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ATEC

Australian Tertiary
Education Commission

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A More Joined-Up Tertiary System: Discussion Paper





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Glossary of Acronyms

Term	Definition
AQF	Australian Qualifications Framework
ASQA	Australian Skills Quality Authority
ATEC	Australian Tertiary Education Commission
DEWR	Department of Employment and Workplace Relations
JSA	Jobs and Skills Australia
NCVER	National Centre for Vocational Education Research
NEET	Not in employment, education or training
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
SES	Socioeconomic Status
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
VET	Vocational Education and Training

Executive Summary

In February 2025, JSA released its report *Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap*. A key recommendation was the development of a tertiary harmonisation roadmap, led by the Australian Tertiary Education Commission.

The Discussion Paper supports the development of the Tertiary Roadmap and provides a basis for wider public discussion on issues in the current system that the Roadmap could address. It identifies key barriers and challenges learners face when engaging with both the VET and higher education sectors and sets out potential areas of reform for consideration.

The paper uses the framing of a learner journey to understand the different pathways through which learners engage with the tertiary system across the life course. The concept of the learner journey complements a central idea from JSA's report which called for students to be at the centre of tertiary harmonisation reform. The paper focuses on three areas where the VET and higher education sectors connect to understand the learner experience:

- entering the tertiary system
- transitioning between the sectors
- collaboration between VET and higher education.

Benefits of a more joined-up tertiary system

A more joined-up tertiary system offers benefits for both individual learners and the broader economy.

- For learners, better connections between the two sectors could support greater access to tertiary education and enable wider participation and attainment. It can also make it easier for learners to engage and re-engage with the system, whether for initial study for their occupation, upskilling and reskilling for their career and lifetime, or returning to study following partial completion of a qualification.
- More broadly, a more joined-up tertiary system could help better meet labour market needs and national priorities and contribute to productivity growth by building human capital and supporting greater skills matching. These benefits are underpinned by greater collaboration between the VET and higher education sectors and industry.

Entering the Tertiary System

Learners of all ages may be entering the tertiary system for the first time: young people leaving school, mature-aged learners looking to gain post-school qualifications, and migrants who have not experienced the Australian tertiary education system. These learners must navigate VET and higher education, which differ in roles, purpose, teaching and assessment styles, and costs and subsidies.

Engagement with each sector is variable, with cultural preferences and lack of parity of esteem meaning higher education is often the preferred pathway, even when VET study is appropriate. Aspiration for VET pathways remains comparatively low, despite current skills shortages in and projected need for VET-linked occupations. Information on tertiary education is often sector specific, and many of the key influencers on learner decisions, such as teachers and career counsellors, have a better understanding and preference for higher education than VET.

Learners may also face barriers to pursuing their preferred pathway. The differences in funding systems across VET and higher education can create distortions, with fees, subsidies and the availability of student loans inconsistent across the sectors. Regional learners are less able to access tertiary education, with universities primarily located in metropolitan areas, especially those with close ties to their communities. Learners experiencing educational disadvantage may also have difficulty understanding and navigating the tertiary system – especially those who are first in family.

Discussion Questions

- Q1** What actions will be most effective for ensuring that learners are better informed of the depth and range of course offerings and occupations when deciding on career options and tertiary education pathways?
- Q2** What are the tangible actions that can be achieved through the Roadmap to support parity of esteem between the VET and higher education sectors?
- Q3** Noting fiscal constraints, how could existing funding settings and incentives be better aligned to support learner choice and labour-market outcomes across VET and higher education?

Transitioning between the sectors

Many learners will engage with both sectors across their lifetime. These movements are multidirectional, with learners moving from higher education into VET and vice versa. Learners may engage in both sectors for varying reasons, such as to deepen or broaden their skills, or change careers.

From VET into higher education, analysis shows that where learners are receiving credit for VET qualifications into Bachelor Degrees, the average credit amount given is at the expected level for those pathways, such as a year of credit for a Diploma in the same field of education. Whilst many of the most common pathways have similar credit arrangements, learners may still experience difficulties in accessing credit transfer or recognition of prior learning, both in terms of understanding their entitlement and collecting the evidence required.

In comparison, pathways from higher education into VET are less formal and not well understood. It is common for learners with a higher education qualification to undertake VET study, though there is little evidence of institutionalised credit agreements in this direction. This could be due to a combination of factors:

- the difficulty for learners to meet prescriptive training package requirements through RPL based on their higher education study
- greater variation in the curriculums and course structures for the same fields of education between higher education providers, requiring individual mapping for few learners from a specific institution.

Discussion Questions

- Q4** What are examples of effective transitions, particularly for learners from underrepresented backgrounds? How can these be strengthened across the system?
- Q5** What support arrangements are currently available for VET and higher education learners to assist with moving between the sectors and to ensure they can succeed?
- Q6** What can VET and higher education providers do to better inform current and prospective learners of credit recognition arrangements and pathways?

Enhancing learner experience and outcomes through cross-sector collaboration

Greater collaboration across the VET and higher education sectors could better support learners to navigate the tertiary education system. Dual sector models include qualifications and pathways that have both VET and higher education components, providers registered in both sectors, and co-location or sharing of

facilities between providers in different sectors. Higher-level apprenticeships are also an example of emerging models that often draw on VET and higher education components.

Dual awards and higher-level apprenticeships have the potential to benefit learners by:

- combining work-focused technical skills with theoretical knowledge
- supporting higher level study by building nested qualification arrangements that make it easier to dip in and out of learning while attaining full qualifications
- widening 'earn and learn' models to new qualifications.

Despite the potential benefits of these new models to supporting a more joined-up system and supporting better outcomes and experiences for learners, these qualifications remain niche offerings and are often difficult to scale and sustain. Challenges include the difficulties in translating the learning outcomes of courses from different sectors, maintaining long-term relationships between providers, and learner, industry and employer understanding and engagement.

Dual sector providers as well as co-location and shared facilities are other mechanisms to build on the strengths of both sectors. These models can also help overcome some of the barriers to developing collaborative or dual sector qualifications. Some of the more sustainable dual sector qualifications are associated with co-located campuses, where it may be easier for dual sector providers to develop and sustain these models as they do not need to negotiate with another institution.

Discussion Questions

- Q7** What does the VET sector do well that you would like to see adopted in higher education? What does the higher education sector do well that could be applied to VET?
- Q8** What are the challenges in developing and sustaining innovative qualifications, pathways and practices that span across the VET and higher education sectors? What does each sector need from government(s) to support their development and sustainability?
- Q9** In which geographical locations, fields of education, industries or occupations would dual sector models be best suited? What are examples of work underway?

Next steps and reform opportunities

The Tertiary Roadmap is intended to set out an ambitious but achievable shared agenda to realise a more joined-up tertiary education system. Through the Roadmap, the ATEC will identify the next steps to better support students to move into and between the VET and higher education sectors, and ensure the tertiary system is set up to help learners gain qualifications that match current and future workforce needs.

Discussion Questions

- Q10** What does an ideal joined-up tertiary system look like?
- Q11** Which reform opportunities should be prioritised and why? Which ones are likely to have the highest impact? Are there any gaps that should be considered?
- Q12** What opportunities are there to improve Australia's data and information systems to better support learner pathways and outcome measurement across VET and higher education?

1. Introduction

1.1. A Roadmap for a more joined-up tertiary system

Tertiary education underpins Australia's prosperity by enhancing the value of an individual's skills and experience. A strong tertiary education system helps ensure that the labour market is equipped with the skills needed in a rapidly changing world. For individuals, tertiary education promotes the acquisition of higher-level skills, leading to higher employment rates and lifetime earnings (OECD 2018).

The tertiary education system includes all post-secondary education, spanning full qualifications, short courses, microcredentials, and skill sets from both the vocational education and training (VET) and higher education sectors.

According to the Productivity Commission, growth in educational attainment has been a major contributor to Australia's productivity growth with more than half of 25–34-year-olds holding a tertiary qualification (PC 2023). Growth in labour productivity has accounted for around 70% of the increase in real gross national income per person in Australia over the last 30 years (Treasury 2023).

Analysis commissioned by Jobs and Skills Australia (JSA) indicates that over the next 10 years, more than 9 out of 10 new jobs (around 92%) will require skills commensurate with post-secondary qualifications (JSA 2025a). Australia will need a tertiary education system that encourages access and participation in post-secondary education, through both VET and higher education pathways.

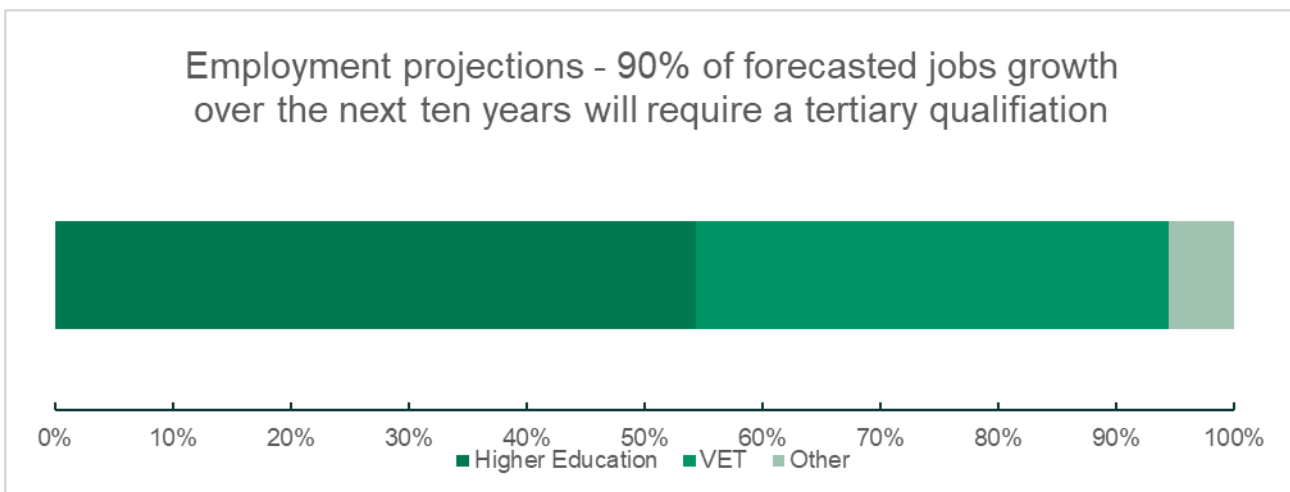


Figure 1: Employment Projections

Source: Jobs and Skills Australia 2025a

In response to the Australian Universities Accord, which outlined the need for ambitious targets in tertiary attainment, the Government committed to a target of 80% of Australia's working-age population achieving a Certificate III or higher qualification by 2050. To meet this target and current and future skills needs, more people must enter the tertiary education system. A more joined-up tertiary system is needed to open up pathways for individuals to gain qualifications that will best enable them to thrive and succeed in work and life.

In February 2025, JSA released its report *Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap*. The report set out short, medium and long-term recommendations to support greater harmonisation. A key recommendation was the development of a tertiary harmonisation roadmap, led by the Australian Tertiary Education Commission (ATEC) and supported by a governance structure of governments and tertiary system stakeholders (JSA 2025d).

The Tertiary Roadmap is being developed in response to these recommendations. It will set out an ambitious but achievable agenda to create a more joined-up tertiary education system. A more joined-up tertiary system will strengthen links between higher education and VET, and improve pathways and outcomes for learners in the labour market and in life. It also aims to improve workforce skills and productivity for the changing needs of Australian industry, future-proofing our tertiary system. The Roadmap will draw on the distinct strengths and complementary roles of each sector.

The Roadmap will encourage collaboration between tertiary providers, employers, and unions to deliver well-designed education and training programs. It will also outline practical steps to make it easier for learners to move between VET and higher education, and vice versa, and set up the system to support learners to gain qualifications matched to Australia's future skills needs. These steps will be identified across short, medium- and long-term horizons, with clear roles for system actors – a concept to describe the primary groups and institutions that are involved in a system (JSA 2025d). The key tertiary system actors are students, higher education and VET providers, Commonwealth, state and territory governments, unions and employers, Jobs and Skills Councils, and accrediting bodies (JSA 2025d).

1.2. Structure and purpose

This Discussion Paper supports the development of the Tertiary Roadmap and provides a basis for wider public discussion on issues in the current system that the Roadmap could address. It identifies key barriers and challenges learners face when engaging with both the VET and higher education sectors and sets out potential areas of reform for consideration.

The paper focuses on where disconnects between the two sectors limit the effectiveness of the tertiary system, and where stronger connections and collaboration could improve learner experience and outcomes at every stage of their educational journey. Key mechanisms for harmonising the sectors include, but are not limited to, improving credit recognition processes and transparency, strengthening pathways between sectors, building cross-sector partnerships including through hybrid or nested qualifications, making digital course information more sector-neutral, and broader reforms to system architecture to support these improvements.

The paper uses the framing of a learner journey to understand the different pathways through which learners engage with the tertiary system across the life course. This operationalises a key message of JSA's *Toward a Tertiary Harmonisation Roadmap* report, which called for placing learners at the centre of tertiary reform by prioritising learner goals and experiences. The targeted focus on the learner experience in this paper complements JSA's broader focus on system actors and architecture, and the wider economic drivers for tertiary harmonisation. The paper also seeks to embed learner experience within the context of the broader system, considering the broader impacts of a joined-up tertiary system on providers and industry, among others.

The paper is framed around three key areas where the VET and higher education sectors connect:

- Where a learner is making decisions about undertaking VET or higher education
- Where a learner is transitioning between the sectors
- Where there are opportunities to strengthen each sector to enhance a learner's experience and outcomes, including through cross-sector collaboration or learning from the other sectors.

Drawing on this, the paper outlines an initial list of potential reform areas to address the identified challenges. Stakeholders are invited to consider the discussion questions and provide feedback on these reform opportunities, including highlighting any significant gaps or suggesting additional opportunities.

2. Why are we working towards a more joined-up tertiary system?

2.1. The Two Sectors

Australia's tertiary education and training system comprises two distinct sectors: VET and higher education. The sectors are funded, regulated, governed and delivered differently, which can make engagement with both sectors complex for system actors. Despite learner movement between them, the VET and higher education sectors largely operate as separate markets (Hodge and Knight 2021b).

The VET sector focuses on vocationally oriented knowledge and skills, with some qualifications delivered through apprenticeships and traineeships. Assessments are generally competency-based and designed to test a person's ability to perform specific tasks. VET qualifications include certificates I–IV, diplomas and advanced diplomas, vocational degrees, and graduate certificates and diplomas. The sector also offers microcredentials and short courses, including standalone units of competency and skillsets.

The higher education sector focuses on advanced knowledge and research. Most higher education students study at a university, though there are also university colleges and institutes of higher education with smaller student numbers. Higher education qualifications include undergraduate certificates, diplomas, advanced diplomas and associate degrees, bachelor degrees, graduate certificates and diplomas, and master and doctoral degrees. Increasingly, higher education providers offer short courses and microcredentials.

Responsibility and funding for VET is shared between the Commonwealth and state and territory governments, with each state and territory administering their own training system. Most VET providers are regulated nationally by the Australian Skills Quality Authority (ASQA), except in Victoria and Western Australia, which have state regulators – the Victorian Registration and Quality Authority (VRQA) and Training Accreditation Council Western Australia (WA TAC). By contrast, the Australian Government has primary responsibility for higher education policy and funding. Higher education providers are regulated by the Tertiary Education Quality and Standards Agency (TEQSA).

