



Microcredentials Pilot in Higher Education: Frequently Asked Questions

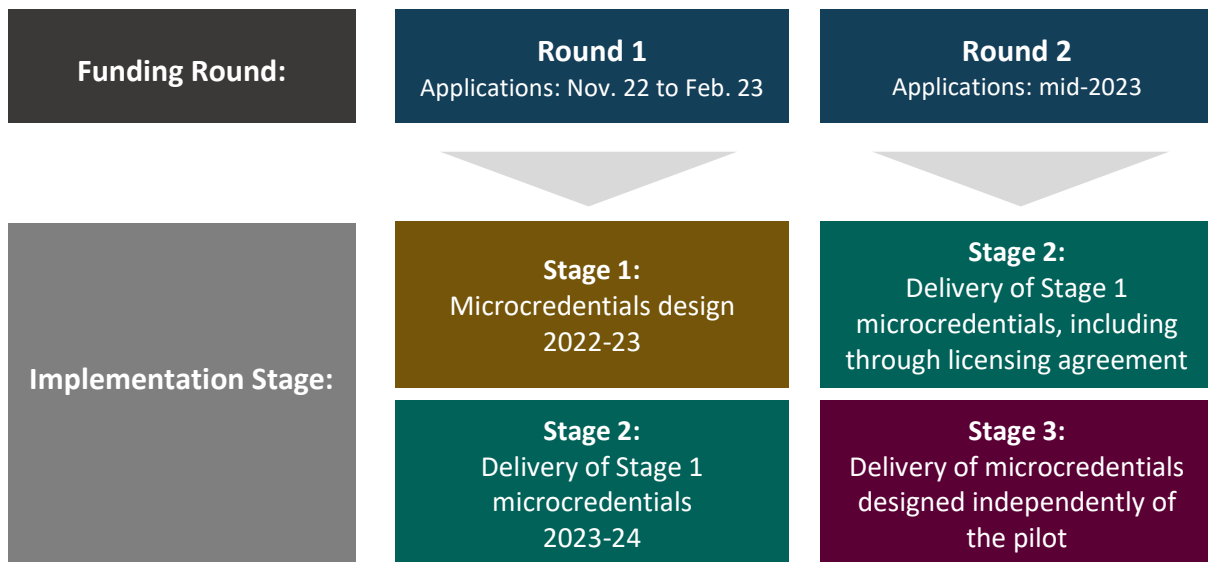
How are microcredentials defined in the pilot?

In the Microcredentials Pilot in Higher Education (the pilot), the Australian Government is testing the design and delivery of microcredentials as defined in the *Higher Education Support Act 2003* (HESA). Microcredentials funded under the pilot must meet specific requirements outlined in the [FEE-HELP Guidelines 2017 \(legislation.gov.au\)](#) and satisfy conditions in Part 12 of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#).

How will the pilot be delivered?

The pilot will be administered through annual Funding rounds to award grants for a series of implementation Stages, the figure below details the first two rounds.

Figure 1: Microcredentials Pilot in Higher Education Funding Rounds and Implementation Stages



Who is eligible for funding in each round?

Round 1

Table A providers specified under subsection 16-15(1) of HESA are eligible to apply for Round 1. In Round 1, a Table A provider must apply for funding to both design a microcredential (Stage 1) and to deliver the same microcredential (Stage 2).

Round 2

All higher education providers (providers) under HESA may apply for funding from Round 2. This includes Table A, Table B, Table C and non-university higher education providers. Round 2 includes grants to deliver microcredentials (Stage 2 and Stage 3). Providers may apply for one or both Stages in separate applications.

What is involved in each of the Stages and how is the grant funding calculated?

Grants to support design of microcredentials: Stage 1

Stage 1: Grant activities

A Stage 1 Grant is provided to fund the design of a microcredential. Microcredentials designed in Stage 1 must meet the requirements outlined in the [FEE-HELP Guidelines 2017 \(legislation.gov.au\)](https://legislation.gov.au/ulgi/2017/0001/0001) and satisfy relevant conditions in Part 12 of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](https://legislation.gov.au/ulgi/2022/0001/0001).

Stage 1: Grant funding

A Stage 1 Grant will be determined based on the scope of work to be undertaken to design a microcredential. The amount of the grant will be determined in writing by the Minister, with a maximum grant amount of \$100,000 per microcredential. Applications for Stage 1 Grants will be subject to a range of selection criteria which include value for money.

