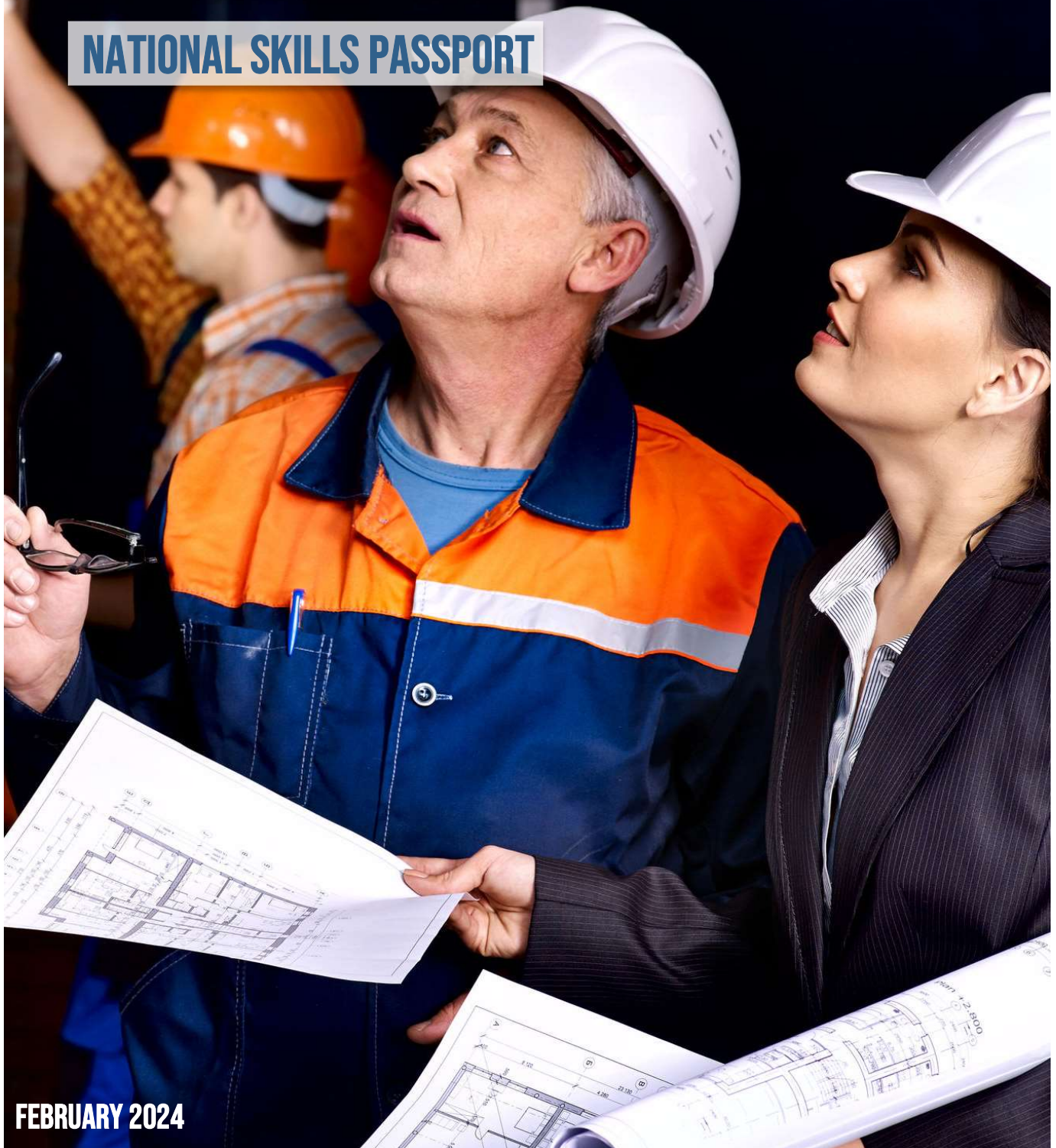




**REGIONAL
AUSTRALIA
INSTITUTE**

REGIONAL AUSTRALIA INSTITUTE SUBMISSION

NATIONAL SKILLS PASSPORT



FEBRUARY 2024

ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The RAI is Australia's only independent think-tank dedicated to research and activation to inform regional policy and investment.

