper.

The findings and recommendations in this paper apply more widely across the labour market to other sectors that would also benefit from a harmonised approach to tertiary education. Therefore, we also commend this paper for consideration by other JSCs, the Australian Tertiary Education Commission (ATEC), and Jobs and Skills Australia (JSA).

Structurally, the analysis is presented in two parts:

Part One elaborates on the imperative for Harmonisation, delving into its content, urgency, and the complexities of implementing such reform where the changes required are at a local and at a system-wide level. It examines the drivers to achieving greater harmonisation – focusing on one aspect: qualification development. This is an intentional focus to highlight the complexities and considerations involved in achieving greater simplicity, skills alignment, efficiency and a more seamless experience for students.

A set of Guiding Principles has been proposed to define the key considerations and articulate the essential deliverables that are expected from an effective Harmonisation approach. The intent of the Guiding Principles is also to establish a foundational framework that fuels ongoing conversations and informs policy debates.

Part Two transitions from theory to practice by exploring Harmonisation through the lens of a streamlined qualification development process aligned explicitly with job requirements, while simultaneously addressing some of the challenges validated by the Accord concerning tertiary qualification relevance and delivery.

This practical application aims to integrate many of the complex and intersecting reform initiatives currently underway and establish that Harmonisation efforts must complement rather than conflict with concurrent changes. Ultimately, the paper endeavours to provide actionable recommendations for FSO's strategic programme design, underscoring what must be prioritised to realise the full promise of Harmonisation in driving tertiary education excellence and workforce readiness.

Part 1 – Harmonisation the new policy direction

1.1 Background

Australian Universities Accord (final report)

The Accord aims to transform the higher education landscape in Australia. Its primary objectives were to enhance accessibility, improve the quality of education, and ensure that graduates possess the skills needed for the evolving job market. A central focus area of the Accord is to address system cohesion. Primarily this has been between Higher Education (HE) and Vocational Education and Training (VET). The need for harmonisation arises from recognising the disparities in language, funding, regulation, autonomy, curriculum decision and governance, which have historically separated these educational sectors. The Accord advocates a more integrated approach, facilitating pathways that bridge the gaps between HE and VET, thereby fostering an inclusive and cohesive educational framework. This combined is the Harmonisation.

Issues highlighted

The Accord highlighted several key challenges within the tertiary education system, many of which were already recognised, but their inclusion in the Accord provided the affirmation of them. These included:

- Disparities in Language, Funding, Regulation, and Governance: Different terminologies and funding structures complicate collaboration between HE and VET, leading to inefficiencies and inequitable access to resources.
- Sector Silos: There exists a perception the differences between VET and HE are dramatic, creating silos that prevent effective communication and collaboration.

- **Underlying Biases:** A historical bias towards higher education has been seen to marginalise the value of VET, impacting participation rates and educational outcomes for students seeking vocational training. The increasing professionalisation that has been seen in many occupations has been, in part, a response to this aspiration.

Harmonisation is proposed as a framework to bring coherence to the recommendations made in the Accord. Harmonisation is not prescriptive: it doesn't prescribe nor evaluate all aspects of VET and/or HE delivery, it does not assess existing consolidated models of national curriculum development, nor the different models of student support provided to employers and apprentices. It is not a critique of VET delivery, nor of HE delivery.

Harmonisation recommendations acknowledge the two sectors (VET and HE) are already intertwined and connected by the industries they serve. It mandates increasing this connectivity. It recognises that duplication of systems can be inefficient and includes the specific recommendation to address these, but it recognises also that the differences and divergences are strengths of the sector. Harmonisation does not seek to homogenise the sectors.

The momentum for harmonisation is driven through concerns of the misalignment between the skills that will be required in the future and what is proposed to be delivered – the skills crisis, the inequity of participation in tertiary education, changes to labour force behaviours, the pending labour shortage that will have a compounding impact. The result is a risk to the Australian economy that the opportunities of the future remain unrealised, and the living standards are unable to be maintained.