The VET sector has more student enrolments than in higher education, with 5.1 million students enrolled in VET programs in 2024, with most enrolled in microcredentials (NCVER 2025b). Around 41% of students were enrolled in full qualifications, 70% enrolled in stand-alone subjects, and 4.3% enrolled in short courses – some students enrolled in multiple types of programs. The most common enrolment was in first aid courses. In higher education, almost 1.7 million students were enrolled in 2024, with around two-thirds studying undergraduate qualifications, primarily bachelor degrees (DoE 2025b).¹

Both sectors are served by a mix of public and private providers, with a small number of public providers such as universities and TAFEs enrolling large student numbers (see Figure 2). In VET, 24 TAFEs account for 28% of enrolments in qualifications, and more than 3,100 private registered training organisations (RTOs) account for 58.3% of enrolments in qualifications (NCVER 2025b). A small number of students study with other providers, such as schools and universities registered as RTOs, and enterprise or community RTOs. Of the 215 higher education providers, 39 are public universities, accounting for 1.5 million students (DoE 2025b). Other students attend university colleges and institutes of higher education. The private higher education providers approved under the *Higher Education Support Act (2003)* account for almost 196,000 students.

¹ Higher Education Statistics only covers higher education providers approved under the *Higher Education Support Act (2003)*. The student load of some private providers has not been counted.

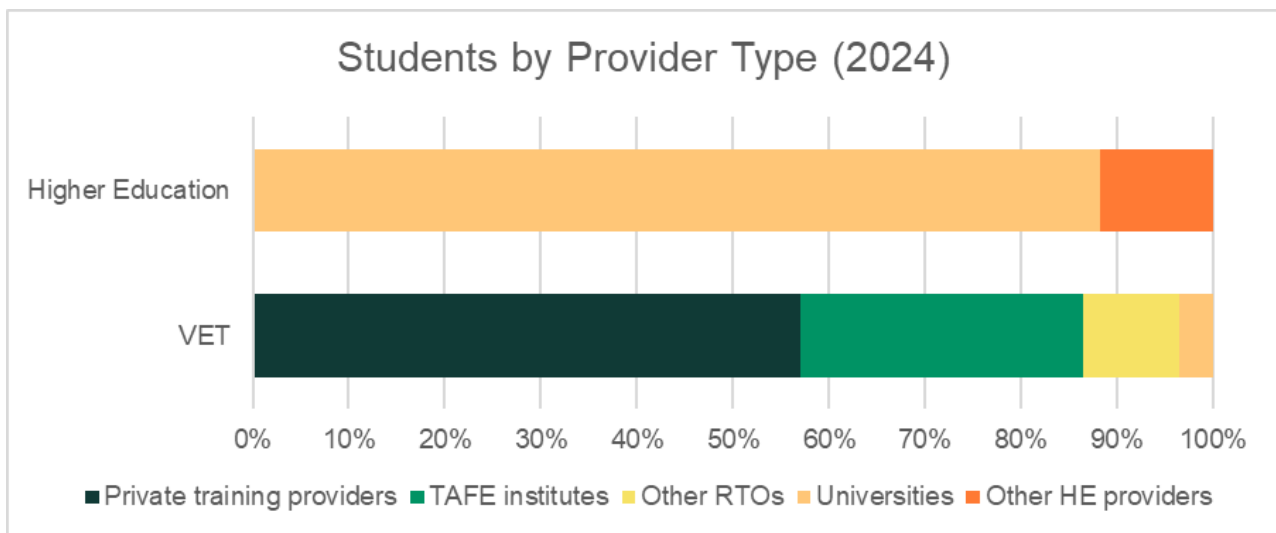


Figure 2: Students by provider type (2024)

Source: NCVET Databuilder, Student Enrolments, 2024; and Department of Education Selected Higher Education Statistics, 2024.

Many providers are registered in both sectors. As of 11 June 2025, there were 57 dual sector providers including 15 universities identified on the National Register. These make up 27% of TEQSA-registered higher education providers and 1.5% of ASQA-regulated RTOs. Of the 1,105,085 domestic higher education students, 30.6% (338,602) studied at dual sector providers; and of the 5.1 million students enrolled in VET, 13.9% (706,791) studied at dual sector providers (ASQA and TEQSA 2025).

2.2. Two decades of calls for a more joined-up tertiary system

The concept of a more joined-up tertiary system has been recognised for almost two decades, with early calls from the 2008 Bradley Review of Higher Education. Since then, literature and policy have consistently highlighted the fragmentation between VET and higher education in Australia. Across government reviews and academic analyses, there is broad agreement on the need for a more integrated and flexible tertiary system that supports lifelong learning, workforce mobility, and is responsive to economic and social change.

Key themes emerging from the literature include:

- the importance of clear, flexible and integrated pathways between sectors
- the need for consistent and transparent credit transfer arrangements
- the value of greater collaboration and alignment between the sectors
- the need to recognise the strengths and roles of each sector equally.

Multiple inquiries and reviews have called for reforms to the Australian Qualifications Framework (AQF), funding models, and regulatory settings to enable greater alignment and parity of esteem between VET and higher education.

Recent policy initiatives and pilot projects reflect growing momentum towards harmonisation. However, evidence also points to persistent challenges, including regulatory complexity, funding disparities, and cultural divides between sectors. These issues require coordinated action across governments, providers, and industry, underpinned by a shared commitment to system-wide reform.

The Bradley Review (Bradley et al. 2008) advocated for a unified tertiary education system with stronger links between VET and higher education, noting that:

“The principal characteristics of a fully effective tertiary system would be:

- The equal value attributed to VET and higher education, reflecting their different roles in the development of skills and knowledge and their contributions to our economy and society;

- recognising that institutions may have a primary mission in one sector, but should still be able to offer qualifications in the other sector as under current arrangements;
- a shared and coordinated information base and approach to anticipating future labour market needs, industry needs and demographic trends;
- a capacity for the whole system to provide integrated responses to workforce needs for industries and enterprises, including those in specific localities and communities like outer metropolitan and regional areas where there is significant population growth, low levels of educational attainment and participation and uneven provision;
- an efficient regulatory and accountability framework; and
- clearer and stronger pathways between the sectors in both directions.” (p. 179).

The *2019 Review of the Australian Qualifications Framework* (The AQF Review) highlights key objectives of AQF reform, including a better connected post-secondary system, learner-centred pathways and credit recognition, a strengthened VET sector and improving employment outcomes. To achieve these objectives, it recommended changing the way qualification types are defined in the framework to better reflect the strengths of both sectors, reducing ambiguities and inconsistencies within the AQF, encouraging flexible, cross-sectoral learning pathways through revised credit recognition policies, and building ‘general capabilities’ into the framework architecture (DoE 2019).

In their paper, ‘Rethinking and revitalising tertiary education in Australia’, Dawkins, Hurley and Noonan identify the fragmentation of Australia’s tertiary education landscape and emphasise the entrenched binary divide between VET and higher education (2019). The authors argue that this structure is no longer fit for purpose in an era that demands lifelong learning and flexible skills acquisition. Rather than proposing a merger of the sectors, they advocate for a “joined-up” or integrated system, to be achieved through reforms to the Australian Qualifications Framework (AQF), alignment of funding and subsidy models, and the establishment of a single, outcomes-focused national regulator.

The *Looking to the future – Report of the review of senior secondary pathways into work, further education and training* (2020), chaired by Professor Peter Shergold AC, proposed a coherent package of initiatives to move towards a national approach to post-school pathways. It called for better links between VET and higher education and advocated for integrated pathways and flexible transitions between the two sectors, as well as better enabling school students to make informed choices about their post-school options (Shergold et al. 2020).

The *Australian Universities Accord Final Report* supported a whole-of-tertiary attainment target and acknowledged the need for greater parity and improved pathways between VET and higher education (DoE 2024). This is essential to create a more joined-up, flexible, and fair tertiary education system that meets Australia’s skills needs, removes barriers for learners, supports lifelong learning, promotes equity and social mobility, and ensures both sectors are valued and responsive to economic and social change.

Dawkins, Lilly and Pascoe’s *Rethinking Tertiary Education: Building on the Work of Peter Noonan*, offers a comprehensive and practical vision for harmonising Australia’s tertiary education system (2023). The book advances the concept of “one system, two sectors”, arguing that while VET and higher education should retain their distinct missions, they must be strategically aligned through shared system architecture, clear and navigable pathways, and genuine parity of esteem.

The Inquiry into the perceptions and status of vocational education and training final report, *Shared Vision, Equal Pathways* (Parliament of Australia 2024), found that Australia’s future skills needs require improved collaboration between VET and higher education. The current separation between the sectors creates barriers for learners, limits lifelong learning, and fails to deliver the flexible, responsive education system needed for a dynamic labour market. The report highlighted the challenges faced by learners moving between VET and higher education due to differences in funding, lack of credit transfer, and the perceived hierarchy between pathways. It called for a harmonised tertiary system with clear, flexible pathways, dual qualifications, and funding models that support lifelong learning.

JSA’s report *Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap* articulates the benefits of a more harmonised tertiary sector and provides 19 recommendations for creating a sustainable

pathway forward in collaboration with key stakeholders (JSA 2025d). The report identifies benefits such as improving system effectiveness and expanding access, particularly for people who have traditionally faced barriers. A more harmonised system would also help address national challenges, including workforce shortages, and improve productivity and labour market outcomes (JSA 2025d).

The Productivity Commission's 'Building a Skilled and Adaptable Workforce' inquiry is a major national review examining how Australia can better support lifelong learning and improve education and training systems (PC 2025a, b). It addresses matters directly relevant to tertiary harmonisation, including credit transfer and RPL. The final report reinforces the case for a more joined-up tertiary system by identifying fragmented credit transfer and RPL processes as key barriers to lifelong learning and workforce mobility (2025b).

2.3. Expected benefits of a joined-up tertiary system

A more joined-up tertiary system offers benefits for both individual learners and the broader economy. For learners, better connections between the two sectors could support greater access to tertiary education and enable wider participation and attainment. It could also support lifelong learning by making it easier for learners to engage and re-engage with the system, whether for initial study for their occupation, upskilling and reskilling for their career, or returning to study following partial completion of a qualification.

For the economy, a more joined-up tertiary system could help better match skills with labour market needs and national priorities and contribute to productivity growth by building human capital. These benefits are underpinned by greater collaboration between the VET and higher education sectors and industry.

Benefits for learners

Equity participation and attainment

A more joined-up tertiary system could help widen participation and improve the success of disadvantaged learners by better supporting pathways into higher-level qualifications (Ta et al. 2025). For example, 8% of all VET graduates pursued higher education after completion and 16% pursued higher-level VET qualifications (JSA 2024b). On the other side, over 200,000 commencing program enrolments in VET are by students with a bachelor degree or higher qualification in 2024 (NCVER 2025a).

These figures highlight the importance of clear opportunities to receive credit as learners move between qualifications and sectors. National data shows younger VET graduates are even more likely to progress, and qualitative studies confirm that VET often provides confidence and advanced standing for learners moving into university (O'Shea et al. 2012; Harris et al. 2006). Strengthening these pathways can help disadvantaged learners build momentum and achieve higher level qualifications.

First Nations higher education graduates reported better employment outcomes than their non-Indigenous peers – with higher employment rates and slightly higher median salaries for full time workers (Tomaszewski et al. 2021). For low-socioeconomic status (SES) graduates, while their immediate outcomes may differ from high-SES graduates, long-term outcomes tend to be matched between cohorts. Low-SES graduates also experience the highest relative gains compared to high-SES graduates (Tomaszewski et al. 2021). Higher education completion has a levelling effect, with comparable incomes, wages and mental health amongst low- and high-SES graduates (Tomaszewski et al. 2021). Strengthening pathways and supporting completion of higher-level qualifications through nested qualifications - qualifications that include articulated arrangements from a lower-level qualification into a higher-level qualification to enable multiple entry and exit points - could help underrepresented cohorts gain these benefits.

Work towards a more joined-up tertiary system could help lift the esteem of VET and highlight its role as a high-quality pathway to work. JSA analysis found that in the year following completion, 2020 VET graduates had a median income uplift of \$14,100, and a median employee income of \$51,100 (JSA 2025f). First Nations graduates attained a median income uplift of \$15,700 and earned a median income of \$46,800 (JSA 2025f). Analysis also shows that learners who partially complete a VET qualification also had economic benefits from their studies, though less than those who completed a full qualification. These learners may find that partial completion often provided them with the skills needed for their chosen career, reflecting the modular nature of the VET sector. VET graduates also increased their employment rates, with 84%

employed after completing their qualification – a 15% increase from pre-enrolment (JSA 2024b). These results are even stronger for higher-level VET qualifications, and apprenticeships and traineeships.

Smoother, more efficient journeys for learners

Improved information on options across the whole tertiary system – both VET and higher education – could help learners reach their desired outcome more quickly. In fields such as graphic design or childcare, an initial VET qualification may achieve a similar occupational outcome to a higher education qualification (Wibrow 2022). Those who take the VET pathway to the occupation can build technical skills and reduce time spent studying (Wibrow 2022). Learners may also find that the best option for upskilling or reskilling comes from the sector they are less familiar with. Many young people aspire to occupations that require VET study but often do not plan to study VET initially (Shergold et al. 2020; Chowdhury, Edwards and Norton 2024).

The 2024 Graduate Outcomes Survey found that 7.4% of higher education graduates undertook VET qualifications soon after completing their degree (QILT 2025). This suggests learners see value in VET and could be supported to access it earlier. While the survey did not collect data on specific qualifications, it found that further study was generally in the same broad field of education as their prior qualification (QILT 2025).

Better credit transfer and RPL processes could reduce the time and cost of study where it duplicates prior learning. Improving transparency of credit recognition is one way to support this, ensuring that learners understand their right to be assessed for credit, the timelines for assessment, and what the process involves. Transparent credit precedent lists can also help learners estimate how much credit they may be eligible for. Improving providers' internal processes – either through improving reporting and assessment systems – or standardising credit for common pathways through articulation agreements could further reduce the time and resource intensity of credit assessments, ensuring learners do not miss out due to lack of information.

Credit agreements can also offer cost savings compared to completing a single qualification. For example, a learner undertaking a Diploma of Project Management that articulates into a Bachelor of Business, could save the cost of the first year of higher education – a \$9,690 saving in 2025, based on a full fee VET qualification. Savings could be even greater where a learner is able to access subsidised VET courses under Fee-Free TAFE. Studying a Diploma of Nursing then a Bachelor of Nursing could save \$4,627 in 2025 where a learner is eligible. While this pathway spends an additional 6 months studying compared to a 3-year Bachelor of Nursing, the cost savings and ability to work as an enrolled nurse after completing the diploma may provide significant benefit to learners. Better supporting learners to receive credit more consistently when moving from higher education into VET could also lead to reductions in the time and cost of further study.

Supporting learner re-engagement in the tertiary system

A more joined-up tertiary system could better support re-engagement with study both as part of lifelong learning and for learners who partially complete a qualification.

As people change jobs and careers across their lifetimes, re-engagement with tertiary study can help them adapt to changing roles and labour market needs. As noted earlier, better credit and RPL processes, along with improved information on study options, could make re-engagement much smoother for lifelong learners.

Partial completers could also be supported to return to education. Learners exit study early for a variety of reasons and often seek to return later. NCVET data on VET Student Outcomes (2024) shows the most common reason for non-completion was “personal reasons” (21.9% of respondents). Importantly, 22.4% of part-completers went on to further study later (NCVER 2024). Li and Carroll (2020) note that learners from equity groups are at higher risk of exiting early, often due to health and financial pressures. Assisting these learners to re-engage and complete a qualification could help widen attainment. The VET sector also plays an important role in re-engaging early school leavers in education, with 51% of early school leavers who re-engaged with education undertaking an apprenticeship or traineeship, and 34% undertaking other VET qualifications (Lim 2022).