Grants to support the delivery of microcredentials: Stage 2 and Stage 3

Stage 2: Grant activities

A Stage 2 Grant will provide funding for the delivery of a microcredential designed in Stage 1.

Stage 3: Grant activities

A Stage 3 Grant provides funding for the delivery of a microcredential that has been designed independently of the pilot, and that meets the relevant requirements outlined in the [FEE-HELP Guidelines 2017 \(legislation.gov.au\)](https://legislation.gov.au/ulgi/2017/0001/0001) and Part 12 of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](https://legislation.gov.au/ulgi/2022/0001/0001).

Stage 2 and Stage 3: Grant funding

Grants to support the delivery of microcredentials (Stage 2 and Stage 3) will be paid following confirmation of student enrolments after the census date of each microcredential offering. This payment will be for the entire microcredential course.

The total amount of delivery funding a provider will receive under Stage 2 or Stage 3 is calculated using the formula in subsection 77(2) of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#), which has been extracted below.

$$G = CP \times EV \times EN$$

Where:

G is the grant funding amount for recipients delivering microcredentials in Stage 2 or Stage 3.

CP is the Commonwealth payment as set out in the third column in the table in subsection 77(2) of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#) for the funding clusters specified in the second column of that table.

EV is the Equivalent Full-Time Student Load (EFTSL) value of the microcredential.

EN is either:

- a) the number of students actually enrolled in microcredentials with the provider immediately after the census date; or
- b) if the Minister has specified a maximum number of students for which the provider can receive funding under Stage 2 and Stage 3 in writing under subsection 41-25(2) of HESA, the lesser of:
 - i. the number of students actually enrolled in microcredentials with the provider immediately after the census date; and
 - ii. the maximum number of students specified by the Minister in writing for which the provider can receive funding under Stage 2 and Stage 3.

For example, a provider delivering a microcredential in Allied Health (in funding cluster 2) of 0.25 EFTSL to a single student would receive \$3,459.

The maximum number of students a provider may enrol under Stage 2 or Stage 3 may be specified in the Conditions of Grant imposed by the Minister or his delegate. Any maximum number specified will take into account the estimates of total student enrolments provided in the application.

Can microcredentials consist of smaller units or parts?

A microcredential designed and delivered under the pilot may consist of one or more units of study, provided that the microcredential still meets the requirements specified in HESA and the [FEE-HELP Guidelines 2017 \(legislation.gov.au\)](#).

Under the pilot, the microcredential must have one census date for enrolment, and the student must only need to enrol once for the microcredential. Importantly, if providers choose to create a microcredential by combining one or more component units they must equate to a minimum value of 0.25 EFTSL and a maximum value of 0.49 EFTSL.

Any provider that offers a microcredential consisting of one or more component units under the pilot should note that grant payments are not made in relation to students' completion of component units. Grants to support the delivery of a microcredential (Stage 2 and Stage 3) will be paid following confirmation of student enrolments after the census date of each microcredential offering. This payment will be for the entire microcredential.

How can delivery grants be used?

Stage 2 and Stage 3 grants will be paid by the Commonwealth to support the costs of delivering a microcredential under the pilot. They do not include student tuition fees.

The specific costs a provider may encounter delivering a microcredential will vary and are dependent on the nature of the microcredential. For instance, eligible grant activities may include staff salaries, IT costs to update and deliver the microcredential in the learning management system, costs associated with accessing teaching materials, specialist equipment costs, and costs necessary to facilitate industry co-delivery.

Grant funding must not be used in relation to capital works, general purpose equipment such as computers, loans, or litigation.

Will there be student tuition fees for microcredentials?

Providers have discretion over whether they charge students tuition fees for microcredentials delivered under the pilot, provided they do not exceed the maximum amount determined using the formula in subsection 76(9) of the [Higher Education Support \(Other Grants\) Guidelines 2022](#) ([legislation.gov.au](#)).

Can students access FEE-HELP for microcredentials?

The [Education Legislation Amendment \(2022 Measures No 1\) Act 2022](#) has amended HESA to enable students studying microcredentials to be eligible for FEE-HELP assistance. The Government will test the benefits of extending FEE-HELP to students undertaking microcredentials, including whether it increases the participation of historically underrepresented groups in higher education.

For the moment, FEE-HELP will only be available to students enrolled in microcredentials funded under the pilot.

What is FEE-HELP?

FEE-HELP assistance allows eligible students at a university or an approved higher education provider to defer their upfront tuition costs for a unit of study where they are not a Commonwealth supported student. More information on FEE-HELP can be found [here](#).