Shift in provider purpose

The Accord reflects an increasing acceptance of the role of universities to prepare graduates with skills, which employers require. This acceptance sits in parallel to the historic role the universities have played in growing understanding and new knowledge. However, the role of applied research in VET continues to remain mostly unacknowledged. Universities in Australia are positioning themselves as providers of credentials aligned with employment opportunities. The shift has also seen greater use of applied learning approaches featuring in higher education (industry placements, work integrated learning, earn while you learn) that mirror the models of delivery in VET. With the purpose and delivery of tertiary educational programmes increasingly converging between the HE and VET sectors, and students expect to be job ready at graduation, the expectations on industry to be partners in program development and delivery is increasing.

Economic and systemic context

The broader commentary in the Accord included identification of the significant gaps between programme delivery and programmes needed to meet the future skills requirements of the workforce. The Accord anchors the economic imperative for a skilled workforce as the driver for continued Government investment, echoed in the reports from JSA, where a revitalisation of training frameworks was identified as required to support economic growth. Concerns about how the Government's investment in education can be managed to align the sectors' graduates with labour market needs have seen the recommendation for the establishment of ATEC to provide stewardship of a managed market model to fund tertiary education.

The gaps in alignment between the industry identified future skills required in the professional sectors, (largely those occupations that require a degree-level qualification (or higher)), are similar to the JSA-identified gaps forecast for vocationally trained occupations. Skills/VET Funding Priorities that have been established by States and Territories are not fully aligning with the national future skills needs. The multiple-year funding commitments, made to States and Territories through the National Skills Agreementⁱⁱ, lack the levers that would create a responsive, agile system that could adjust to meet student demand and changing skills requirements. Without major transformation, Australia faces an increased likelihood of enduring an ongoing skills and labour crisis.

The Accord was prepared during a period marked by the very skills and labour crisis that is being predicted. Shifts in the labour market, including historical declines in participation in skills training and changing employment patterns that have emerged, and the likelihood that reskilling could occur multiple times in a career, make the existing structures unaffordable and call for a comprehensive response. Many of these issues can only be effectively addressed through a harmonisation process that delivers a seamless connection between HE and VET.

To release and re-prioritise the resources needed to meet the skills gaps in areas of economic priority will require the agencies developing policies, funding delivery, and regulating the quality of the system to create a more responsive and cohesive educational ecosystem. Harmonisation includes a commitment made to:

- greater coherence across programs delivered and across providers
- stop duplication and double handling
- a priority placed on how students experience applying, commencing, transitioning across, and exiting from study.

This will require simplification of structures and in the language used within the sectors, and a recommendation for harmonisation that tertiary education needs

to align the language and skills of programs to the job for which they are preparing a student. Simplification cannot be at the expense of the yet unrealised opportunity to expand the recognition and value of learning and experience that is acquired outside of formal learning institutions. Harmonisation signals that all these commitments are required to meet current and future workforce demands.

1.2 Why harmonisation?

The core issues preventing the natural connections between the higher education and vocational education landscape that the harmonisation policy direction seeks to address were described as resulting from:

- **Systems Disparities in Funding and Regulation:** The existence of two separate funding and regulatory frameworks creates not only duplication and inefficiency but additional complexity. The result is it is harder to address inequitable student participation in programs and providers shoulder the costs of the duplication associated with dual compliance and reporting. The funding allocated for each equivalent full-time student is variable across sectors and fields of education and lacks true transparency.

Reduced conversion rates are over-represented by applicants who are less comfortable with tertiary traditions, and those who have less experience of success in formal learning environments. The lower trust demonstrated in the regulatory approach towards VET when compared with the HE sector is extended to students. The comparative requirements on VET applicants are more cumbersome to experience than for HE applicants.

- **Sector Silos:** Distinctions between HE and VET are tied to the perceived income or wealth generated working in the occupational clusters served, the standing of that occupation in society, which remains across different cultural groups and communities. This distinction reinforces barriers that prevent the ease and effectiveness of collaboration, inhibiting a cohesive educational framework. This has seen a preferencing of the value of higher education.
- **Equity and Accessibility:** The desirability of VET occupations for entry-level workers doesn't reflect the job availability nor forecast future need. The certainty of employment that is highly regarded is not translating into enrolment and career-path choices. Careers information that has traditionally been biased toward HE sees VET learning as a lesser pathway.

Where transitions to HE is pursued by holders of VET qualifications, the lesser status is felt to be reinforced when a credit application is seen to be at the discretion of an individual academic or an opaque academic process. To experience inconsistent application of credit recognition, it is clear to see

why the access and participation rates in higher education for priority student cohorts, including low socio-economic groups and First Nations Peoples, would decline.