The reasons for non-completion are not always permanent, and re-engagement is common among those who decide to discontinue study (Harvey et al. 2017). Learners who partially completed higher education often report that the experience helped them succeed when re-attempting later, as they better understood the time and effort required (Cunninghame and Pitman 2020).

Better credit and RPL processes could support re-engagement and success by recognising previous efforts where credit is appropriate (Harvey et al 2017). Nested qualifications, including cross-sector options, could also help by providing recognition of study, ensuring that those who do discontinue have formal recognition of study – even if incomplete. This recognition can assist with entry into new qualifications and improve employment prospects, with a recognised qualification better flagging the learning outcomes achieved.

Broader benefits

Alignment of skills with national priorities

A more joined-up tertiary system could support better alignment of skills to industry needs and greater responsiveness and mobility to changing labour market demands (JSA 2025d). Currently, 139 occupations are in persistent shortage from 2021 to 2025 primarily in the Technicians and Trades Workers major group and the Professionals major group, with 51% and 37% of occupational shortages from those groups, respectively (JSA 2025b). Drivers of these shortages include training gaps – where more qualified applicants are needed – and suitability gaps, where qualified workers lack employability skills or workforce experience.

Providing better information to help learners access and complete relevant qualifications can address these gaps. This includes growing learner understanding of the benefit of pathways to these occupations – particularly for VET-related occupations – and enabling those with prior learning to transition to these roles more quickly through credit and RPL. To meet suitability gaps, new qualification models could better embed employability skills, such as higher-level apprenticeships. Emerging models, including dual awards and pathways, can better integrate industry needs into qualification design, supporting stronger skills matching (JSA 2025b).

The rise of generative artificial intelligence (AI) is re-shaping work, highlighting the need for a responsive and adaptable workforce. Jobs are being impacted primarily by augmentation – where AI changes the nature of tasks – and to a lesser extent by automation – where the use of generative AI replaces worker tasks and, in some cases, their roles (JSA 2025e). Workers need the capability to manage these changes, supported by digital and AI literacy developed through education, training and workplace experience (JSA 2025e). A more joined-up tertiary system that supports ongoing upskilling could improve digital literacy and help workers adapt to the growth of AI. Similarly, a system that enables re-engagement for upskilling or reskilling can ensure workers better understand the utility of AI and its limitations, such as gendered biases and poor representation of women and First Nations peoples in AI development (JSA 2025e).

Productivity and labour market outcomes

Productivity growth contributes to broader prosperity by lifting living standards and wages (PC 2022). A key component of productivity growth is labour productivity, as shown in figure 10 below, which illustrates the contribution of labour quality over the past 30 years. Worker skills are a major driver of labour productivity, alongside technological change, management practices, and other inputs such as capital input (RBA 2025). These skills – often referred to as human capital – represent the stock of knowledge, skills and personal attributes that enhance a person's productive capacity (OECD/APO 2022). Human capital can be developed through education attainment and contributes to labour productivity by improving a person's ability to use technology, adapt to change and absorb new technologies (OECD/APO 2022; PC 2022). It also fosters greater innovation (PC 2022).

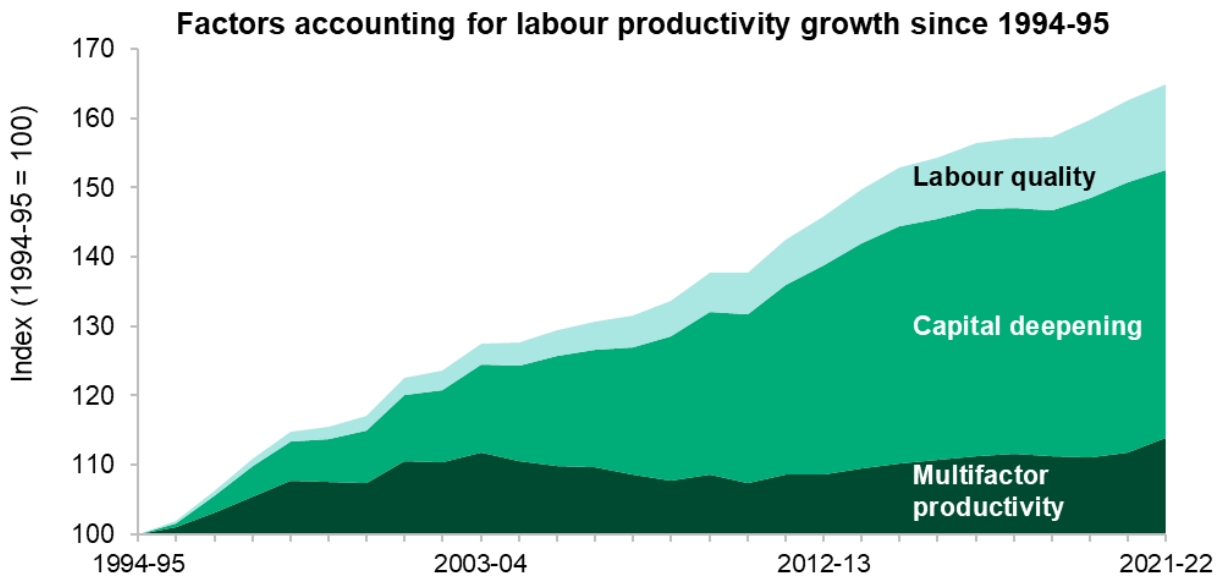


Figure 3: Human capital contribution to productivity growth over 30 years

Source: Productivity Commission 2022, *5-Year Productivity Inquiry*, Inquiry Report Volume 8, 'From Learning to Growth', Figure 1.1

A more joined-up tertiary system could optimise human capital by supporting learners to study the qualification suited to their preferences, circumstances, and aptitude (JSA 2025d). A better-connected system could contribute to productivity gains by enabling more learners to gain tertiary qualifications and making it easier to return to study for upskilling and reskilling (PC 2022). JSA argues that this can be achieved through making VET and higher education simultaneously accessible to learners to obtain the skills they need more readily, while enabling industry to build the workforce skills it requires (2025d).

A system that is better connected to industry needs and encourages prospective learners to engage in both sectors equally could also support greater skills matching, which contributes to productivity growth by ensuring that the skills of a worker are being fully utilised in the role they are in (Adelet McGowan and Andrews 2017). The opportunities for productivity growth can stagnate where workers are overqualified for their role and are not being sufficiently challenged. If these workers remain immobile, other firms may not be able to fill better matched opportunities which could lead to gains in productivity (Adelet McGowan and Andrews 2017).

There is also a link between workforce diversity and productivity. Diverse teams bring in a more comprehensive perspective, a wider range of ideas and support better decision making (OECD/APO 2022). Widening tertiary participation can support workplace diversity, with educational attainment strongly associated with higher employment levels (Tomaszewski et al. 2019; Leigh 2025).

3. Work underway: building the foundations

While progress was slow in earlier years, recent initiatives such as the AQF Review, the Universities Accord, and the National Skills Agreement have set a strong foundation for harmonisation. Work is underway across Australia by the Commonwealth and state and territory governments, as well as providers and peak bodies, to support a more joined-up tertiary system.

3.1. Commonwealth Government initiatives

Tertiary Harmonisation Measures

In response to the Australian Universities Accord, \$27.7 million was allocated in the 2024-25 Budget to drive harmonisation between the higher education and VET sectors. Initiatives include:

- supporting better learner pathways between VET and higher education
- improving regulatory approaches for dual sector providers (including TAFEs)
- enhancing tertiary data.

Implementation is split between ATEC, the Department of Education, the Department of Employment and Workplace Relations (DEWR), TEQSA, ASQA and JSA.

These measures are laying the foundations for further reform by ensuring regulatory settings and underpinning data are in place to better support learners through a more joined-up tertiary system. Strong foundations will enable further reform to create a connected, smoother and more effective tertiary system for learners.

Supporting learner pathways

Updating the AQF Qualifications Pathways Policy

The Australian Government stated its intention to bring forward an updated AQF Pathways Policy for consideration by Commonwealth, state and territory Education and Skills Ministers. The update seeks to address recommendations 9, 11 and 13 of the AQF Review, which includes:

- Recommendation 9 – Develop guidelines in the AQF Qualifications Pathways Policy to facilitate the recognition of shorter form credentials, including microcredentials, for credit.
- Recommendation 11 – Revise and rename the AQF Qualifications Pathways Policy to better recognise and encourage broader credit recognition, both within and between sectors.
- Recommendation 13 – Provide more detailed guidance on recognition of prior learning in the AQF Pathways Policy.

An updated AQF Pathways Policy will emphasise multidirectional pathways and provide improved guidance on credit transfer and recognition of prior learning to facilitate better learner pathways across the tertiary education system. This includes:

- clarifying the requirements and responsibilities surrounding credit for providers, including emphasising the learner's right to credit provided it does not undermine the integrity of the qualification
- specifying guidance on RPL, as the main method of cross-sector and professional credit recognition, and emphasising the core principles of fairness and consistency
- highlighting the multi-directional and non-hierarchical pathways available to learners between the VET and higher education sectors
- inserting guidance on giving credit for microcredentials towards AQF qualifications,
- updating the Policy to include new qualification types: the Vocational Degree and the Undergraduate Certificate.

It is intended that the Pathways Policy and Guidance will be brought forward for consideration by Education and Skills Ministers in 2026.

Reducing red tape for providers

Dual Sector regulatory strategy

ASQA and TEQSA's Dual Sector Regulatory Strategy, published in September 2025, identifies opportunities to streamline regulation and reduce administrative burden while maintaining quality assurance (ASQA and TEQSA 2025). Three key opportunities under the Strategy have been identified as able to be implemented within the next three years:

- **Opportunity 1:** better facilitate information sharing and collaboration in key areas
- **Opportunity 2:** where practical, optimise the alignment of evidence requirements for similar assessments while maintaining regulatory effectiveness
- **Opportunity 3:** support dual sector providers to mature corporate and academic governance.

Implementation of the strategy is now underway. TEQSA and ASQA will commence by reviewing current methods of information sharing and collaboration and establishing cross-agency working groups in key priority areas.

Course accreditation delegation in VET and self-accrediting authority in higher education

ASQA recently completed a pilot of the delegation of its course accreditation function to identified TAFEs to create, approve and deliver accredited VET courses to market more quickly and respond to emerging needs. Three TAFEs were selected to participate and successfully developed and accredited a VET course under the pilot, which concluded in June 2025. These included:

- Diploma of Renewable, Sustainable and Circular Manufacturing Management (TAFE NSW)
- Advanced Diploma of Digital Innovation (Bendigo Kangan)
- Diploma of Renewable Energy Management (CQU)

ASQA is currently reviewing its future approach to delegating the course accreditation function, with careful consideration being given to sector readiness, resource implications, and mechanisms to uphold the integrity and quality of accredited courses.

TEQSA has also been supporting TAFEs in their applications to gain self-accrediting authority in higher education, with four TAFEs having gained limited self-accrediting authority since 2024. This includes TAFE Queensland, TAFE NSW, William Angliss Institute of TAFE and Holmesglen Institute.

Tertiary sandbox scoping study

DEWR, in consultation with the Department of Education, has been leading a Tertiary Sandbox Scoping Study. The study seeks to establish an evidence base on the barriers and challenges providers face in designing and delivering innovative tertiary qualifications that span VET and higher education. The Study also looks to lay out the benefits and viability of creating a Tertiary Sandbox within the current policy environment and provide insights for further consideration by the Australian Government and ATEC.

Building better tertiary data

A national skills taxonomy

JSA is leading the development of a National Skills Taxonomy, a new, evidence-based framework that provides a common language for describing the skills Australians gain, develop, and use across education and employment.

In October 2025, JSA released a *National Skills Taxonomy Update: Building a System that puts People and Skills First*. The update describes the long-discussed need to reform Australia's complex and disjointed tertiary system, which is 'characterised by overlapping qualifications, inconsistent recognition processes, and

varied interpretations of skills across sectors. This creates 'barriers to mobility, hinder efficient skill utilisation, and complicate decision-making for learners, employers and policymakers' (JSA 2025c).

The paper also discusses the value of a skills-first system. This is a conceptual and structural shift from qualifications and job titles to a 'skills-first culture, policies and mindset' that enable employers and industries to better identify individuals with skills that have been gained via multiple pathways (including workplaces and non-accredited training) (JSA 2025c). This has the potential to boost productivity by enabling better skills-matching in the labour market.

The National Skills Taxonomy will support tertiary harmonisation by establishing a common language for skills, underpinning credit transfer, and provide the infrastructure for identifying complementary coursework across the tertiary system. It could also support the development of national standards for RPL, enabling wider recognition of skills gained in informal and non-formal settings. The next step will be to pilot skills language in specific sectors and/or regions.

Improving cross sector tertiary data

JSA and the Department of Education are working to align core VET and higher education datasets. This will help to better understand learner pathways between the sectors and inform future measures to continue to address the invisible barriers between VET and higher education. This alignment is expected to support making it easier for learners to choose, move between VET and higher education, and complete qualifications matched to skills needs.

National Credit Recognition Framework

In March 2026, the Australian Government announced that the ATEC will be developing a National Credit Recognition Framework. The Framework aims to improve the consistency of credit transfer arrangements, reduce unnecessary repetition, and save students time and money. The Framework will be developed in consultation with the Department of Education, the Department of Employment and Workplace Relations and Jobs and Skills Australia and in close collaboration with state and territory governments.

The Framework will initially focus on credit universities provide to learners with VET qualifications, prioritising areas of national skills priority. It will build on the work some TAFEs and universities are already doing to reduce the length of a degree for students who have a VET qualification in the same field of education, such as nursing and teaching. Universities that adopt the Framework, and optimise credit, offering clear pathways from VET to higher education could receive additional Commonwealth supported places in future allocation processes.

3.2. State and Territory Government Initiatives

The Australian Government and states and territories share responsibility for the VET system and operate a model of shared stewardship. The Australian Government provides funding to states and territories to manage their training systems and invest in a range of its own programs and support for the VET sector. These include employer incentives for Australian Apprenticeships, the VET Student Loans program, industry engagement and foundation skills. States and territories are responsible for the delivery of VET within their jurisdictions, including decisions relating to the funding of learner subsidies and training providers, such as TAFEs.

Tertiary harmonisation is increasingly reflected in skills policy frameworks across Australian states and territories. Most jurisdictions have recent skills plans or strategic frameworks highlighting the connection between VET and higher education to address workforce and economic requirements, with a shared focus on aligning training with growth in priority sectors.

For instance, the New South Wales Government Higher Education Strategy and Skills Plan include initiatives to better connect the VET and higher education sectors, such as establishing consistent credit transfer arrangements in key occupations, leading development of integrated tertiary sector models, and supporting TAFE self-accreditation, among others (NSW Department of Education 2024, 2025). This builds on work to develop the Institute of Applied Technology, a program by the NSW Government involving TAFE NSW, University of Technology Sydney, Macquarie University, Microsoft, Western Sydney University and CPB

Contractors collaborating to design and deliver microcredentials (Institute of Applied Technology 2025). Similar work is also underway in Victoria to support seamless pathways between VET and higher education (Victorian Skills Authority 2026). The South Australian Government has been working to expand apprenticeship and traineeships to higher education degree apprenticeships, opening up formal recognition to beyond the VET sector (South Australian Skills Commission 2025).

The Skills and Workforce Ministerial Council published its updated National Skills Plan for 2025-2026 which identifies tertiary harmonisation as an area of focus. In December 2025, Skills Ministers agreed the need for the Tertiary Roadmap being led by the ATEC to incorporate significant reform to enable a joined-up approach that places VET and higher education on an equal footing and provide learners with flexible pathways to gain the skills needed for Australia's future workforce.