Are there minimum or maximum student enrolment numbers supported by grant funding?

There is no minimum number of student enrolments. The maximum number of enrolments that can be supported by delivery grants (Stage 2 and Stage 3) will be influenced by several factors including the number of applications received in the relevant Funding Round, and the microcredentials' EFTSL value and funding cluster rate. Any estimate of cohort size will be based on multiple assumptions. The Department of Education (the department) can offer an indicative maximum grant for delivery in the range of 20–30 students per microcredential per provider in Round 1, assuming 20 microcredentials are funded under the pilot.

Once a microcredential has been approved for grant funding under the pilot, the department will work with the provider to finalise the maximum number of students that the provider can enrol in the microcredential via Conditions of Grant. This will determine the grant amounts for Stage 1. Final delivery funding for Stages 2 and 3 will be based on the formula in subsection 76(9) of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](https://www.legislation.gov.au/australian-qualifications-framework-guidelines-2022) with reference to the number of students enrolled in the microcredential after the census date, up to any amount set out in the Conditions of Grant.

Although the number of student enrolments supported by delivery funding is finite and dependent on multiple factors, the total number of student enrolments is uncapped. Providers may enrol students in excess any maximum number stipulated in the Conditions of Grant, noting that they will not receive the delivery grant funds for those enrolments but may continue to collect any relevant student fees.

Are there target learners for microcredentials?

There is no target learner for microcredentials delivered under the pilot.

The pilot will evaluate students' uptake and benefit of taking microcredentials across a range of cohorts. Therefore, microcredentials funded under the pilot may target a variety of student cohorts including at undergraduate or postgraduate levels, noting they must be assessable for credit towards an Australian Qualifications Framework (AQF) qualification.

When can microcredentials be delivered?

Funding terms for grants to support the delivery of microcredentials (Stage 2 and Stage 3) are based on the relevant financial year. For instance, in Round 1, providers may deliver microcredentials from 1 July 2023, through to 30 June 2024.

Does a microcredential need to be delivered in a semester structure?

Microcredentials can be delivered flexibly throughout their relevant funding term. This includes across semesters, trimesters, or calendar years.

Can a microcredential be delivered part-time?

Under the pilot, providers may offer microcredentials to students on a part-time basis, provided they complete delivery in the funding term which for which providers receive a grant.

Will providers be able to apply for multiple rounds of funding?

Funding for the pilot is available from 2022-23 to 2025-26. The department will run an annual funding round each financial year. Providers may apply for multiple funding rounds. This includes for continuing the delivery of microcredentials which have received funding under the pilot.

What is the national priority requirement?

Subsection 76(8) of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#) provides that microcredentials designed and delivered under the pilot must be in an area of national priority determined by the Minister (or his delegate) in writing under subsection 41-25(2) of HESA.

As microcredentials offer shorter and more targeted forms of learning, testing their application in relation to areas of national priority is an important component of the pilot.

What are the areas of national priority?

The national priority areas below were identified for Round 1 following departmental consultation with Jobs and Skills Australia and consideration of the [Skills Priority List](#). They are defined by [Australian Standard Classification of Education \(ASCED\) field of education](#). The national priority areas for each provider's microcredential will be specified in the Conditions of Grant imposed by the Minister or his delegate.

Table 1: Fields of National Priority, Round 1

ASCED Code	Description
01	Natural and Physical Sciences
02	Information Technology
03	Engineering and Related Technologies
06	Health
07	Education
0907	Behavioural Science

The department will review the areas of national priority included under the pilot annually, noting that the areas identified for each round will be retained throughout the duration of the pilot. This delivers certainty to providers and students, while allowing for the timely addition of emerging areas as the pilot progresses.

Will microcredentials that target specific occupations be prioritised?

During the application assessment, microcredentials that target occupations classified as "in shortage", including in shortage in regional areas, in the most recent Skills Priority List will receive additional weighting.

What are the industry endorsement requirements?

Stage 1

As per subsection 76(4) of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#), a Table A provider in receipt of a Stage 1 grant must demonstrate that their microcredential is endorsed by relevant industry partners or professional bodies. To this end, in their application for Round 1, Table A providers are required to indicate that they will provide a signed

letter of industry endorsement as part of their milestone report. Any letters of support must be submitted to the department as part of the Report on the outcomes of Stage 1 funding regarding the design of microcredentials.