- **Skill Relevance:** Universities and VET institutions have aligned their offerings with dynamic markets of student demands. These are informed by, but do not align with, the skills required by industry. The curriculum development and curriculum maintenance requirements prescribed by regulators have become a burden to industry.

This industry engagement is not harmonised; it is often duplicated between Commonwealth and State industry advisory functions, professional associations, in addition to every provider being required to demonstrate their engagement approach with industry for each program area or cluster. This has been recently extended to every educator must maintain evidence of their engagement with their industry, so their competence remains relevant and that they meet accreditation requirements. Industries describe being burdened with repetitive engagement for skills advice with failing responsiveness.

When the Universities Accord Final Report was released, access was central of the harmonisation response. Growing the number of HE students is required for Australia to meet the labour requirements of the economic opportunity. Pathways programmes in VET have provided an important access pathway to HE but in recognising the high number of VET programs that are being used to provide pathways, the harmonisation imperative requires inclusion of learning outcomes that articulate the skills. To include this will require an improved understanding of requirements and learning expectations of other industry sectors.

Reaffirmation of equity aspirations

In 2008, the Review of Australian Higher Education Final Reportⁱⁱⁱ (the Bradley Report) set a vision for 40 percent of all Australians to have or be enrolled in a higher education qualification by 2020. The vision was driven by the assumption that higher levels of participation would result in higher living standards. Industry demands were acknowledged, and market forces would prevail. The target was seen as bold and ambitious. And remarkably, it was largely achieved before 2020. By introducing activity-based funding and lifting restrictions on enrolments, student demand and aspirations delivered the increase.

The increased participation, however, was not distributed equitably and represented the inequity of aspirations for Higher Education across Australia, as noted by the Productivity Commission in June 2019^{iv}. Unintentionally, it was reinforcing the growing gaps across Australian communities. The Accord has

sought to be more nuanced and recommends managed markets models be applied to the funding of HE. It recommends this be targeted to increase enrolments and success in priority cohorts across both vocational and higher education.

Unleashing the unrealised potential

By introducing participation targets for the tertiary sector, harmonisation will reinforce the interconnectedness of VET and HE. The function that VET programs provide as pathways to HE is under recognised and undervalued, and harmonisation seeks to amplify its importance. The Accord also set a vision, as was seen in the Bradley Report. The Accord recommended the tertiary attainment rate of working-age individuals be raised from 60 percent with at least a Certificate III or higher to at least 80 percent by 2050. A harmonised target for the tertiary sector.

In addition, harmonisation recognises that the understanding, knowledge and skills of First Nations Peoples is required at all decision levels in tertiary education, and that the recognition of these valued skills and knowledge must go beyond representative consultation practices.

This participation target goes beyond being a social justice imperative; it recognises that the need to expand the pool of talent with the anticipated labour supply crisis. Australians, like many other citizens in developed nations, are less willing to depend on migration to fill this gap as it has in the past.

Changes to work attendance patterns and expectations, many enabled by technology and implemented in response to the COVID pandemic, have provided more opportunities for greater participation in both education and employment. There has been a shift to the expectations and norms of work attendance and with that the opportunity to include more culturally inclusive practices in employment practices is needed.

The logic and assumptions that had underpinned the Bradley Report recommendations in 2008 have been targeted to priority cohorts the Accord sought to address:

- Shortages in skilled labour,
- Creating a workforce with the skills that will be required in the future.

1.3 Enabling considerations

- Colocation: Where delivery of VET programs occurs in a shared environment with HE delivery, and courses are from aligned disciplines, the number of students choosing to pathway from VET to HE programs increases significantly. This is seen most clearly in dual-sector university operations,

where up to 40 percent of VET students go on to enrol in higher education, compared to less than 20 percent where collocation doesn't exist. Harmonisation has more dimensions to it than just the curriculum alignment; it can include collocation.

- **Expansion of Regional University Hubs:** Support is provided for increasing localised access programs and infrastructure, including expanding the network of study hubs that support higher education students to remain in regional locations. Although not an objective of the Harmonisation specifically, many of the University Hubs have been co-located within TAFE campuses, creating education precincts, and these are models for future harmonisation work.
- **Needs-Based Funding Allocations:** Increasing targeted funding for low SES, First Nations Peoples, regional students, and students with disabilities. Ensuring that funding could be used as an incentive and reward to increase more equitable distribution.
- **Creation of Nationally Recognised Preparatory Courses:** Ensuring the skills and knowledge that are essential for success in higher education are included in programs, curriculum design, and formally assessed. The dual purpose of an employment outcome and a pathway should be recognised.