4. The Learner Journey

4.1. Learning is continuous and varied

A “learner journey” describes the experiences of end users and how they might progress and interact with the tertiary education system. While the traditional concept of a learner journey is linear – moving from secondary school to VET or higher education, then into the workforce and into retirement, this is not reflective of all learners’ experiences.

Rapid developments in technology, new sectors and changing workforce needs mean workers no longer expect to stay in one job until retirement. Learners will need to reskill or upskill throughout their careers to adapt to these changes. The Foundation for Young Australians (2017) found that Gen Z employees can expect to have up to 17 jobs across 5 careers in their lifetime.

Figure 4 (below) is a representation of how learners move through the tertiary system and workforce. Learners can move in any direction at any time and in and out of their learner journey – for example, learners may gain a diploma before an undergraduate qualification or vice versa. Learners may also repeat steps, such as returning to VET after time in the workforce to upskill or reskill with another qualification. “Stops” between each “station” represent key aspects of the learner journey at that stage. This diagram is not exhaustive of all pathways but demonstrates the complexity of the tertiary system as a whole.

Examples of stages in the learner journey include, but are not limited to:

- **Transitioning from secondary school to the tertiary system or the workforce** - a key decision point when learners choose between continuing education through a VET and Higher Education pathway or immediately joining the workforce. This decision is shaped by careers information, social context, and academic achievement.
- **Initial entry into the tertiary system later in life** – those individuals who entered the workforce straight from school, those with caring responsibilities, those who had experienced periods of not being engaged in employment, education or training (NEET), and new migrants engaging with the Australian system for the first time.
- **Transitioning within the tertiary system** - from higher education to VET or vice versa; or transitioning between qualifications within one sector.
- **Transitioning from tertiary to the workforce** - entering for the first time or with previous engagement in work alongside tertiary education, through VET apprenticeships, higher-level apprenticeships, or other forms of work-integrated learning, including internships and simulated work environments.
- **Re-entering tertiary from the workforce** - to reskill or upskill to keep up with new developments in their fields, progress their career, or undertake a career pivot, reflecting personal preferences or needs, or how industries are changing. These learners may also engage with a different aspect of the system than their initial qualification, moving from VET to higher education or vice versa. This may also come after an intentional or unintentional career break to gain skills relevant to the current workforce.

These stages illustrate how learners’ journeys are diverse and shaped by individual circumstances. Learners may engage in some or all of these stages, but engagement is rarely linear, with the challenges faced by learners across their journey explored in section 5.

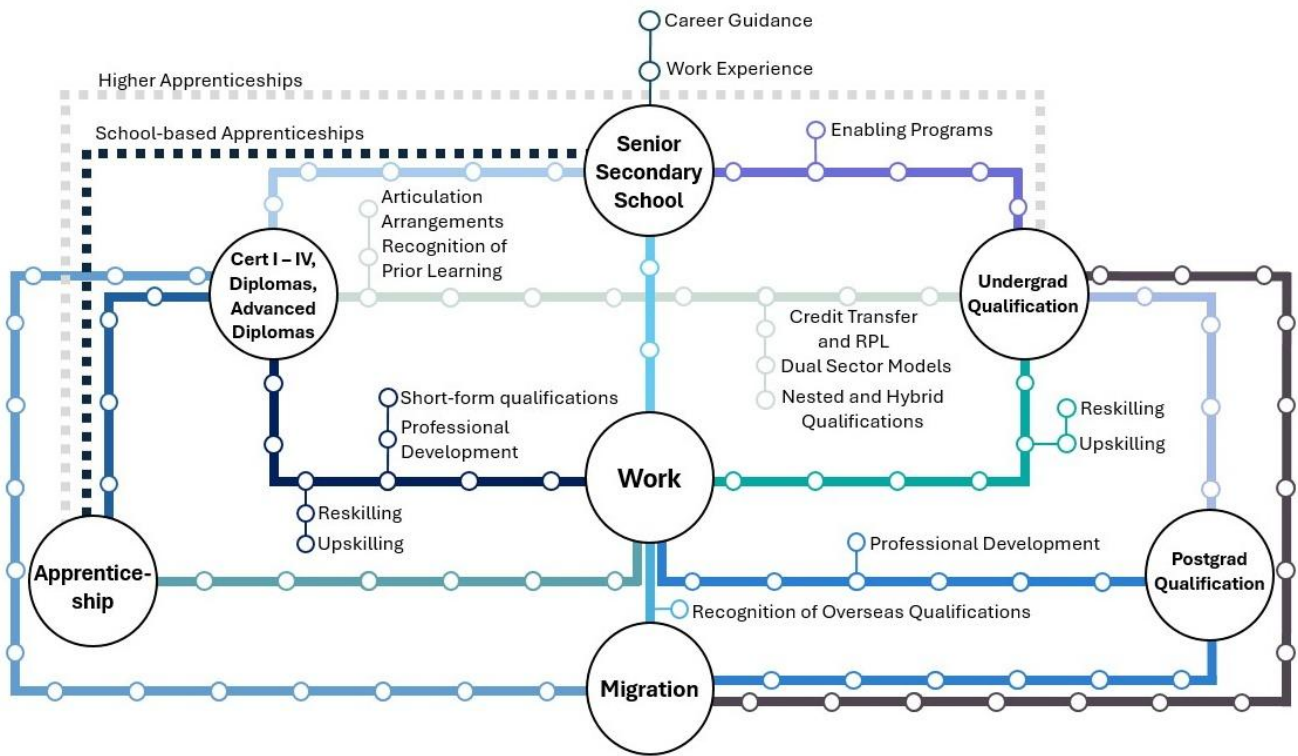


Figure 4: Representation of the non-linear learner journey

5. Barriers and Challenges

5.1. Entering the tertiary system

Increasing numbers of Australians hold tertiary qualifications – with 54.7% of the Australian population over the age of 15 having completed non-school study in 2021, compared to only 24.2% in 1981 (ABS 2025). Despite this, there are gaps in learners' awareness of the pathways and courses available and the occupations that might interest them, and mismatches between the qualifications people hold and Australia's skills needs at both national and local levels.

Learners of all ages may be entering the tertiary system for the first time: young people leaving school, mature-aged learners looking to gain post-school qualifications, and migrants who have not experienced the Australian tertiary education system. These learners must navigate VET and higher education, which differ in roles, purpose, teaching and assessment styles, and costs and subsidies.

Many learners are also re-entering the system, often after a period of work experience, or following a break from work and study. These learners are likely to experience similar difficulties in navigation, and may have an unbalanced understanding of the offerings of both sectors – being familiar with the sector they engaged with initially, and having less understanding of what the other sector can offer. They may also be interested in shorter form qualifications or microcredentials that build on what they have learned to support reskilling and upskilling.

A key consideration for learners entering or re-entering the tertiary system is being able to access holistic careers information that presents a range of options – not just a particular pathway. Learners may also face barriers to pursuing the pathway they aspire to. This includes meeting the necessary prerequisites, structural constraints, such as cost and location of study, or limited understanding of how to navigate tertiary education. These challenges are shaped by personal circumstances and the experiences of those around them. Access to clear and relevant information can help learners choose the qualification that best suits their aspirations, needs and learning preferences, and supports them to thrive in work and life.

Influences on decisions

Young people make up a large portion of first-time tertiary entrants, with 45% of 20–24-year-olds participating in tertiary education. Participation drops to 18.0% for 25–29-year-olds and declines further with age (ABS 2025). As learners complete secondary school, they face decisions about their next steps: undertaking higher education or VET or going straight into work. These decisions are influenced by their parents, friends and teachers (Shergold et al. 2020), as well as cultural preferences for higher education (Parliament of Australia 2024). Young people can experience pressure to make decisions often perceived to be life-defining at the time (Moir 2024), based on the assumption that they will take a linear post-school pathway, despite this not reflecting most learners' experiences (Shergold et al. 2020). This suggests many young people have a limited understanding of the alternative pathways available to them.

Many older learners also face complex decisions when looking to enter or re-enter the tertiary system to build their skills or prepare for a career change. While there is a wealth of research related to the decision-making processes of young people, less is known about the choices made by adults later in life. Mature-aged learners often have different priorities, with flexibility around work and caring responsibilities particularly important (OECD 2022). Findings from the Household, Income and Labour Dynamics in Australia (HILDA) survey from 2007-2017, show that many mid-career adults undertaking training are motivated by improving their current employment conditions (for 28% of those surveyed), compared with only 5% of respondents training for a job they may pursue in the future (OECD 2022). Many mature-aged learners are also first in their family to undertake higher education and may be motivated to study by different reasons to other mid-career adults, including financial, career or personal interests; having greater time and space to study at this stage in life; and making up for missed opportunities in the past (Chapin, Fabris and Oraison 2024).

Adult migrants may encounter similar challenges when entering the Australian tertiary system. While many migrants hold international qualifications – and some arrive with skilled migrant visas – they can face difficulties post-migration in securing work based on their international qualifications and experience and securing employment at a commensurate level (Tan and Cebulla 2023). As a result, around one-third of migrants undertake additional qualifications, often at a lower qualification level than their previous study (Tan and Cebulla 2023).

Finding the ‘right’ pathway

For all learners, choosing the course that is ‘right’ for them is important to avoid unnecessary financial burden – particularly for courses started but not completed – and to ensure they do not spend more time studying than necessary to achieve their aspirations. Non-completers do still experience benefits from study, including improved employment outcomes, however qualification completers gain greater benefits overall (Norton and Cherastidham 2018). While many higher education non-completers have student loan debts below \$10,000, those who exit after several years of study can hold much larger debts, with 8% owing an estimated \$30,000 or more (Norton and Cherastidham 2018). In the VET sector, partial completers also demonstrate positive income and employment outcomes: a median income uplift of \$7,000 and median employee income of \$44,000 in the year after study (JSA 2025f). These outcomes are smaller than those of full qualification completers (JSA 2025f). Although many non-completers go on to further study and report benefits from their initial study (Cunninghame and Pitman 2020), better up-front information would help learners choose the pathway that best suits them and reduce the likelihood of switching between qualifications and/or providers.

Engagement with each sector is variable

Learner engagement with universities, through open days and other channels, is much higher than with TAFEs or RTOs. Around 60% of young people enter university by the age of 22 (JSA 2025b). Research from the OECD shows that most young learners expect to work in professional occupations, which tend to be aligned with higher education pathways (OECD 2025). Students who express interest in VET-related occupations often cite direct exposure or personal experience as influencing their decision – something not commonly reported by those interested in higher education (Hargreaves and Osborne 2017). Despite aspiring to occupations requiring VET qualifications, many learners do not realise that VET is the appropriate pathway (Hargreaves and Osborne 2017; Norton and Cherastidham 2019; Shergold et al. 2020).

Though many school students participate in VET for secondary school students programs, accounting for around 27.8% of the school population aged 15 to 19 years in Australia (NCVER 2025c), only 8% of young people noted visiting a TAFE or private RTO to help them plan their future, compared with 46% who visited a university (ANU Centre for Social Research and Methods 2025). School students have also been reported as having difficulty articulating their understanding of the VET sector and its opportunities, contributing to negative perceptions (Parliament of Australia 2024). This suggests a lack of opportunity and a need for greater engagement and exposure to the VET sector from a younger age.

Digital information about the tertiary system is generally provided separately for the VET and higher education sectors, with Australian Government course information split across multiple websites. For example, YourCareer provides occupational and study pathway information across both sectors and allows learners to compare VET providers. CourseSeeker supports comparison of undergraduate higher education qualifications, while MicroCred Seeker covers higher education microcredentials. Providers also maintain their own course information, which learners may attempt to compare independently.

Pressure towards higher education

Learners’ aspirations are strongly shaped by those closest to them – parents, friends, teachers and career counsellors – who have significant influence on post-school decisions. However, the information these people hold often reflects their own and their families’ experiences and cultural preferences, which commonly position university as the preferred pathway. School guidance and career officers report lacking the resources and being ill-equipped to provide personalised, high-quality advice about post-school pathways aligned to a learner’s interests and capacities (Billett et al. 2020). Career practitioners and teachers tend to

be more familiar with university pathways, reflecting their own experience and training (Billet et al. 2024; Parliament of Australia 2024).

A lack of role models and support for engaging in higher education may also limit aspiration (Jackson et al. 2023). For First Nations learners, for example, exposure to other First Nations workers in particular occupations can help build aspiration for the role (Billet and Le 2024).

As is the case globally, young people – and their parents – are increasingly privileging university over other pathways, including VET (Billet et al. 2024). While both VET and higher education provide pathways into skilled work, university study remains the dominant aspiration for secondary students (Chowdhury and Edwards 2023). VET continues to be viewed as less prestigious than higher education, with higher education perceived to lead to ‘good’ jobs (Duggan 2017; Shergold et al. 2020). The issue of parity of esteem between the VET and higher education sectors has been the subject of a recent inquiry, which found that many people hold negative perceptions of VET and the careers it leads to, despite its importance to Australia’s skills and labour market needs (Parliament of Australia 2024).

For some cohorts, particularly those from middle- and high-socioeconomic backgrounds or with parents who hold higher education qualifications, university is seen as an expectation rather than one option among many (Billett et al. 2024). These learners tend to focus their post-school decisions on the choice of higher education provider and field of education, rather than considering VET as a viable alternative (Chapin et al. 2024). University is also sometimes viewed as a ‘parent pleasing’ way to experiment with the course, while delaying a more ‘serious choice’ (Norton and Cherastidtham 2019). There is also a cultural dimension, with students from culturally and linguistically diverse backgrounds reporting greater parental expectations to pursue university pathways (Parliament of Australia 2024).

Mismatches between what learners aspire to and access, and skills needs

Beyond supporting tertiary attainment, access to information for learners can help with meeting skills needs. A key challenge is that aspirations for higher education is disproportionately high relative to the projected professional jobs that will be available to them, particularly among young people (Shergold et al. 2020). Aspiration for VET pathways remains comparatively low, despite current skills shortages in and projected need for VET-linked occupations (Shergold et al. 2020; JSA 2025a).

Employment projections suggest that there will be a growing need for tertiary-educated workers in the future, from both the VET and higher education sectors (JSA 2025a). The OECD also found that most young people expect to work in professional occupations, which typically rely on higher education pathways (OECD 2025). However, this preference does not always reflect labour market realities, where many areas of need require VET qualifications. The growth in supply of higher education qualified workers due to the higher attainment of younger workers could lead to oversupply if employment growth in skill level 1 occupations – those associated with bachelor or higher study - does not grow at the same rate (JSA 2025b).

The same analysis by JSA shows that it may be difficult to meet the growth in employment demand for skill level 3 or 4, in which Certificate IIIs and IVs are the primary pathway, as current growth in these graduates is too low (JSA 2025b). Skill level 3 occupations have had much lower vacancy fill rates – at 54.5% in the December 2025 quarter (JSA 2026). This suggests an ongoing need to increase the supply of qualified workers at skill level 3 and 4 to help alleviate these shortages now and into the future. Many higher education graduates ultimately undertake vocational courses later to meet these requirements (Shergold et al. 2020).

Q1 What actions will be most effective for ensuring that learners are better informed of the depth and range of course offerings and occupations when deciding on career options and tertiary education pathways?

Q2 What are the tangible actions which can be achieved through the Roadmap to support parity of esteem between the VET and higher education sectors?

Additional barriers to accessing tertiary education

The ability of learners to undertake the pathway they aspire to is often limited by structural constraints such as the cost and location of study, as well as their cultural capital – the knowledge and confidence needed to navigate the tertiary system, which is shaped by the experiences of those around them. These constraints are more prominent for learners from underrepresented cohorts in tertiary education and can impact on their ability to access and succeed in their study.