‘Endorsement’ for the purpose of the pilot means industry or professional body support for the development of the microcredential, including its content and learning outcomes. Under the pilot, industry ‘endorsement’ is narrower and distinguished from industry ‘engagement’. For more information on industry engagement, see *How is industry engagement encouraged and recognised?*

Stage 2

Stage 2 supports the delivery of microcredentials designed under Stage 1, which are already industry endorsed and providers are not obliged to seek additional endorsement.

Stage 3

Stage 3 supports the delivery of microcredentials designed independently of the pilot, providers that optionally provide evidence of industry endorsement or other forms of industry engagement for their microcredential will receive additional credit during the application assessment.

How is industry engagement encouraged and recognised?

Higher education provider-industry engagement refers to partnerships between higher education providers and industry through teaching, learning and research, which provide mutually beneficial exchange of knowledge and resources.

Applicants for all Stages that provide evidence of industry engagement will receive additional credit during the application assessment. This reflects an intended objective of the program to encourage engagement between the higher education sector and industry to improve graduate and workforce outcomes.

Industry partners or professional bodies may engage in the design and/or delivery of funded microcredentials in a range of capacities, including the below:

- Skills definition and consultation on industry skill needs,
- Course design, including facilitating work-integrated learning, as appropriate, and
- Teaching, mentoring and workplace assessment, as appropriate.

What is the digital badge requirement?

As per Chapter 4 in the [FEE-HELP Guidelines 2017 \(legislation.gov.au\)](https://www.legislation.gov.au), microcredentials designed and delivered under the pilot must issue a digital badge to students upon successful completion.

Testing the application of digital badges by higher education providers and their use by students is a component of the pilot. Providers have discretion over their specific implementation of digital badging, such as the standard or platform they use, to meet this requirement under the pilot.

What is a digital badge?

A digital badge is the visual component to a digital certificate of assessed learning. They are verifiable and shareable, allowing students to easily convey their achievements to employers and colleagues with confidence. Digital badges contain detailed metadata regarding their relevant microcredential,

such as the issuing institution, the microcredential course title, learning outcomes, and what the learner did to earn the microcredential.

There are a variety of standards and platforms on which to issue and display digital badges. For example, an open standard for credentialing and issuing digital badges is [Open Badges](#) by 1EdTech.

What is the requirement regarding MicroCred Seeker in Stage 1?

Microcredentials funded for design under Stage 1 are required to be listed on the Government's new MicroCred Seeker website (previously called the Microcredentials Marketplace).

The MicroCred Seeker will provide a nationally consistent platform for students to compare microcredentials against tertiary provider offerings and credit point values. Further information on MicroCred Seeker is available at <https://www.microcredseeker.edu.au>. It will allow providers to link students interested in their microcredentials to their institution's website or delivery platform.

Is there a requirement for online, hybrid, or face-to-face delivery?

Providers may deliver microcredentials under the pilot in any appropriate mode given the nature and outcomes of the microcredential.

What are the licensing requirements for teaching material in Stage 1?

The Government is committed to maximising the benefits from its investment in the development of microcredentials funded under the pilot. Stage 1 providers who receive funding for the design of a microcredential in Round 1 must be willing to share the teaching materials developed as a result of grant funding with other higher education providers via a licensing agreement. This licensing agreement will directly facilitate the delivery of Stage 1 microcredentials under Stage 2 in Round 2 and later rounds.

The terms of the licensing arrangement will be determined by the provider who designed the teaching materials in Stage 1 and owns the IP, consistent with existing IP policies at their institution. The department has developed further guidance on the licensing requirements of the pilot and this is available to eligible providers on request.

How will teaching material licensing work in practice?

Stage 1 applicants who receive funding to design a microcredential must be willing to license the teaching materials to a Stage 2 provider. To facilitate the licensing of teaching materials developed under Stage 1 of the pilot, the department will publish the names of universities and the microcredentials which received grant funding on its website.

Providers funded for design in Stage 1 must be willing to provide in-principal agreement to share teaching materials, under a licence, to successful providers who will deliver microcredentials at Stage 2 in Round 2 and later rounds.

If a Stage 2 provider is interested in delivering a Stage 1 provider's course, then they must seek the in-principle agreement to use the teaching materials from the Stage 1 provider before applying for Round 2 or a later round. This agreement must be provided to the department as evidence with their application for Stage 2 grant funding in Round 2. If this provider is successful for grant funding, the

Stage 1 provider will be expected to license the teaching material to be used by the Stage 2 provider to deliver the microcredential.

The licensing requirements under the pilot are not intended to constitute a [third-party arrangement](#) as defined by Tertiary Education Quality and Standards Agency. The licensing requirements only require universities funded under Stage 1 of the pilot to grant a licence to other higher education providers to access the teaching materials.