Harmonisation has also recommended:

- **Establishing the Australian Tertiary Education Commission:** To oversee the system's alignment with labour market needs.
- **Inclusive Governance with First Nations Peoples:** Ensure greater diversity is represented in decision-making, which should be considered across all governance functions, including those that guide curriculum.
- **Creation of a Tertiary Education National Data Asset:** To provide a single comprehensive data repository to inform educational strategies.

Harmonisation as a policy direction extends beyond the pathway relationship between HE and VET. It seeks to address the misalignments that occur through collaboration and curriculum design, programme purpose, and regulation. It is driven by the need to address inequities in the workforce pipeline and will result in seamlessness for students. It is an economic requirement for Australia.

Part 2 – From theory to practice: applying harmonisation to skills definitions and qualification development

The qualification development process and the potential for it to rely on transparent and traceable industry-validated definitions and descriptions of the relevant skills, knowledge and industrial contexts are areas where the theory of tertiary harmonisation can transform into ‘action learning’.

Qualification Development Projects are an ideal proving ground for applying harmonisation principles and bringing Industry, VET, HE, and Community Education (CE) providers together to contribute their strengths, curriculum development talents and delivery expertise. A reimagined qualification development process can transform training package qualifications at the Australian Qualifications Framework (AQF) levels 5 – 7 into co-created and co-delivered ‘harmonised diploma and degree qualifications’ that truly deliver the best skills and knowledge outcomes that the entire tertiary sector can offer.

2.1 Context and strategic opportunity

Challenges at the VET and HE interface and tertiary education sector strengths

The challenges for employers, education providers and students navigating VET and HE are well documented but include:

- disparities in skills recognition;
- fragmented delivery pathways;
- slow integration of emerging technologies;
- lack of a unified language impeding skill development and workforce agility;
- misalignment between graduate attributes and employer expectations;
- the need to increase the positive status of VET; and
- lack of system and actor agility in building skills across both VET and HE.

Nevertheless, the well-established VET and HE sectors possess adaptive capacity, extensive industry links, and innovative pedagogical approaches. These assets can underpin a unified system if effectively coordinated and the diverse talents and capabilities of institutions can be leveraged and aligned to solve skills challenges. This requires a ‘common purpose’ of uniting and confirming common skills definitions, developing harmonised qualifications (with industry, VET, HE and CE) in response to the need, and then applying the unique capabilities of tertiary education providers to co-deliver them.

In terms of Policy Foundations, the AQF, VET Qualification Reform, and the National Skills Taxonomy (NST) serve as baseline structures to support harmonisation and to anchor a common purpose.

Additionally, policy documents such as JSA's Gen AI Capacity Study^v outlines aspirations aligned with stewardship principles of Equity, Productivity, Proportionality, and Neutrality.

2.2 The 'skill' definition and the National Skills Taxonomy imperative

JSA's definition of skill

Jobs and Skills Australia's definition of a skill as articulated in the NST update, Building a system that puts people and skills first - Discussion paper^{vi}, is:

"Skill is a valued and purpose-driven human ability that is acquired or refined through learning and practice. It is a dynamic function of an individual's knowledge, experience, personal attributes that is continuously influenced by context, interaction with others, and the demands of the environment in which it is exercised."

This paper reflects this definition when articulating the types of actions ATEC, JSCs, and JSA could take to build harmonised diploma and degree (AQF 5 – 7) qualifications.

Harnessing the National Skills Taxonomy

The NST will seek to provide a common language and data sets that will be important for aligning qualifications, recognition, and pathways. It should be noted the development of a NST is still underway. While highly desirable the lack of a NST is not fatal to the intent of focusing on one aspect, qualification development and the resultant harmonised qualifications.

It makes no sense that currently the language around skills and knowledge requirements (as articulated variously by recruiters, in job advertisements, by professional accrediting and licensing bodies, in training packages, in universities' graduate learning outcomes, and national and international capability frameworks) are different.