Geographical constraints affect a learner's capability to access the pathways they aspire to

Learners in regional, rural and remote areas may have limited options for accessing tertiary study without moving away from home or commuting long distances (Carlon et al. 2025). Participation in higher education among regional residents is around half the rate of those from metropolitan areas (Baker et al. 2025). The primary campuses of many universities are situated within the centre of major cities, where living costs are high, and many people would prefer to remain in their local communities (Carlon et al. 2025). Studying locally also supports learners in navigating inequity, drawing on their networks and cultural capital to enable access and support success (Carlon et al. 2025). Online learning has grown since the COVID-19 pandemic and can help overcome distance barriers, though many learners still prefer in-person study.

VET providers are more geographically distributed than higher education providers (Curtis 2011), and VET qualifications are more likely to be the highest level of attainment for people in regional and remote areas compared with metropolitan regions (JSA 2024c). VET therefore plays a critical role in regional training pathways (JSA 2024c). However, the more remote the RTO is, the fewer on-campus offerings it tends to have (JSA 2024c). These limits are also reflected in higher education, with regional higher education campuses often offering a narrower range of qualifications, tending to have fewer options, meaning that student choice is shaped by local availability rather than preference (Carlon et al. 2025).

Regional campuses also tend to support a more intersectional and diverse cohort – with more students who, in addition to living regionally, are First Nations learners, learners with disability, learners from culturally and linguistically diverse backgrounds or from low socio-economic status backgrounds (Carlon et al. 2025). Regional University Study Hubs, described in the case study below, are another way learners can be supported in regional areas. Mobile Training Units, a component of the Remote Training Hubs Network measure, will further support access to VET for remote First Nations communities in Central Australia (DEWR 2025c).

Case study: Regional and Suburban University Study Hubs

Regional and Suburban University Study Hubs provide local centres that support access to tertiary education – including VET – closer to where they live (DoE 2025a). For instance, Regional University Study Hubs support more first-in-family learners (43%), First Nations learners, women and those aged over 25 than the general tertiary population (DoE 2025a).

Financial incentives and disincentives

A further complication for learner decision-making is the cost of study, both the upfront or long-term financial costs of the course itself and the opportunity costs of full- or part-time study compared with paid employment. Mid-career adults may also have further financial disincentives when considering study, with the opportunity cost much greater, reflective of the higher income they generally have compared to young people (OECD 2022). The differences in funding systems across VET and higher education can also create distortions between the sectors, with fees, subsidies and the availability of student loans inconsistent across the sectors. Greater alignment of the funding arrangements across VET and higher education could make these more consistent for learners and reduce distortions in choice associated with this.

Higher education may be more financially accessible to some learners due to the availability of income-contingent loans, whereas upfront costs in the VET sector can deter participation (Norton and Cherastidtham 2019). Others may not choose higher education, even if it is their aspiration, because of the long-term financial burden of student loans. Higher education can be perceived as 'risky', particularly for those from

non-traditional backgrounds because of high course fees (Stahl et al. 2025). Fee-Free Uni Ready (FFUR) plays an important role in allowing learners to ‘test-out’ higher education, with its predecessor, Enabling Programs, having been found to help learners to build their confidence and academic abilities and better understand their course options, without the same financial risk as entering a qualification directly (Jarvis 2021).

In comparison, there is more variation in fees, subsidies and loans available in the VET sector, both within and between jurisdictions. Some VET courses are tuition-free – such as selected courses offered through Fee-Free TAFE in national priority areas (DEWR 2025a) – and other subsidies are available depending on jurisdiction policies. These subsidies are generally offered to learners from particular demographics, such as First Nations learners, young people under the age of 25, and job seekers. The nature of these subsidies being highly targeted mean that the cost of the same course at a single provider can vary significantly – with some listed fees ranging from tuition-free to thousands of dollars.

Learners may also access VET Student Loans for diploma-level and above qualifications at approved providers, making learning more affordable in the short term (DEWR 2025b). However, these loans and subsidies do not cover all VET qualifications, meaning learners who would prefer to study VET may not be able to afford upfront fees if they are not eligible for assistance (PC 2022). These conditions can influence learners towards higher education, where loan arrangements are more consistent and widely available (PC 2022). Uncertainty about financial support in the VET sector also shapes decisions (Hargreaves and Osborne 2017). For instance, whether they are eligible for loans, payment plans, or subsidies for the course they study, which can change depending on provider, and confusion around their eligibility for income support where it is related to study load (Brown 2017).

Apprenticeships and traineeships are valued highly – particularly among men from lower socio-economic backgrounds – because of the possibility of financial security at a younger age (Stahl et al. 2025). Employment prospects for men with vocational qualifications are strong. For example, the full-time employment rate for 20–24-year-olds holding a Certificate III in the engineering field of education (including the qualification for electricians) is 80% (Norton and Cherastidtham 2019). In the year after graduation, apprentices and trainees have the highest employment rates, income uplift and median income in comparison to non-apprentice and non-trainee VET graduates (JSA 2025f).²

A lack of cultural and social capital can create further barriers for underrepresented learners accessing tertiary education

Financial and geographical constraints are not the only factors shaping tertiary education choices. Cultural and social capital, including exposure to family members and networks with experience in tertiary education, and access to support structures to assist in navigating and succeeding in tertiary education are important to building confidence amongst learners.

Learners from underrepresented cohorts who experience educational disadvantage, such as low-SES, regional and First Nations learners, often have lower school achievement, which can inhibit their ATAR achievement (Jackson et al. 2023). Limited cultural and social capital of these cohorts has implications for their capacity to access higher education, as they may have more limited networks to help them navigate the system and complicated admissions and enrolments processes (Jackson et al. 2023). These learners are more likely to begin tertiary education later in life as mature-aged learners (Heagney and Benson 2017). Many mature-aged learners are first-in-family to enter higher education, having decided to take a different route post-school, often without parental pressure learners compared to learners with university-educated parents (Chapin et al. 2024).

Some learners may also lack confidence in their ability to undertake tertiary study, especially if they had poor experiences in school (Stokes 2024). This challenge may be amplified for learners with disability, who may have been exposed to a ‘culture of low expectations’ from an early age – a view that can also shape parents’

² This analysis examined national outcomes for domestic, non-school VET graduates who completed a nationally recognised qualification in 2020–21, with a focus on cohorts (female, First Nations, and graduates with disability) and variation by student characteristics such as age, location, and prior employment status

expectations of their children (Parliament of Victoria 2021). As such, despite having similar aspirations as other young people, learners with disability are often steered into pathways that do not align with their ambitions (Parliament of Victoria 2021).

The VET sector plays an important role in adult education, supporting those who potentially missed out on educational opportunities either at school or in higher education. For instance, through pre-vocational and pre-apprenticeship courses, or through foundation skills programs, particularly at the Certificate I and II level. More generally, the VET sector is an important pathway for education re-engagement of early school leavers – with 63% of early school leavers undertaking VET study by the age of 25, based on the Longitudinal Survey of Australian Youth (Lim 2022). Certificate IVs in tertiary preparation are a VET offering that build study skills and confidence to support learners to engage in diploma or higher VET qualifications, or go onto higher education study (TAFE NSW 2026; TAFE Queensland 2026). In the higher education sector specifically, programs such as FFUR courses – preparatory programs for higher education entry that are fee-free for students – can help learners to enter or re-enter the tertiary system.

Q3 Noting fiscal constraints, how could existing funding settings and incentives be better aligned to support learner choice and labour-market outcomes across VET and higher education?

5.2. Transitioning between the sectors

Although learners benefit significantly from completing standalone qualifications in both sectors, many learners engage with both VET and higher education across their lifetime. These movements are multidirectional, with learners moving from higher education into VET and vice versa.

Learners engage with both sectors for varying reasons. Some occupations are served by both VET and higher education options, meaning a learner may complete an initial qualification in one sector and then pursue further study in the other sector to progress their career. For instance, an enrolled nurse with a Diploma of Nursing seeking to become a registered nurse will need to undertake a Bachelor of Nursing; or someone with a Bachelor of Engineering (Honours) may choose to study a VET Diploma of Project Management to broaden their skills. An individual looking to change jobs or industries may find that the other sector provides the most suitable pathway. Some learners exit a qualification early and switch sectors when they recognise they will be better served by an alternative pathway.

Some transitions are more common than others, depending on occupational requirements and how each field of education is delivered across the VET and higher education sectors. While many common pathways have established consistent credit arrangements, learners may still experience difficulties in accessing credit transfer or recognition of prior learning. These difficulties often relate to understanding their entitlements and gathering the evidence required to support an application.

Multidirectional transitions

In 2024, there were 413,133 domestic commencements in higher education (Department of Education 2024). Of these, 30,673 (7%) had VET listed as their primary basis of admission.³ Most learners admitted on the basis of VET were enrolled in bachelor degrees, accounting for 81% of this cohort. A further 13% commenced sub-bachelor qualifications mostly diplomas and associate degrees, and 4% commenced postgraduate studies, mostly graduate diplomas and graduate certificates. In the same year, there were 1,926,975 domestic VET program commencements. Of these, 211,440 (around 11%) were by learners who had previously completed a bachelor degree or higher qualification (NCVER 2025a). The top programs span both full qualifications and short courses.

³ Higher education data may undercount VET basis of admission because any learner who finished school within the previous 3 years will automatically have secondary school listed as their basis of admission, even if they transitioned through VET.

Pathways from VET into higher education

Pathways from VET into higher education tend to be relatively institutionalised and consistent. These pathways tend to reflect occupational requirements and are frequently supported through the use of articulation agreements between VET and higher education providers.

Learners from low socio-economic status (SES) backgrounds⁴ and First Nations learners more commonly use VET to higher education pathways than other students. In 2024, 11% of learners from low SES backgrounds and 12% of First Nations learners had VET listed as their primary basis of admission, compared to 7% of all commencing learners. First Nations learners made up 2.6% of total commencements (10,850), and those coming through a VET pathway accounted for 0.3% (1312) of all students. In 2024, 16% of commencing students came from low SES backgrounds (68,514), with those admitted based on a previous VET qualification accounting for 2% (7517) commencements.

The most common VET to higher education pathways are in Nursing and Teacher Education. Of the 71 narrow fields of education in the Australian Standard Classification of Education, these 2 fields accounted for 39% of all higher education commencements on the basis of VET in 2024, shown in figure 5. The six leading fields of education for VET to higher education transitions were Nursing (22%), Teacher Education (17%), Other Health (6%), Business and Management (6%), Human Welfare Studies and Services (5%) and Behavioural Science (5%). Together, these top 6 fields made up 61% of commencements based on a VET qualification.

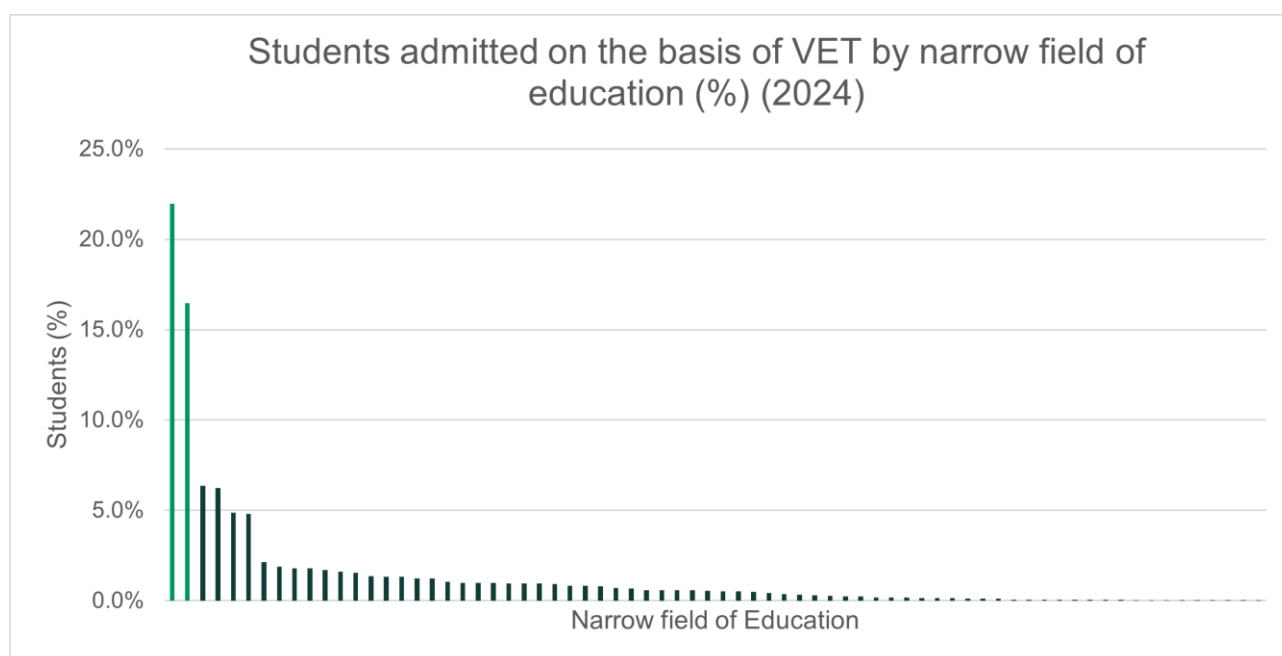


Figure 5: Students admitted on the basis of VET by narrow field of education (%) (2024)

Source: Department of Education internal data, 2025.

This data shows how professional practice requirements can influence cross-sector pathways. In nursing, enrolled nurses are primarily trained through a VET Diploma of Nursing while registered nurses are trained through a higher education Bachelor of Nursing. Both qualifications are accredited by the Australian Nursing and Midwifery Accreditation Council, and many learners with a diploma transition into higher education to complete a bachelor degree.

In teacher education, the most common pathway is between the VET Diploma of Early Childhood Education and Care (linked to family day care coordinator roles) into a bachelor degree in teacher education. Pathways

⁴ Based on the first reported address for the student.

are most commonly associated with early childhood education, such as a Bachelor of Education (Early Childhood Teaching), linked to early childhood teacher roles, however many learners transition into primary education teaching, while some go into secondary education teaching. Early childhood education qualifications in VET and higher education are accredited by the Australian Children’s Education and Care Quality Authority.

The number of commencements in higher education on the basis of VET is also related to the size of the VET cohorts and the rate of transition to higher education (see figure 6). In 2024, the most popular VET qualifications for domestic government-funded learners were in early childhood education and care, and individual support (NCVER 2025a). Teacher education commencements in higher education on the basis of VET are lower than nursing because fewer students progress to higher education in the year following completion, only around 11% (JSA 2023). By comparison, the Diploma of Nursing has the highest progression to higher education of any VET qualification, with 35% of graduates progressing to higher education (JSA 2023).

Program title	Field of Education	Progression to Higher Education
Diploma of Nursing	Health	35.0%
Diploma of Information Technology	Information Technology	29.5%
Diploma of Business	Management & Commerce	23.5%
Diploma of Screen and Media	Creative Arts	20.9%
Diploma of Accounting	Mixed Field Programmes	20.6%

Figure 6: Top 5 VET qualifications leading to higher education enrolments in the year following completion

Source: Jobs and Skills Australia 2023. Data sourced from the Multi-Agency Data Integration Project (MADIP), 2002-2021, VET National Data Asset, ABS Datalab. Findings based on use of MADIP data.

The popularity of different pathways is connected to the extent to which the higher education and VET qualifications are connected, and how they are recognised in different occupations. Wheelahan et al. (2015) identified four broad types of qualification pathways, based on the strength of their links to occupations and to VET and higher education pathways within the same field of education, as shown in figure 7. In fields with weak occupational links but strong pathways, such as business, qualifications are used to screen applicants and studying higher level qualifications can help with securing a better job. Nursing is an example of qualifications with strong occupational links and, as described above, strong pathways between the sectors. This may explain the popularity of this VET to higher education pathway.