Since 2011, the Institute has been researching topics relevant to the prosperity and success of regional Australia including migration and population; regional employment; jobs and skills; population; housing and health.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

Our purpose is to empower regions to thrive.

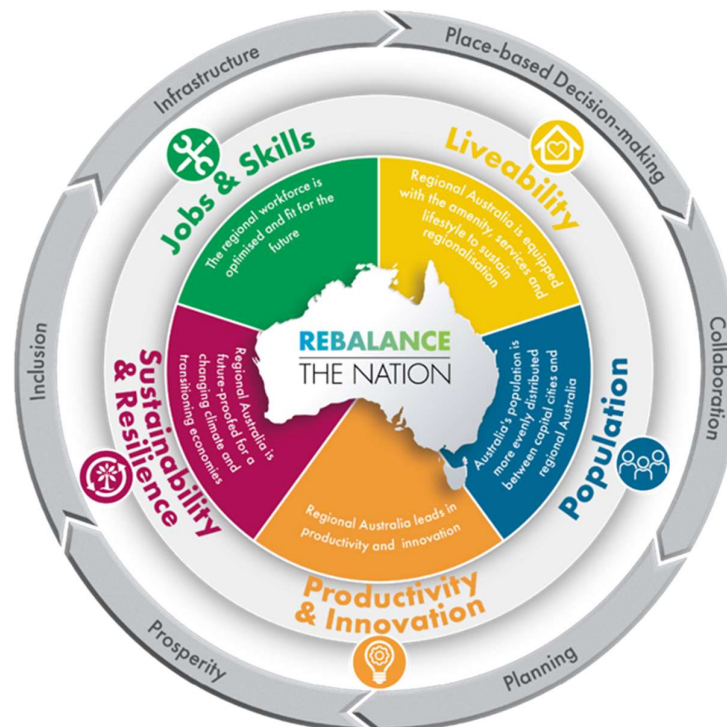
REGIONALISATION AMBITION 2032

Based on more than a decade of research into the most important issues influencing the regions, in 2022, the RAI launched the *Regionalisation Ambition 2032 - A Framework to Rebalance the Nation* – a 10 year plan for regional Australia.

Designed for all levels of government, industry and the community, the Ambition seeks balanced growth across our nation's regional towns and cities. The Framework underpinning the Ambition outlines cross-cutting themes and five pillars each of which are interlinked and equally important. Across each pillar the RAI has outlined key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

See the **Regionalisation Ambition 2032 – A Framework to Rebalance the Nation** here:

<https://www.regionalaustralia.org.au/Web/RF/Regionalisation-Framework/Regionalisation-Ambition-2032.aspx?hkey=f9cf41e1-2b7e-4870-ac08-9c4efa4cb562>



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National Skills Passport Consultation

The Regional Australia Institute commends the Department of Education in adopting the concept of a National Skills Passport (NSP) and allowing for public consultation. With provisions of the *Employment White Paper* and *Australian Universities Accord: Final Report*, the tertiary skills sector will undergo significant change. Within this context the Institute perceives there to be an opportunity to further encourage regional upskilling and skilled employment opportunities.

Regional Australia is undergoing unprecedented growth in employment opportunities with skilled and professional job vacancies at the forefront. This growth has developed as a cumulation of numerous factors of which internal migration to regions is predominant.

The RAI has consistently reported on the changing demography of regional Australia, particularly the changing internal migration patterns. In the previous census period capital to regional migration increased 120,750 from the census period prior, contributing to an overall 614,144 gross migration towards the regions. Moreover, millennials comprised a large portion of these migration patterns with net migration of millennials increasing 94,431 to a net gain of 57,252 compared to the prior census period¹. This pattern of internal migration and capital city migration deficits will continue, in accordance with the Centre of Population². Moreover, the growing unaffordability of capital cities is resulting in a perpetuation of millennial migration and potential further migration of younger cohorts. The NSW Productivity Commission highlighted as such in their recent linkage between millennial migration and growing housing prices³.