Progress must be made to ensure the NST's skills definitions and data outputs are directly usable and traceable for:

- Developing units of competency and learning outcomes
- Configuring flexible and adaptive qualification architectures
- Creating model recruitment templates grounded in consistent terminology

- Enabling real-time feedback and regular updates from all stakeholders.
- Developing recognition of prior learning (RPL) and workplace assessment tools with maximum alignment to industry contexts and needs and which support student success and progression.

2.3 Guiding principles for stewardship of qualification harmonisation

Core principles (amplified from existing policy documentation and our experience)

To take harmonised diploma and degree qualification projects forward we propose the following set of Tertiary Qualification Harmonisation Principles. These principles are distilled from all documentation listed in the appendix and our collective experience of what matters:

The Qualification Harmonisation Principles are:

- 1.** Alignment with Critical Skills Needs, Increasing Productivity and Supporting Workforce Transition: Ensuring we measure the outputs of our activities, our harmonised diploma and degree qualifications, our student outcomes and employer satisfaction, and industry informed courses to maintain alignment with critical skills needs, to increase productivity and support workforce transition, will ensure our definitions of success are enhanced and chances of achieving success are increased.
- 2.** Building, Validating and Making Manifest a Common Skills Language: Development of an evidence-based, evolving language and skills definitions that are traceable across proposed Harmonised Diploma and Degree Qualifications, training materials, and recruitment is the 'golden thread' that will harmonise work across the tertiary sector at scale and galvanise providers to offer up capability that matches the defined and agreed skills needs.
- 3.** Co-creation of Qualifications and promotion of an Industry-centric Talent Ecosystem: This involves the establishment of flexible, coherent AQF 5–7 qualifications that embed industry and educational collaboration (VET, Higher Education and Community Providers), with transparent credit recognition and logical and comprehensible workplace assessment and RPL processes for existing workers.
- 4.** Proportional Investment: This involves aligning resource allocation with critical skills needs, prioritising digital, AI, and transdisciplinary capabilities. It also involves incentivising early participation by VET, Higher Education and

Community Education providers in the qualification and learning materials development processes, so they are 'delivery-ready'.

5. Equity and Access: Measuring and actively enhancing participation, satisfaction, and attainment for diverse populations, including regional, Indigenous, low SES, and disadvantaged learners.
 6. Data-Driven Decision-Making: Maintaining live, open-access datasets for skills demand, employment trends, student feedback, and sector validation.
 7. Real-time Stewardship: Embracing ongoing stakeholder engagement through digital platforms, fostering transparency and continuous improvement.
 8. Impartiality and Fairness: Ensuring evidence-based decisions free from bias, with broad stakeholder inclusion. At times making decisions where agreement isn't forthcoming.
 9. Regional Flexibility: All training products must allow for customisation and contextualisation for region and end-user needs, supported by open licensing and collaborative development.
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In Section 2.6 below we set out a Table of Actions and Projects the Future Skills Organisation could undertake to move Qualification Harmonisation forward for their relevant skills areas.

2.4 Immediate strategic actions for Future Skills Organisation

Develop a detailed and costed plan for a program of work for harmonised qualifications at AQF5 – 7 for IT, Business and Project Management

Future Skills Organisation (FSO) should develop a detailed and costed plan for submission to ATEC of a comprehensive program of work on harmonised qualifications at AQF 5 – 7 for Technology, Business, and Project Management – a Harmonised Qualifications Program of Work.

This work would include comprehensive provider and industry collaboration on NST-enhancement, qualification development, learning materials development, assessment development, recruitment templates, and delivery pilots with VET, HE and CE providers. The program should also include:

- Detailed targeted outcomes relating to students trained, upskilled and recognised;
- First Nations Peoples participation and achievement;
- Access and equity groups;
- Regional and remote learners; and
- Live data streams for monitoring and outcomes assessment and ongoing real-time stakeholder (industry, students, educators and co-collaborator) feedback.

Enhance the NST's digital and AI data sets

Through the Harmonised Qualifications Program of Work, FSO could rapidly evaluate and accelerate progress of NST definitions in digital, AI, project management, and business skills and provide data and feedback from that work gathered as the AQF 5 – 7 harmonised qualifications are being developed.

FSO could advocate for the skills definitions to be developed in ways that maximise opportunities for direct incorporation of the common language into units of competency.