Some fields have strong occupational links but weak qualification pathways, such as engineering. The Certificate III in Electrotechnology Electrician, classified under Engineering and Related Technologies, has one of the lowest progression rates to higher education at 1.17%, but also some of the highest rates of employment, median income and median change in income after training (JSA 2023). Lastly, there are qualifications with both weak occupational links and pathways, such as those in science or the humanities. Pathways for these qualifications are weak because “the pure disciplines are not offered in the VET sector” (Wheelahan et al. 2015). This is why there tends to be less established pathways between the VET and higher education sectors in these fields.

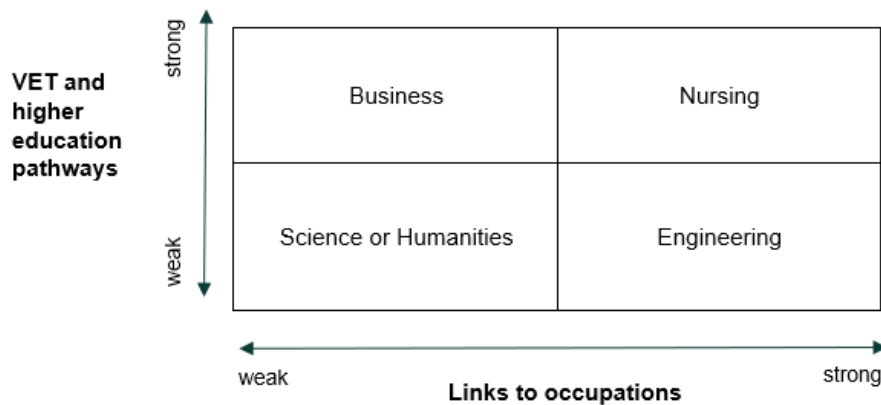


Figure 7: VET and higher education pathways and links to occupations

The prevalence of VET in schools programs is another contributor to the high number of learners who undertake both VET and higher education in their lifetime. In 2024, 266,765 students participated in VET in schools – an estimated 27.8% of the school population aged 15-19 in Australia (NCVER 2025c). The Certificate II was the most popular qualification type based on 2024 commencing program enrolments, with the Tourism, Travel and Hospitality and Sport and Recreation training packages the most popular (NCVER 2025c). As such, there is likely to be a substantial proportion of higher education students with a previous VET qualification that does not link directly to their higher education qualification and is unlikely to be considered for credit.

For students that transition into higher education, there is mixed evidence about their performance. Li et al. (2023) analysed data from around 80,000 students across 16 Australian universities and found that the weighted average mark of students using VET pathways was lower than secondary education pathway students, but the study did not examine whether those students completed their qualifications. Department of Education data shows that the attrition rate for commencing domestic undergraduate students at Table A universities with VET as their primary basis of admission is higher than the overall attrition rate for 2023, with an attrition rate of 20.8% compared to 13.7% for all students (DoE 2025b). However, other studies within single institutions have found VET entry learners have performed as well as, or better than secondary school entrants or the general learner population (Langworthy and Johns 2012; Vanderburg et al. 2023). Cram (2011) similarly found that, between 2007 and 2009, University of Canberra students entering from the Canberra Institute of Technology (CIT) had higher unit success rates and retention rates than non-CIT students. Learners could be supported individually through counselling to identify any gaps and potential bridging programs, though this is labour intensive (PhillipsKPA 2019).

Pathways from higher education into VET

Of the 211,440 commencing program enrolments in VET by students with a bachelor degree or higher, the top 20 pathways comprise 42% of the cohort. The five most common programs, listed below in figure 8, are a mix of first aid courses and some of the most common VET qualifications, which are tied to occupational requirements. The VET sector plays an important role in workplace training for mandated safety and emergency preparedness through the provision of specific units of competency – which are often required to be repeated to maintain the currency of a skill. This includes the courses in first aid management, and other work, health and safety courses that are often employer-sponsored (Palmer 2021). When limited to just VET qualifications, the most common pathways for students with bachelor or higher degrees tend to be in the management and commerce and education broad fields of education, associated with finance and real estate qualification requirements, courses in leadership and project management, and early childhood education and care.

Program name	2024 domestic commencements
Certificate IV in Training and Assessment	10,340
Certificate III in Individual Support	10,230
Course in First Aid Management of Anaphylaxis	8,250
Course in the Management of Asthma Risks and Emergencies in the Workplace	6,335
Certificate IV in Real Estate Practice	6,300

Figure 8: Top 5 VET programs for students with a Bachelor Degree or Higher

Source: NCVET 2025a, Total VET students and courses 2024: program enrolments, DataBuilder

Jobs and Skills Australia found that of students who enrolled in both VET and higher education from 2014 to 2022, slightly more students enrolled in higher education first – accounting for 52% of this cohort (JSA 2025b). The pathway from VET to higher education is often quite direct, with most students (57%) who enter higher education after completing a VET qualifications doing so within a year. In comparison, only around 36% of students who move from higher education into VET did so within a year and 25% of students enrolled in VET 4 or more years later (JSA 2025b). This gap may be reflective of the courses that learners are undertaking on these pathways. For example, the Diploma of Project Management, Diploma of Hospitality Management and Diploma of Leadership and Management are some of the most common VET program enrolments for learners with a bachelor degree or higher (NCVER 2025a). These qualifications lead to leadership and management roles, and learners may be undertaking these qualifications following years of experience in industry in order to further progress their careers.

Other common qualifications include certificates related to specific industry requirements, such as in early childhood education and care, or accounting and bookkeeping. These could be used by learners looking to change careers, or work in a different role in the same industry. For instance, secondary teachers training to work in early childhood education, or those working in a business looking to be accredited to as a tax agent.

Q4 What are examples of effective transitions between both sectors, particularly for learners from underrepresented backgrounds? How can these be strengthened across the system?

Credit Transfer and Recognition of Prior Learning

Many pathways between the two sectors are also credit-bearing, with students who move from one qualification to the next often eligible for their prior study to be recognised as contributing to the learning outcomes of the qualification they enter into. Credit recognition helps reduce duplication in learning, ensuring that learners do not have to spend additional time and money on learning they have already acquired. There are two mechanisms through which credit is given: credit transfer and recognition of prior learning. Credit transfer recognises completion of a unit in either sector, based on formal evidence that the unit is the same or matches in content and learning outcomes (ASQA 2026a). RPL is more commonly used in VET (Ithaca Group 2018) and involves assessing a learner’s skills and knowledge against the competency requirements of a unit (ASQA 2026a). This can be used to recognise formal, informal or nonformal learning.

Credit recognition in the higher education sector

Within the requirements of the Higher Education Standards Framework, providers have adopted different approaches when it comes to credit recognition. Some higher education providers use credit and pathways as a means of supporting institutional missions to encourage access and equity within higher education,

while others set careful limits on credit as a means of maintaining the integrity of the qualification and the reputation of the institution (Ithaca Group 2018).

Although Department of Education data on credit and RPL in the higher education sector has limitations, it provides an indication of the amount of credit learners receive for prior VET study. Internal analysis conducted using the Person-level Integrated Data Asset (PLIDA) shows that in 2021, 54% of students who were admitted into a Bachelor Degree (including honours) with VET listed as their primary basis of admission received approximately one EFTSL of credit (between 0.75 and up to and including 1 EFTSL).⁵ As one EFTSL equates to a year of full-time study, this suggests that on average learners receive slightly less than one year of credit.

While the specifics and the appropriateness of different amounts of RPL and credit will vary on a course-by-course basis, in general for those learners that do receive credit there appears to be positive outcomes. The most significant VET-to-higher education pathways are between diplomas and bachelor degrees. The volume of learning for diplomas in the AQF is 1 to 2 years, while a bachelor degree is between 3 and 4 years. The AQF Qualifications Pathways Policy, Australia’s national policy on qualifications pathways, advises that in related disciplines, credit agreements between providers should use 33% credit in related disciplines for a diploma linked to a three-year degree, and 25% for a diploma linked to a four-year degree, as a basis for negotiations – equivalent to one year of credit (AQF Council 2013).

Figure 9 shows the distribution of the amount of credit given in years of equivalent full time student load (EFTSL) for different VET qualification types into a bachelor or bachelor honours degree, by the extent to which the field of education of both qualifications match – whether they are in the same narrow field, same broad field, or different fields. This analysis demonstrates that, in general, the amount of credit increases by the VET qualification level and the closeness of the match between the VET and higher education fields of education (DoE 2025). For example, for pathways into a Bachelor of Nursing, a narrow field of education match would be a Diploma of Nursing, whereas a broad match would be a Diploma of Health, and no match would be from a Diploma of Business.

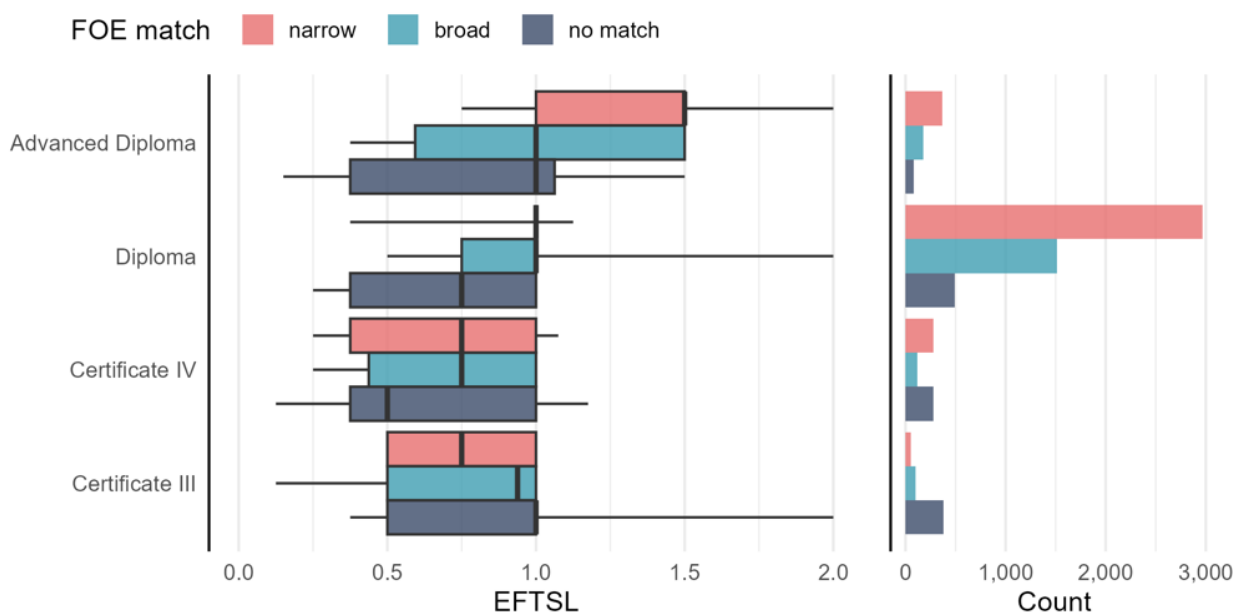


Figure 9: Credit distribution by VET qualification level and field of education match

Source: Analysis conducted using PLIDA data, 2025.

For Certificates III and IV in the same narrow field of education, the median credit amount received is 0.75 EFTSL, noting the size of the cohorts is quite small. The most significant cohorts are VET diploma learners

⁵ Analysis is limited to students with a prior VET qualification who have no evidence of prior higher education study in Australia.

transferring into the same field of education in higher education. For each of these cohorts, the median credit amount received is one EFTSL with the top quartile transitioning to the same broad field of education receiving between one and 2 EFTSL of credit. For advanced diploma graduates, the median credit received is one EFTSL for learners in the same broad field of education and 1.5 EFTSL in the same narrow field. Although the median amount of credit awarded is close to what is expected, there is still some variation in the credit amount given where the qualifications are in the same broad or narrow field. This may point to some inconsistency between providers in the amount of credit they give for the same qualifications, a core focus of the National Credit Recognition Framework currently in development by ATEC.

Beyond issues with data quality, the most significant gap in the data is that it excludes students whose credit applications were unsuccessful. A survey of higher education providers reported that 62% of credit requests were successful in 2017 (Ithaca Group 2018). Without more recent and comprehensive data, it is difficult to determine whether or not this level is appropriate, though in general a higher success rate would be desirable given the wasted effort for learners and providers in lodging and assessing applications that are ultimately unsuccessful.

Tertiary admissions centres have reported that “most learners are unaware of what credit they may be entitled to and how they would apply for it” (Ithaca Group 2018). A survey of tertiary providers found that 70% of higher education responses and 65% of VET responses agreed that more could be done to raise awareness about potential credit with students (Ithaca Group 2018). As such, more information and guidance on the potential availability of credit would be beneficial for learners. Information for learners could be in the form of credit precedent lists available on the website, allowing them to understand their entitlement more clearly. It could also be provided as part of their application information when seeking entry into higher education. Staff responsible for credit recognition could also draw on precedents to support more efficient and consistent decision-making, and reducing time spent on credit assessments where a precedent for that, or a similar pathway, already exists.

Feedback from providers also points to practical issues with credit recognition that results in some students choosing to forego credit they might otherwise be entitled to. Ithaca Group (2018) reports that student supports are not as readily available for second year learners, and some learners therefore opt out of credit to obtain better support. Providers could help these learners by ensuring that these learners also have access to these support services or those tailored to this cohort (PhillipsKPA 2019).

Research also points to deeper issues with RPL, which is an individual assessment used to recognise learning obtained outside a formal tertiary education setting. It is used less often in higher education due to the longer time and process complexity that it imposes on both providers and learners. In particular, research identifies the central challenge of RPL as being that “the burden of evidence is placed on applicants” and that learners incur resource, cost and time impositions in gathering evidence, which must then be mapped by providers against course learning outcomes (Racti et al. 2024)

Credit recognition in the VET sector

Credit transfer and RPL function differently in the VET sector compared to higher education. Full qualifications can be granted through RPL assessments in VET, provided all assessment criteria are met (Osborne and Serich 2020). This is not the case in higher education, where providers generally impose limits on the amount of credit that can be awarded (Ithaca Group 2018).

Compared to the higher education sector, cross-sector credit recognition in the VET sector is less institutionalised and less well analysed. Findings from an environmental scan indicate that credit agreements from VET into higher education are common, but agreements from higher education to VET are less common. This could be due to a combination of factors: the difficulty for learners to meet prescriptive training package requirements through RPL (which would include recognition of higher education study) and greater variation in the curriculums and course structures for the same fields of education between higher education providers, requiring individual mapping for few learners from a specific institution. The hierarchical nature of the Australian Qualifications Framework, where the most common VET qualifications are at a lower level compared to the most common higher education qualifications, has also been noted as potentially contributing to a sense that higher education to VET pathways are abnormal (Ithaca Group 2018). More broadly, the literature on pathways from higher education into VET is quite limited, despite the number of learners who do engage in both sectors.

Data on RPL in the VET sector is more limited as well. ASQA has raised concerns about reduced reporting of RPL due to 'audit fear' (Osborne and Serich 2020; PC 2025b), as the granting of RPL without appropriate assessment has been identified as a key regulatory risk priority in 2025-26 (ASQA 2026b). Osborne and Serich (2020) found that around 3% of VET learners received RPL in 2018. RPL in VET may be granted for higher education or for work and life experience. Analysis shows that learners with a bachelor degree or higher received RPL at similar rates to those with Year 10, 11 or 12, or a Certificate II, with 2.5-2.6% of subjects completed through RPL, compared to 3.7-4.9% of subjects for those holding a Certificate III or IV or Diploma or Advanced Diploma (Osborne and Serich 2020).