Furthermore, the momentum of regional growth is expected to continue, not only regarding affordability led migration, but also in consideration of the net-zero transition. The recent *State of Australia's Regions Report*, from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, projects that 213,000 will be created in key occupations to the net zero transition before 2033. Moreover, 43,000 more electricians will be required in the next ten years for the net zero transition alone⁴. In supporting the economic growth and liveability of the regions, how regional workers can be supported must be a priority in Commonwealth policy.

The National Skills Passport

Training of both new students and upskilling former students or employees is essential to the future of regional development. The National Skills Passport provides a trusted depository of qualifications and has the potential to provide an invaluable resource to employers. With the further growth and development of the regions, skilled employment will be a priority of decisionmakers and investors.

The Institute notes that the concept of a NSP and qualification verification has already been developed by private sector companies, such as SEEK's Certsy. In developing the NSP program, the Government could consider how the NSP could be integrated with existing

¹ Houghton, K., Shi, C., and Zou, Z. (2023) *Big Movers 2023- Regional Renaissance: A Rise in Migration to Regional Australia*. Regional Australia Institute. Canberra. p. 6.

² Centre for Population. (2023) *2023 Population Statement*. Centre for Population – Australian Government. Canberra

³ NSW Productivity Commission. (2024) *What we gain by building more homes in the right places*. NSW Productivity Commission. Sydney.

⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts. (2024) *State of Australia's Regions 2024*. Australian Government. Canberra. pp. 57-58.

programs as to not overlap, but to rather extend the reach and capabilities of private companies. Collaboration is essential to leverage pre-existing private infrastructure and empower its capabilities with the processes promised in the NSP.

Overall, the infrastructure and utilisation of Government data on skills training has the potential to improve the employment process across all sectors. With more training providers in regional Australia as per the implementation of the TAFE Centres of Excellence and Regional University Study Hubs, and increasing job vacancies in regional Australia, skilled employment activity is set to increase.

What the Passport could become

The NSP already has the potential to be a powerful employment tool, providing a system of honesty, transparency, and integrity. However, a greater issue that the skills passport could be a step towards addressing, is uniformity of skills qualifications across state jurisdictions.

Differing skills qualifications and state restrictions is primarily a regional issue. Regional communities spread across boarder intersections are subject to unique skills challenges, as occupations that are state specific in training can be problematic in transferring to a similar qualification in a secondary state. The *Mutual Recognition Act 1992* and Automatic Mutual Recognition Schemes already bridge the jurisdictional differences for some occupations, with bridging courses available for other occupations. The patchwork of different programs and Acts is unideal in facilitating interstate workforces, however, has been accepted as the status-quo.

The RAI along with State and Local Government, hosted the Cross-Border Future Industry Workforce Forum with the goal of developing a 'roadmap' for the future skills requirements of the region's burgeoning critical minerals, renewable energy, and irrigated agriculture industries. Identified as a 'gamechanger' the NSP as an aspect of an overall 'national approach to licencing', was the most supported and important long-term objective. Uniformity of skills licencing and qualifications between all state jurisdictions must be a goal of the Commonwealth Government's skills reforms. This is an ambitious target, requiring legislative change across states and the Commonwealth to provide a universally accepted set of qualification standards.

If achieved this change to individuals, communities and available workforces would be unprecedented. Labour-markets would become geographically liberalised, for not only cross-border workforces, but in facilitating further internal migration, and improving the movement of skills. Communities will be able to access workforces across state bounds, especially in state-border regions. Further, the removal of administrative burden from an individual in transferring skills qualifications from state-to-state, and removing the necessity for bridging courses would be invaluable. In referring to the outlined context of the increased migration growth and future net-zero jobs boom, the need to provide a national skills recognition service will pre-empt a compounding skills problem.

A NSP has the potential of becoming a state specific skills passport. If a system of skills vetting and a NSP is to be implemented to its full potential, the underlying problem of state licencing differences must be addressed. In doing so, State Government must be consulted and listened to if the process of skills nationalisation is to proceed. State and regional specific aspects of skills training should not be ignored in aggregation of skills qualifications.