Further guidance on the licensing requirements of the pilot can be made available to eligible providers on request.

Does licensing of teaching material apply to Stage 3?

The licensing arrangements only apply to the microcredentials designed as a result of Stage 1 grant funding. There are no licence sharing obligations for the respective grant recipients delivering microcredentials under Stage 3.

What is the difference between a microcredential and a short course?

Under the pilot a microcredential is 0.25 to 0.49 EFSTL. In addition, microcredentials are not recognised as a qualification under the AQF, though the pilot requires that they are recognised for credit toward at least one AQF qualification.

A short course funded by the Government can start at 0.5 EFSTL. It is a recognised qualification under the AQF. Short courses can lead to the award of an Undergraduate Certificate or Graduate Certificate.

Further information on short courses eligible for Government funding is available at [Short courses - Department of Education, Australian Government](#).

How do microcredentials align with Higher Education Awards?

Microcredentials funded under the pilot must be closely aligned to the content and objectives of a Higher Education Award as defined in the [Tertiary Education Quality and Standards Agency Act 2011](#).

The pilot also requires that microcredentials will be assessable for credit towards at least one AQF qualification at the delivering provider.

Is there guidance on designing microcredentials that are assessable for credit?

Universities Australia has published [Guidance for Portability of Australian Microcredentials](#). The guidance delineates three principle-based standards that allow universities to determine the extent of learning of a microcredential.

To ensure microcredentials funded under the pilot are assessable for credit, and students can articulate their learning into further study. It is recommended that higher education providers consider this guidance document.

Are formal partnerships allowed to facilitate the grant activities?

Under the pilot, eligible providers can form partnerships or consortiums to design and deliver microcredentials with industry, professional bodies, or other providers, noting these microcredentials must be closely aligned to the content and objectives of a Higher Education Award as defined in the [Tertiary Education Quality Standards Agency Act 2011](#).

During the applications process, the eligible provider is the primary applicant. If two eligible providers seek to partner (such as two Table A providers in Round 1), they must determine a primary applicant for the purposes of applying for grant funding. In the application, the primary applicant must describe any proposed partnership and detail its scope and value to the pilot.

In the event of an approved grant application with a partnership, the Conditions of Grant will be imposed by the Minister or his delegate on the primary applicant. As the recipient of grant funds, the primary applicant is responsible for ensuring that any grant activities created as a result of the partnership meet the requirements of the pilot, as per Part 12 of the [Higher Education Support \(Other Grants\) Guidelines 2022 \(legislation.gov.au\)](#), in addition to meeting any conditions imposed on the grant funding, including reporting requirements, under the pilot.

What are the reporting requirements under the pilot?

The Minister (or his delegate) will impose conditions in writing on providers that receive Commonwealth funding under the pilot. These conditions will impose the specific obligations on the provider with regards to reporting and milestone completion. An indicative overview of reporting on the outcomes of grant funding is provided below.

Grants to support design of microcredentials: Stage 1

Providers designing microcredentials as part of Stage 1 must provide a design report that describes the objectives and outcomes achieved in relation to the grant activities, including a letter of industry endorsement and an acquittal of funding. The design report will be due by mid-2023 (or a later date determined by the Minister or his delegate).

Grants to support the delivery of microcredentials: Stage 2 and Stage 3

Providers delivering microcredentials as part of Stage 2 or Stage 3 grants must report on their student enrolments in the Tertiary Collection of Student Information (TCSI) system within 14 days after each census date for the microcredential, in addition to other data required by the system. The department will provide further assistance to providers regarding reporting via TCSI.

Providers delivering microcredentials as part of Stage 2 or Stage 3 grants must also provide progress reports describing the objectives and outcomes achieved in relation to the grant activities. The reports will detail the delivery of microcredentials over a prior six-month period. For example, in Round 1 the first progress report will be due 31 January 2024 and will report on any microcredentials delivered from 1 July 2023 to 31 December 2023. Similarly, the second progress report will be due on 31 August 2024 and will report on any microcredentials delivered from 1 January 2024 to 30 June 2024.

Will there be an evaluation of the microcredentials pilot?

An evaluation framework for the pilot will be developed in 2023, and an independent evaluation of the pilot will be undertaken in 2025 to inform the future of the program.

The department will work closely with providers to collect and report data to inform the evaluation.

Further information

If you have further questions, contact HEMicrocredentials@education.gov.au