Learners seeking RPL assessment in the VET sector can face additional cost barriers from providers charging RPL assessment fees, which can be equivalent to the cost of undertaking the full course (Ithaca Group 2018). A Productivity Commission scan (2025b) found that assessment fees were likely to be lower than the corresponding course fees. Nonetheless, this can be a significant deterrent for applicants given the process burden they also endure.

Q5 What support arrangements are currently available for VET and higher education learners to assist with moving between the sectors and to ensure they can succeed?

Q6 What can VET and higher education providers do to better inform current and prospective learners of credit transfer arrangements and potential credit pathways?

5.3. Strengthening learner experience and outcomes through collaboration

As learners undertake individual pathways between VET and higher education, there are opportunities to develop cross-sector relationships between providers and build on the complementary strengths of each sector. The VET and higher education sectors have different purposes and strengths which contribute to the overarching tertiary education system. These strengths could be drawn on through collaboration to elevate the system performance, opening new qualification models that better respond to national and regional skills needs, build graduate employability skills, and provide alternative options that could widen interest and participation.

The VET sector has strong work-based learning and industry connections, with a focus on developing skills through units of competency (Schmidt et al. 2025). Most apprenticeship and traineeship models are offered in the VET sector, enabling learners to gain work experience and develop employability skills. The VET sector also engages a higher proportion of learners from underrepresented backgrounds, including low SES, First Nations and regional and remote learners, compared with higher education (DoE 2025b, NCVET 2025a). Conversely, the higher education sector plays an important role in developing theory and knowledge, with curriculum highly connected to scholarly practice and in some cases, curriculum is also linked to professional accreditation (Schmidt et al. 2025). Higher education emphasises generalist and transferrable skills, such as critical thinking. When comparing VET and higher education pathways into the same occupation, VET graduates were seen to be more familiar with tools and equipment and able to 'hit the ground running' compared to higher education graduates, who had stronger theoretical, business, management, communication and research skills which could better enable career progression (Wibrow 2022).

Each sector also has its own limitations. Some critiques of competency-based training in the VET sector suggests that the focus on tasks and skills means there are limited opportunities for learners to develop critical thinking skills and understand why decisions are made (Schmidt et al. 2025), whereas for higher education, there are concerns that graduates' theoretical knowledge is not always backed by strong employability and technical skills (Hodge and Knight 2021a). Work in both sectors is underway to address these limitations, such as through greater flexibility to design qualifications around skills and knowledge, rather than just job functions and tasks through VET Qualifications Reform (DEWR 2026). There is also

interest in work-integrated learning and stronger industry connection in higher education, ensuring the complementary strengths of each sector could be drawn upon to address the limitations identified.

Collaboration underway

Many providers are already implementing dual sector and collaborative models. The tertiary system supports several types of dual sector models that draw on elements of both VET and higher education. These dual sector models include:

- dual sector providers registered in both sectors
- qualification pathways incorporating a VET and higher education component, delivered either by a single dual sector provider or through collaboration between a VET and higher education provider
- co-designed and co-delivered offerings
- co-location and shared facilities, which support integration of learning environments and services.

Collaborative qualifications and pathways

Dual awards and credit agreements

The most common dual sector offerings are credit or articulation agreements between VET and higher education providers, though some providers also offer dual awards (also known as integrated, nested or hybrid qualifications). Hodge and Knight (2021a) categorise dual sector pathways into four models – endorsed, consecutive, concurrent and embedded, which differ based on their relative level of integration. The key characteristics are described in Figure 10 below.

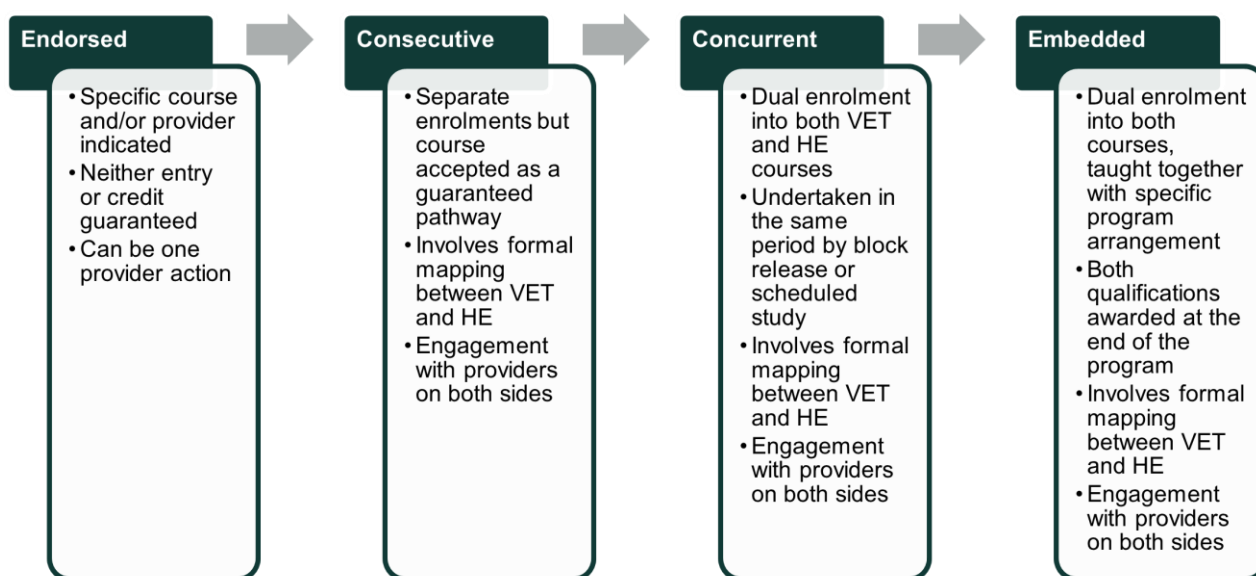


Figure 10: Typology of Integrated Qualifications - adapted from Hodge and Knight 2021a

Endorsed models include supported pathways between specific qualifications, but do not guarantee entry or credit. These models also do not rely on agreements between providers.

Consecutive models on the other hand, are formal agreements between providers where one qualification is completed prior to starting the other and includes specified credit and generally guaranteed entry.

Concurrent and embedded study involve dual enrolment into both VET and higher education courses, and undertaken within the same period, though concurrent courses are undertaken by block release or scheduled study, whereas embedded courses are taught with a specific program arrangement

Consecutive models are the most common, with many providers developing cross-sector articulation or credit agreements with other providers, or internally. Flinders University and TAFE South Australia, for

example, have a wide range of agreements, including dual offers (see the case study below). These agreements are negotiated between providers and allow for standardised credit for learners transferring from one course to another, provided they meet the relevant entry requirements. Whilst models could be developed moving from higher education into VET, in practice these pathways seem mostly to flow from VET to higher education. There are very limited examples of formal higher education to VET credit pathways, despite many learners transitioning between the sectors in this direction. This suggests there are challenges in developing consistent and scalable formal models from higher education into VET.

Case Study - Flinders University and TAFE SA Dual Offers

Flinders University and TAFE SA provide students with an opportunity to apply to both institutions at the same time through their dual offer courses. Dual offers are available in key areas of skills shortage, including nursing, community services, and engineering.

Students start by studying a VET qualification at TAFE SA and are guaranteed a place at Flinders University upon completion of their VET qualification. Students receive credit for the VET qualification into their higher education studies, reducing the amount of time studying where there are overlaps in learning.

Students graduate with two qualifications, which can increase their employability. It allows students to learn practical, technical skills through VET whilst also benefiting from the theoretical knowledge gained through higher education.

Some pathways also enable learners to begin their study at regional TAFE SA campuses closer to home, supporting access for regional learners (Flinders University 2026).

Concurrent and embedded awards are less common. These models allow learners to graduate with both a VET and a higher education qualification and involve dual enrolment in both qualifications, or guaranteed pathways between them. Dual awards, particularly concurrent and embedded awards, are infrequently used, as they are difficult to establish and sustain (Hodge and Knight 2021a). However, a few providers currently offer dual awards, for example, TAFE SA and Flinders University have offered a dual award in creative arts since 2014, which allows students to concurrently study a Bachelor of Creative Arts and VET diploma in different creative arts disciplines, such as costume design (Gander and Bouvet 2023).

Higher-level apprenticeships

While not a model that necessarily requires collaboration between providers, higher-level apprenticeships (broadly defined as apprenticeship qualifications at AQF Levels 5-8) are an area where the VET and higher education sectors are learning from each other. Higher-level apprenticeships – offered by both VET and higher education providers – draw on the apprenticeship and traineeship model used in the VET sector for trades qualifications such as electricians. As of March 2025, diploma and advanced diploma apprenticeships account for 3.7% of apprentices in training (NCVER 2025a).

Apprenticeships combine work-based learning with structured formal study, resulting in a learner earning a qualification (DEWR 2025). Currently, only VET qualifications are officially recognised nationally as Australian Apprenticeships with Certificates IIIs and IVs the most commonly used qualifications (DEWR 2025). State and territory governments determine which specific qualifications can be undertaken as apprenticeships or traineeships under their legislative frameworks – which has implications for the incentives and support available. These vary significantly across jurisdictions (DEWR 2024a). Recent changes to South Australia's legislative framework have allowed for apprenticeships to be delivered in higher education, allowing for delivery of a degree apprenticeship pilot program (South Australian Skills Commission 2025). The use of apprenticeships also varies by occupations, with some being more prominent pathways than others. For instance, apprenticeships remain the primary pathway for electricians and plumbers (JSA 2025b).

In some jurisdictions, work is underway to expand higher-level apprenticeship offerings in the higher education sector. New models are emerging at AQF level 7, where bachelor degrees are combined with an employer training arrangement. The recently introduced qualification type, the Vocational Degree, is intended to be the basis of higher-level degree apprenticeships in the VET sector.

So far, these degree-level models are only in their infancy, with Adelaide University's (formerly University of South Australia's) degree apprenticeship pilot only commencing in 2024, with the first learners in the five-year program due to graduate at the end of 2028. Similarly, the Vocational Degree qualification type was only introduced to the AQF in February 2025, and will take time to design, accredit and deliver. Early experiences and interest are promising (Powell 2025; AUSMASA 2025), but it will take several years to understand the outcomes for learners in Australia.

Some providers are also offering dual award higher-level apprenticeships, whereby learners undertake a VET higher apprenticeship and receive credit into a higher education degree, continuing under the apprenticeship model and graduating with both qualifications. This enables the initial part of the program to be delivered under an apprenticeship framework, allowing apprentices and employers access to incentives and supports that are not currently available to learners undertaking only a higher education degree.

Case study – RMIT's dual award degree apprenticeship

RMIT's dual-sector degree apprenticeship in mechanical engineering, enables learners to graduate with both a VET Advanced Diploma of Engineering (Mechanical) and a Bachelor of Engineering (Mechanical Engineering) (Honours) over five years. Learners are employed as trainee engineers for the duration of the program, spending around 40% of their time studying and 60% working with their employer. The first cohort of 12 apprentices, supported by five participating employers, commenced in March 2025.

Work to support the development of higher-level apprenticeships is underway through TAFE Centres of Excellence, delivered under the National Skills Agreement. An additional \$9.6 million was provided through the Employment White Paper Turbocharging measure to support enabling work for higher-level apprenticeships (DEWR 2025d).

Reflecting growing interest in this area, the Skills and Workforce Ministerial Council established the Higher-Level Apprenticeship Working Group in September 2024 to explore options that support scalable, sustainable and high-quality AQF 5-8 apprenticeship pathways offered by VET and higher education providers. The Working Group is considering issues relevant to building a nationally coordinated approach including definitions and terminology, governance arrangements, funding and incentives, and workplace relations, and will report to Ministers by June 2026.

Q7 What does the VET sector do well that you would like to see adopted in higher education? What does the higher education sector do well that could be applied to VET?

Benefits of dual sector models

Scaffolding engagement into higher-level qualifications

As noted in sections 5.1 and 5.2, VET to higher education pathways play an important role in widening access for underrepresented cohorts. For regional learners, the wider geographical distribution of VET providers compared to higher education providers suggests that VET to university pathways can play a more important role in widening access (Curtis 2011). These pathways enable learners to begin study with a local provider first and then receive credit into higher education. Making such pathways more consistent across the system could strengthen connections between the sectors more broadly. Employers also note that in occupations where both VET and higher education qualifications are used, diploma-to-degree pathways allow learners to upskill in higher education, while remaining employed and gaining industry experience (Wibrow 2022).

Dual pathways can also provide learners with the option to exit early with a VET qualification, offering formal recognition they might otherwise not receive beyond a transcript of units completed. Nested or exit qualifications can help those exiting early have their study recognised and can attract learners by offering a structured entry point into higher education (Hodge and Knight 2021a).

Cost is a key barrier to tertiary education, including the cost of fees and the opportunity cost of study compared to work. These burdens are often greater for learners from lower socio-economic backgrounds. Higher-level apprenticeships can provide a way to reduce the financial disincentives associated with degree-level study, while giving learners experience in their field for much longer than their equivalent graduates. Higher-level apprenticeships may encourage participation in diploma- and bachelor-level qualifications. Many learners work part- or full-time while studying due to financial necessity (Brosnan et al. 2023), and higher-level apprenticeships provide a structured way to combine the two.

These new models may also entice young people to engage with tertiary education and work. In 2025, 8% of young people aged 15-24 years were not engaged in work or study (ABS 2025). Longer periods of disengagement are associated with poorer outcomes, such as long-term unemployment, underemployment and insecure work (Dawkins et al. 2020). Analysis of LSAY data showed that although females were more likely to experience persistent periods of NEET from age 15-24, in that period they were generally engaging in home duties or looking after children – choosing to be not in the labour force. On the other hand, male respondents were less likely to experience periods of NEET but were more likely to be unemployed (Stanwick 2017).

Degree apprenticeships, and other work-integrated learning models such as cadetships, may be particularly helpful in re-engaging young men. Young men from low socio-economic status backgrounds tend to be more interested in apprenticeships and traineeships due to the possibility of greater earnings at a younger age (Stahl et al. 2025). These models could also support young people to join the 'job ladder' in their desired career, offering them a way to build experience, earn money and study at the same time – which may help young people to overcome the potential negative impacts of experiencing persistent NEET (Dawkins et al. 2020).

Apprentices and trainees are likely to earn more, have higher rates of full-time employment, and report higher levels of job satisfaction than other groups at age 25 (Hurley et al. 2021). Compared to general VET students, apprentices and trainees tend to have better completion rates in their field of education (JSA 2025b). At the same time, low wages during training are a commonly cited concern and can deter learners from entering apprenticeships (DEWR 2024b). These low wages can affect living conditions, job satisfaction and attrition, although wage outcomes upon completion are relatively high (DEWR 2024b).

While earnings associated with higher-level apprenticeships could help widen participation, experience in the United Kingdom does not show strong gains in widening participation through degree apprenticeships. The socio-economic background of degree apprenticeship learners is similar to that of higher education learners generally, whereas traditional apprenticeships attract more learners from communities with lower participation in tertiary education (Cullinane and Doherty 2020). One of the barriers identified is that degree apprenticeships have high academic entry requirements and additional application and interview processes, where employers note disadvantaged learners may be less competitive (Cullinane and Doherty 2020). High demand from learners compared to the places available amongst employers mean employers can afford to be selective, which can further limit opportunity for disadvantaged learners who are less likely to have the support in preparing applications or have as high academic results (Cullinane and Doherty 2020). This suggests that if similar models were scaled in Australia, targeted support, such as interview preparation and application assistance, could help engage learners from underrepresented cohorts in these opportunities.