The aim is to harmonise language and criteria across qualifications, training products, and industry-recruitment templates to enable easy and seamless RPL, credit recognition and learner and provider agility.

Develop harmonised vocational degrees (AQF 7) (applied degrees or harmonised degrees may be preferred terms)

FSO could develop and launch pilot Harmonised bachelor degrees in Technology, Business, and Project Management while also developing and embedding Diplomas at AQF 5–6 levels. Project costing and planning should include the involvement of VET, HE, and CE Delivery Partners in skills definitions and delivery planning.

The NST language and skills definitions could be used directly in degree development to ensure traceability (“the golden skills thread”) transparency, and adaptability.

A harmonised approach to delivery is 33 percent industry engagement and assessment, 33 percent VET delivery, 33 percent HE and CE delivery, with scope for RPL and workplace assessments to accelerate pathways and workforce entry.

Promote an industry-centric talent ecosystem

The development and delivery of harmonised degrees should assist in building an industry-centric talent ecosystem which includes:

- Co-creating and validating new skills-focused recruitment templates aligned with emerging digital and AI competencies.
- Establishing pilot partnerships with VET providers to lead co-development of the harmonised degree and diploma programs, ensuring regional relevance and industry integration.
- Integrate digital credentials, blockchain-based certification, and real-time student, employer, educator and recruiter feedback systems.

Additional building and testing of the implementation infrastructure

Harmonised Degree and Diploma projects do not stop and end at the endorsed training package/ learning outcomes stage. They include work on:

- Co-developing digital learning materials, simulated projects, and assessment tools with industry, TAFEs (access the investments in Centres of Excellence) and higher education delivery partners.
- Designing, testing and launching RPL tools for skills acquired through work experience (minimum five years dedicated relevant work), providing pathways for accelerated degree completion.
- Supporting TAFE trainers with specialised upskilling programs in AI, digital innovation, and assessment practices.

2.5 Broader system and policy initiatives

Leverage the model through ATEC and across other JSCs to other critical skills needs. ATEC and other JSCs should expand the model to other areas of skills shortage and high-volume delivery to:

- Drive collaboration across industry, government, and tertiary education sector to incentivise adoption of new qualification models, digital credentials, and flexible pathways.
- Invest in Data Infrastructure to facilitate real-time skills demand tracking, sector validation, and learning analytics accessible across stakeholders.
- Design Pilot Programs to test scaled implementation of multiple harmonised vocational/ applied degrees and diplomas, digital credentialing, and regional and sectorial adaptations and contextualisation across selected VET, HE, and CE learning hubs.
- Leverage Technology for Transformation by incorporating AI in curriculum development, learner support, and qualification validation; explore blockchain for credentialing; enable interoperable digital learning environments.

2.6 Implementation roadmap and 'to do' list

To take this forward we have provided a draft of a suggested Program of Actions and Projects.