Filling the gaps between theory and practice

Learners could benefit from dual sector models that combine technical and transferable skills to build contemporary skills and knowledge. While employers report high overall satisfaction with their higher education graduates – with direct supervisors' overall satisfaction rated at 85.5% in the 2024 Employer Satisfaction Survey (QILT 2025), employability skills such as working under pressure and leadership and management skills, were rated the lowest. Employability skills were also the most likely to be identified as areas in which the qualification could be improved, identified by 38.2% of supervisors. JSA analysis on skills shortages has found that suitability gaps – where applicants hold the required qualifications but lack job-specific or contextual skills – were mostly seen in engineering roles in the professionals major occupation group (JSA 2025b).

Some concerns have been raised about individual higher education graduates having a gap between theory and practice (Whannell et al. 2015), and at an industry-wide level, with a growing need for higher-skilled

technicians in sectors such as manufacturing (NCVER 2019). Work-integrated learning models, including apprenticeships, placements, internships and cadetships, is a mechanism to build these employability skills (Wheeldon et al. 2023). Students who undertake high-quality work-integrated learning opportunities can gain more skills and knowledge for their profession and is an important way to students to connect with industry (Wheeldon et al. 2023). More broadly, industry engagement can help ensure students are best prepared for their career. Industry engagement is a strength of the VET sector, with training packages designed with significant industry involvement through Jobs and Skills Councils (JSA 2025d). In higher education, partnerships are more individualised, with greater opportunity for growth.

The Higher-Level Apprenticeships Working Group – whose membership comprises skills and higher education senior officials from Commonwealth and state and territory governments – is working to meet this demand through exploring options to allow students in higher level qualifications to benefit from accessing an apprenticeship model. Combining VET and higher education components in higher-level apprenticeships could help address these gaps by better integrating generalist and technical skills (NCVER 2019). In some industries, dual-qualified workers or qualifications offering higher-level technical skills – such as Vocational Degrees in the mining sector – may provide additional benefits (AUSMASA 2025). These models are not suited to every industry and would likely be niche offerings where there is genuine demand and recognition by employers (Hodge and Knight 2021a).

Barriers to developing collaborative models

Despite the potential benefits of dual sector and collaborative models in supporting a more joined-up tertiary system, these are likely to remain niche offerings as they are difficult to scale and sustain. Hodge and Knight (2021a) found that many of the most highly integrated models had been discontinued, a pattern reflected in internal reviews. Many of the existing offerings have small numbers of learners. For example, the first cohort of the software engineering degree apprenticeships comprised only 13 enrolments (University of South Australia 2024).

Difficulties mapping two distinct languages

Dual awards and credit agreements require comprehensive mapping to ensure all learning outcomes are covered, which can be incredibly resource intensive. The distinct structure of VET and higher education amplifies these difficulties, with a lack of common measure for knowledge and skills between higher education course content and VET training packages (Whannell et al. 2015; Hodge and Knight 2021a; Gonski and Shergold 2021). Hodge and Knight (2021a) note that providers often describe the mapping process as the ‘translation’ of distinct educational ‘languages’.

These awards are not ‘set and forget’, and require ongoing monitoring, mapping and renewal as qualifications are updated. Training package changes, which update VET qualifications, can necessitate new mapping for credit agreements (Ithaca Group 2018). This can impact the sustainability of integrated models – particularly the more tightly integrated ones (Hodge and Knight 2021a). Mapping can be an ‘expensive and exhaustive process’ (Hodge and Knight 2021a), and providers may lack the capacity to maintain the cooperative work required (Whannell et al. 2015).

Pressure on staff time and resources has also been identified as an obstacle to the development of these dual awards (Gander and Bouvet 2023). Staff note there is great work in developing these awards and other articulation agreements, with extensive negotiation, monitoring and mapping (Ithaca Group 2018). Staff involved need to have a strong understanding of both the VET and higher education sectors to help support the development, delivery and maintenance of dual awards (Hodge and Knight 2021a). Ensuring appropriate resources and support for staff engaged in this work is important in enabling success.

Maintaining long-term relationships between providers

Strong, enduring relationships between providers are also fundamental to the development of partnerships, with longer term sustainability limited by staff turnover, as trust and collaboration are important (Hodge and Knight 2021a). The most sustainable models are underpinned by strong, long-standing partnerships built on mutual respect and support (Ithaca Report 2018; Hodge and Knight 2021a).

A lack of institutional support can also pose challenges, particularly when staff not directly involved in the collaboration hold negative views of the other sector – particularly noted amongst those working for higher education providers (Hodge and Knight 2021a).

Individual staff are important in the maintenance of relationships between providers. However, there may not be dedicated staff available to maintain the pathway, with many staff working on top of their existing duties to maintain partnerships (Hodge and Knight 2021a). Shortages in the VET workforce are well-recognised, with RTOs competing with industry for their workforces as demand for VET teachers grows (JSA 2024d). As such, these additional pressures to support mapping and collaboration may be heavily felt by staff in an already constrained VET workforce.

Learner understanding and engagement

Learner understanding of emerging qualification models may be quite limited as well, particularly for high-integration models. The lack of parity of esteem between VET and higher education remains an underlying challenge. As noted in section 5.1, learners' understanding of the VET sector is relatively limited, while higher education is often viewed as the preferred pathway due to negative cultural perceptions of VET (Parliament of Australia 2024). As a result, learners attracted to higher education may not perceive the benefits of dual awards or higher-level apprenticeships in the context of these cultural influences (NCVER 2019).

The VET and higher education sectors function as distinct markets, making it difficult to determine which market to target these dual sector qualifications towards (Hodge and Knight 2021b). More broadly, learners – particularly young people with limited industry experience – will not necessarily understand the benefits of undertaking a dual award in comparison to a more well-known qualification.

More sustainable models recognise the need to scaffold learners as they transition between the sectors, for instance, by providing supporting resources for learners moving from VET to higher education (Hodge and Knight 2021a). Learners who enter higher education in the second year when receiving a year of credit for a VET diploma may miss out on the support typically provided to first-year learners by the institution, such as academic skills development for research and referencing, and introductions to online systems (Ambrose et al. 2013).

Need for significant engagement from industry and employers

Depending on the industry, collaborative models have different viability. Dual sector qualifications are likely to be the most sustainable where both VET and higher education provide pathways into an occupation and or industry, and where strong cross-sector connections already exist (Wheelahan et al. 2015). Where there are existing pathways between sectors, collaborative models may work well (Wheelahan et al. 2015). In comparison, industries where there are more limited pathways between sectors, such as in electrical engineering, serviced by VET-trained electricians and higher education-trained engineers, there are fewer opportunities for sustainable collaborative models. Sustainability is also more likely where both qualifications are well recognised and valued by industry (Hodge and Knight 2021a).

Work-integrated learning – including through apprenticeships – requires capacity and willingness from employers to offer placements and host learners. Although the demand for students to undertake WIL has increased over recent years, the number of quality placements on offer has not grown to meet this demand (Jackson 2024). The burden on professional and academic staff in matching students to the few available placements and ensuring that students are prepared for placements - often in addition to other work can make the workload significant on staff involved in work-integrated learning (Wheeldon et al. 2023). These issues can lead to staff burnout, particularly where competition for placements is high (Wheeldon et al. 2023).

Work-integrated learning is just one such example, though similar concerns are likely to apply to the additional burden on professional and academic staff involved in developing and maintaining innovative qualification models where additional resources are not given. Employers interested in the benefits of work-integrated learning and other collaborative models need to be engaged in offering placements and working with providers, otherwise scaling is not possible. It is important to acknowledge the high prevalence of small

to medium-sized enterprises in Australia, which have less capacity for engagement (Jackson 2024). As such, this may further constrain the ability of industry-linked models to be sustained and scaled, meaning that new models may remain relatively niche.

Beyond qualifications: other dual sector models

Qualifications are not the only kind of dual sector model. Dual sector providers as well as co-location and shared facilities are other mechanisms to build on the strengths of both sectors. These models can also help overcome some of the barriers to developing collaborative or dual sector qualifications. Some of the more sustainable dual sector qualifications are associated with co-located campuses; where it may be easier for dual sector providers to develop and sustain these models as they do not need to negotiate with another institution.

Dual sector providers

Dual sector providers are those registered in both the VET and higher education sectors. Six universities are considered dual sector universities as they have substantial load in both the VET and higher education sectors. These are Charles Darwin University and Central Queensland University, and four Victorian dual sector universities that are also considered TAFEs: Federation University, RMIT University, Swinburne University of Technology, and Victoria University. Four of these originated as vocational education institutions and retained their VET programs, unlike some institutions that also developed from vocational institutions and transitioned into single sector higher education providers (Moodie 2008).

A further eight universities are also registered in the VET sector, though are not considered dual sector universities due to the limited scope of their VET offerings. Many TAFEs and private providers are also registered in both sectors, with some holding limited self-accrediting authority to develop and accredit higher education qualifications (ASQA and TEQSA 2025). Some universities also have associated colleges which offer VET courses, such as The College at Western associated with Western Sydney University (Western Sydney University 2025).

Dual sector providers are well-positioned to develop dual sector qualifications and pathways, as these can be designed internally without reliance on cross-provider relationships. While strong relationships across teams remain important, operating within one institution can reduce financial competition compared to partnerships with another institution. Dual sector providers may also benefit from having knowledge of both sectors within a single institution though ensuring this expertise is shared across VET and higher education divisions is important, as providers and staff that focus on each sector often have limited understanding of the other sector.

ASQA and TEQSA recently released their Dual Sector Regulatory Strategy, which identifies opportunities to reduce duplication and streamline regulation for providers registered in both sectors, with implementation underway (ASQA and TEQSA 2025). This includes improving information sharing and collaboration between the agencies; optimising the alignment of regulatory processes and evidence requirements where practical; and supporting providers to strengthen governance and responsiveness to industry needs (ASQA and TEQSA 2025).

Co-location and shared facilities

Another method of cross-sector collaboration is in the co-location of campuses and shared facilities. These arrangements enable higher education and VET providers to share facilities, resources and specialist infrastructure, supporting innovative approaches to teaching and learning. Co-located institutions can also foster collaboration between learners, educators, and industry partners, and support continuous learning and career development through co-located services.

In regional areas, co-location can create focal points for local industry, contributing to the economic base of regional communities (Victorian TAFE Association 2019). Regional and Suburban University Study Hubs also support both VET and higher education learners by providing shared learning spaces and on-site advisors (DoE 2025a). These hubs present opportunities to further promote cross-sector collaboration at the local level.

- Q8** What are the challenges in developing and sustaining innovative qualifications, pathways and practices that span across the VET and higher education sectors? What does each sector need from government(s) to support their development and sustainability?
- Q9** In which geographical locations, fields of education, industries or occupations would dual sector models be best suited? What are examples of work underway?

6. Next steps

6.1. Towards a Tertiary Roadmap

The Tertiary Roadmap is intended to set out an ambitious but achievable shared agenda to realise a more joined-up tertiary education system. It is only through a shared agenda between the ‘system actors’ – Commonwealth, State and Territory governments, tertiary education providers, unions, employers, business groups, jobs and skills councils and accrediting bodies – that the benefits of the strategic alignment of VET and higher education be achieved.

Development of the Roadmap will be guided by a Tertiary System Advisory Council (the Council), announced by Ministers the Hon Jason Clare MP and the Hon Amanda Rishworth MP on 19 August 2025. The Council is comprised of representatives from the Commonwealth, states and territories, business, unions, and the VET and higher education sectors.

Through the Roadmap, the ATEC will identify the next steps to better support students to move into and between the VET and higher education sectors, and ensure the tertiary system is set up to help learners gain the skills and qualifications that match current and future workforce needs.

The Roadmap is intended to build on the work already underway across the Commonwealth, state and territory governments, tertiary providers and industry which is addressing moves towards a more joined-up tertiary system – one that recognises the distinct strengths of both the VET and higher education sectors and fosters greater collaboration. In developing the Roadmap, ATEC will map out clear and practical actions over the short, medium and longer term and identify the system actors responsible for delivering them.

Possible early priorities of the Roadmap have already been outlined in JSA’s report *Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap*. These include current and future work on a national credit transfer system; guidelines on nested and hybrid qualifications; and establishing an innovation fund. Medium- and longer-term priorities may include reform to the AQF, creation of a national data asset, and establishing principles for tertiary education funding.

Alongside engagement with the Council, ATEC will also undertake broader consultation process with stakeholders to inform development of the Tertiary Roadmap, including seeking public submissions on the issues raised in this discussion paper. A final Roadmap is expected to be prepared in 2026 for government consideration.

6.2. Potential Reform Opportunities

The importance of a more joined-up tertiary system has increasingly been identified in the findings of recent reports and reviews. This includes JSA’s report *Towards a Tertiary Harmonisation Roadmap*, the *Australian Universities Accord*, the House of Representatives Inquiry into the Perceptions and Status of VET and the Productivity Commission’s final report for its inquiry *Building a Skilled and Adaptable Workforce*, among others. Together, they call for a more joined-up tertiary system, setting out potential opportunities for reform which build upon the foundations set by work already underway.

The potential reform opportunities outlined below are being explored for inclusion in the Tertiary Roadmap. These are examples provided for discussion and this list is not intended to be exhaustive.

Entering the tertiary system

- Build on existing digital resources and guidance centres to help learners and their supporters to better understand and engage with offerings across the whole tertiary system, rather than a single sector.
- Support learners to access tertiary education by addressing barriers such as the cost and location of study, and by expanding support services and preparatory programs for underrepresented cohorts.

Transitioning between VET and higher education

- Explore options to make credit recognition arrangements and reporting more consistent and transparent.
- Work to enhance the accessibility, quality and efficiency of credit transfer and RPL assessments by supporting providers implement best-practice processes.

Drawing on the strengths of both sectors to enhance learner experience

- Encourage the development and scaling of dual sector models and collaborative projects to improve learner experience and outcomes.
- Embed tertiary harmonisation within system architecture to better enable innovation and collaboration.
- Develop innovative offerings that respond to the needs of different local areas and industries, and that support strong cross-sector partnerships and investment.
- Support learners in transitioning from tertiary education into work, including through improved work experience and skills development opportunities.

6.3. List of discussion questions

Stakeholders are invited to respond to the discussion questions and provide feedback on these reform opportunities. This includes considering whether there are any gaps or additional reform options, focusing on the feasible opportunities that can make the highest impact.

Entering the tertiary system

- Q1** What actions will be most effective for ensuring that learners are better informed of the depth and range of course offerings and occupations when deciding on career options and tertiary education pathways?
- Q2** What are the tangible actions that can be achieved through the Roadmap to support parity of esteem between the VET and higher education sectors?
- Q3** Noting fiscal constraints, how could existing funding settings and incentives be better aligned to support learner choice and labour market outcomes across VET and higher education?

Transitioning between VET and higher education

- Q4** What are examples of effective transitions, particularly for learners from underrepresented backgrounds? How can these be strengthened across the system?
- Q5** What support arrangements are currently available for VET and higher education learners to assist with moving between the sectors and to ensure they can succeed?
- Q6** What can VET and higher education providers do to better inform current and prospective learners of credit recognition arrangements and pathways?

Drawing on the strengths of both sectors to enhance learner experience

- Q7** What does the VET sector do well that you would like to see adopted in higher education? What does the higher education sector do well that could be applied to VET?

- Q8** What are the challenges in developing and sustaining innovative qualifications, pathways and practices that span across the VET and higher education sectors? What does each sector need from government(s) to support their development and sustainability?
- Q9** In which geographical locations, fields of education, industries or occupations would dual sector models be best suited? What are examples of work underway?

Overarching reform directions

- Q10** What does an ideal joined-up tertiary system look like?
- Q11** Which reform opportunities should be prioritised and why? Which ones are likely to have the highest-impact? Are there any gaps that should be considered?
- Q12** What opportunities are there to improve Australia's data and information systems to better support learner pathways and outcome measurement across VET and higher education?

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