FSO Program of Actions and Projects		
FSO Guiding Principles	Actions and Projects	Key Stakeholders
Alignment with Critical Skills Needs, Increasing Productivity and Supporting Workforce Transition	Develop a detailed and costed plan for a program of work that defines knowledge and skills required to inform the development of pilot harmonised qualifications at AQF 5–7 for IT, Business and Project Management, and the development of those qualifications, learning materials, assessment and recruitment templates. That plan should include close liaison with JSA, industry RTOs, and Higher Education Providers on agreed taxonomy in these areas and then reflect that taxonomy in the qualifications development. The plan should also include the pilot delivery partners and funding of delivery to students. The staging model for development and delivery partners is: 33 % VET delivery, 33 % university engagement and assessment, 33 % higher education, with scope for RPL and workplace assessments to accelerate pathways and workforce entry.	Industry, ATEC, JSA, DEWR, Department of Education, states and territories, and other stakeholders in the plan
Building, Validating and Making a Common Skills Language	FSO takes a lead role in providing data and insights into skills taxonomy development to ensure industry priorities and requirements are included in the skills definitions and the NST can be used in qualification development work. Need to engage with industry, existing capability frameworks, and utilise ONET and other international skills and job advertisement data sources. Also need to engage with education providers to ensure the language can be utilised for curriculum and learning material development and translation, and Australian recruiters to ensure language reflects their requirements and practices.	Industry, ATEC, JSA, ABS, Education Providers, Recruiters
Co-creation of Qualifications and Promotion of an Industry-centric Talent Ecosystem	Harmonised AQF 5–7 qualifications are developed for IT, Business and Project Management in collaboration with industry and proposed VET and Higher Education delivery partners, based on detailed common skills language. Qualifications are designed to maximise opportunities for ready assessment of RPL and credit transfer for existing workers and transitioning workers. The language in the qualification aligns with the common skills language and qualification are co-designed with recruitment tools and templates. The 'golden thread' of the agreed common language runs through qualifications, curriculum, learning materials and recruitment templates.	Industry, ATEC, JSA, VET, HE and community education providers, Regional Stakeholders, First Nations Peoples and Equity and Inclusion advocates, NCVET, DEWR, State Training Authorities
Proportional Investment	The detailed project plan includes targeted outcomes aligned with outcomes of students likely to be trained, upskilled, recognised or re-skilled, with proportional investments prioritised to benefits and investment that has the greatest impact on closing skills gaps and targeting productivity improvements can be prioritised.	
Equity and Access	The detailed project plan includes targeted outcomes regarding the numbers of students likely to be trained, upskilled, recognised or re-skilled and how.	
Data-driven Decision-making	The detailed project plan details the scope and sources of data that will inform skills definition, delivery locations and partners, and measurement of success. Key stakeholders should agree on collection and accountability.	
Real-time Stewardship	The detailed project plan looks at live data streams and continuous real-time stakeholder feedback on courses, learning materials, employment outcomes and relevance to skills needs.	
Impartiality and Fairness	The detailed project plan ensures evidence-based decision-making in how and by whom delivery partners will be chosen and resources allocated.	
Regional Flexibility	As qualifications are developed, engage with Regional Development Australia and large regional employers to understand regional and remote skills needs and potential workplace and industry customisation requirements. Build the customer directly into units of competency at AQF 5–7. Use regional completion rates and productivity data to also inform how the qualification can be tailored by an RTO or higher education provider and industry to be sufficiently flexible. AQF 7 degrees have units of competency that are sufficiently customisable to be tailored to regional workforce and productivity needs, and regional data can be used to ensure that customisation has occurred.	

Further, to take this forward we have provided an initial scan of Challenges and Solutions.

	Tertiary Harmonisation Challenges and Solutions							
FSO Guiding Principles	Reducing regulatory burdens and inefficiencies in the system	Increase participation and attainment in both VET and HE; Increasing the positive status of VET in the working age population	Access and equity for First Nations, diverse and regional and remote learners	Portability and agility in building skills across and between VET and higher education	Reforming the AQF and qualifications	Improving student pathways, efficiency and navigability	Funding to incentivise harmonisation and correct for distortions	Building critical skills, increasing productivity, and supporting workforce transitions aligned with industry needs
Alignment with critical skills needs, increasing productivity and supporting workforce transition	✓	✓	✓	✓	✓	✓	✓	✓
Building, validating and making manifest a common skills language	✓			✓	✓	✓	✓	✓
Co-creation of qualifications and promotion of an industry-centric talent ecosystem	✓	✓	✓	✓	✓	✓	✓	✓
Proportional investment		✓	✓	✓		✓	✓	✓
Equity and access	✓	✓	✓	✓		✓	✓	✓
Data-driven decision-making	✓	✓	✓	✓	✓	✓	✓	✓
Real-time stewardship	✓	✓	✓	✓	✓	✓	✓	✓
Impartiality and fairness	✓			✓	✓	✓	✓	✓
Regional flexibility	✓	✓	✓	✓	✓	✓	✓	✓

Part 3 – Summary and call to action

Australia stands at a pivotal juncture to redefine its skills landscape by integrating digital transformation, AI, and tertiary harmonisation within a unified, equitable, and agile system.

Future Skills Organisation must lead this transformation—not just as an industry steward but as an innovator—driving the development of transparent, adaptable qualifications rooted in a shared language and data-driven insights.

Immediate actions, strong stakeholder collaboration, and visionary policy leadership will propel Australia into a future-ready skills ecosystem, ensuring our workforce remains competitive, inclusive, and resilient.

Future Skills Organisation

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Biographies

This Paper draws upon the extensive thinking and knowledge of FSO industry leaders and staff, as well as their considerable experience.

Principal Consultant

David Coltman MEd (Hons), MPA, BA, Dip Tch

David Coltman has provided 25 years of leadership service to tertiary institutions across Australia and New Zealand, including polytechnics, private RTOs, TAFE, and universities. Since authoring this paper, he has joined [Deloitte Monitor Australia](#), where he has been able to continue his experience and commitment to tertiary education systems. With the resources available through Deloitte's global network, he has been able to make a greater impact.

The systems reform and transformation that is required across tertiary education in Australia has led him to this role with Deloitte. David has been described as “one of Australia’s most experienced and capable vocational education and skills system leaders, bringing rare authority across policy, provider types, and systems stewardship.” As the former Chief Executive Officer of TAFE SA and a national sector figure, David has operated at the centre of large, public sector, complex systems. He has led significant reform agendas and navigated the full range of government policy intent to frontline delivery.

David is widely respected for his deep understanding of provider behaviour, funding, and regulatory levers, as well as the practical dynamics that determine system performance. He has worked extensively with Commonwealth and state governments to strengthen governance, assurance, and market settings and is trusted across the sector to engage constructively on complex reform issues.

David's recent engagements highlight a range of experiences:

2019 - 2025: Chief Executive Officer, TAFE SA - Skills System Transformation and Stewardship: Led a comprehensive transformation of a state-wide public training provider, encompassing policy implementation, provider capability enhancement, funding optimisation, and stakeholder engagement across government, industry, and regulatory bodies.

2019 - 2025: Chair/Director, TAFE Directors Australia - National Vocational Education Sector Leadership: Provided national leadership across Australia's public TAFE network, representing the sector in cross-jurisdictional forums and advising governments on the sustainability and reform of the vocational education system.

2014 - 2019: Deputy Vice Chancellor, Swinburne University - Higher Education/Vocational Education Harmonisation and System Innovation: Led the transformation of higher education and vocational education through shared governance, curriculum alignment, and co-location. Additionally, I established a self-funded vocational education research unit focused on identifying future workforce needs.

David has continued to collaborate with TAFE Boards to develop comprehensive and ambitious future plans. He is currently working with universities and TAFEs to provide academic governance evaluations against new regulatory standards. Furthermore, he continues to contribute thought leadership pieces on the emerging policy directions of governments to higher education institutions and government agencies.

Consultant

[Penny Johnston](#) B A (Hons), L L B (Hons), Grad Dip in Legal Practice, Grad Dip in Commerce, Cert IV in Technical and Vocational Education, GAICD

Penny possesses 18 years of experience in vocational education, including roles as a finance and business law lecturer, TAFE SA's statewide lead for Business Development, and the last nine years in executive positions as the TAFE SA Director of Defence Industries and Strategic Partnerships, followed by her current role as Executive Director/Dean of Academic Development.

Throughout her career, Penny has been at the forefront of training needs analysis models for emerging skills, particularly in the areas of Nanofabrication, Sovereign Capability, and Defence Industry. In 2026, she took extended leave to support family members, during which she provided valuable assistance to this project. Since the publication of this paper, Penny has assumed the role of Chief Executive of a prominent community/alternative education provider on the central coast of New South Wales.

End Notes

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- ⁱ Commonwealth of Australia, Australian Universities Accord Final Report, February 2024, <https://www.education.gov.au/australian-universities-accord/resources/final-report>
- ⁱⁱ Commonwealth of Australia, National Skills Agreement, <https://federalfinancialrelations.gov.au/agreements/national-agreement-skills>
- ⁱⁱⁱ Commonwealth of Australia, Review of Australian Higher Education Final Report, December 2008, <https://apo.org.au/sites/default/files/resource-files/2008-12/apo-nid15776.pdf>
- ^{iv} Productivity Commission, The Demand Driven University System: A Mixed Report Card, June 2019 <https://www.pc.gov.au/inquiries-and-research/university-report-card/>
- ^v Jobs and Skills Australia, Our Gen AI Transition, August 2025, <https://www.jobsandskills.gov.au/studies/generative-artificial-intelligence-capacity-study>
- ^{vi} Jobs and Skills Australia, Building a system that puts people and skills first - Discussion paper, October 2025, <https://www.jobsandskills.gov.au/consultations/have-your-say-building-system-puts-people-and-skills-first>