



RESPONSE TO THE VICTORIAN GOVERNMENT VET FUNDING REVIEW

ISSUES PAPER

August 2015

Introduction

CCA is pleased to provide this brief response to the Review Issues Paper. We note that individual members' have put in their own responses or participated in regional replies. CCA is also an active member of the ACE Victorian Peaks Group which has provided a comprehensive response on behalf of Learn Local, ACFE Funded organisations.

The submission, prepared by ANHLC, outlines the measures that the ACE PEAKS in Victoria believe will significantly strengthen the delivery and quality outcomes of VET in the state and potentially drive overall economic and social savings for the Government into the future. These measures have been informed by consultation with a range of the PEAKS members (some of whom are members of more than 1 of the 4 organisations).

Within this brief paper, Community Colleges Australia is not overriding the policy positions stated in the Peaks paper, but rather addressing some specific matters pertinent to its own members.

CCA members, in general, provide VTG funded learning across a broader range of National Training Packages, often at a higher (up to Diploma) level. Our members business models indicate that skills sets and fully accredited courses delivered using HESG funding, make up a significant component of their operations, usually at a much higher \$ value than pre-accredited, ACFE funded courses. This means that our internal pathways for education from re-engagement upwards to Cert III and Cert IV and beyond are of critical importance, as well as connections to TAFE institutes and private RTOs.

Executive Summary

CCA acknowledges that the Issues Paper recognises that the Victorian 'Public Provider' should now include community-based Learn Local providers. However, whilst there are important references in the Paper e.g. Page 43 "*ongoing support is needed for the critical role played by the Adult, Community and Further Education sector in supporting adult education in Victoria*", the section then fails to identify what that support should be. If there are no intended short-term recommendations then CCA would welcome further discussion around, for example, direct proposals relating to quarantining a new Community Social Obligation to the sector alone and providing a one-off saviour grant (to acknowledge the drop in enrolments and financial challenges around marketing and professional development capabilities). If the evidence shows that employers and students are demanding choice there must be an ongoing sustainable community component to accredited training in Victoria.

On behalf of our members we highlight the need for Victoria's VET system to recognise the crucial role community providers play in the VET sector, as well as advocating on behalf of disadvantaged clients. The role and importance of adult community education providers is often overlooked in the VET reform debate. Community Providers occupy a unique position within the sector due to the often disadvantaged nature of their students, as well one of trust within their local communities.

Better targeting funding

It is vital that if the demand-driven training market is to continue in a similar format to the past 4½ years, that all sectors are represented. Community education provision has been a vital choice for many learners in Victoria and must continue to be a choice. Classification systems may be expensive to maintain without necessarily providing better quality outcomes for students.

CCA is strongly of the opinion that Foundation Skills and other lower level qualifications should be delivered by community/ACE/Learn Local providers only. There is clear evidence that disadvantaged/disengaged/disabled persons are more likely to (re)gain self-esteem, self-confidence and the ability to train for a vocational job if they are nurtured for months/years' first at entry level.

CCA stressed in its original submission that the Government must recognise localised employment opportunities (regional and metropolitan) and the needs of small employers in identifying courses to fund and the level of funding. We maintain this stance and are aware that our members will continue to suffer financially if they are not able to provide training for individuals into jobs that industry wants.

In better targeting funding, the Government must consider the work undertaken by CCA members and other Learn Local providers to provide learning and other vital social support and mentoring to the students to ensure they complete their qualifications. Part of the challenge with the current evaluation and audit process is that it is 'input driven' not 'outcome evaluated'. RTOs can with sufficient funds ensure 'perfect' administrative and training records, but without auditors physically sighting any learning there can be no proof that the student has been offered a quality learning experience, or that a provider has persevered with a student to ensure they become competent long after any funding based on 'total nominal hours' has been exhausted.

The Government must provide exemptions to the 'two-course' rule for Foundation courses and training for high needs students, as well as currency of qualifications for high needs learners. In addition, if Victoria wants to ensure as few people as possible remain unemployed in the future there must also be recognition that RE-skilling is as important as UP-skilling. For people who are returning to the workforce after long periods of unemployment or who have qualifications in industries that are no longer relevant for their job search they must be entitled to train at an appropriate level regardless of any prior training certificate they hold.

Supporting and protecting students

Whilst CCA members have a divergence of views on student fees, there is considered some merit in a fee being payable to recognise the VALUE of the training being provided and to avoid 'the race to the bottom', i.e. No fees and incentives offered. However, it is vital to ensure that disadvantaged students only be required to pay a nominal fee to recognise both their financial circumstances and their social needs (they require encouragement to learn) and that a general fee is not set too high. Changes to the fee structure must be provided with sufficient notice to allow employers and providers to alter their business planning and training budgets appropriately.

To ensure students can make an informed decision, learners who are not being offered training via their employer should be required to attend pre-enrolment sessions with a qualified career practitioner to determine: previous experience, skills, foundation skill needs, interests and to provide them with a clear picture of local labour market needs and employer expectations. These sessions should be subsidised by Government funding to acknowledge the important role they play in avoiding higher costs for the Government later by learners who continue to train annually in different certificates because they have made historic poor choices on the type of job they want to work in.

The new (April 2015) ASQA RTO Standards for Providers have much clearer directions on the responsibilities placed on RTOs, rather than brokers and aggregators in terms of ensuring enrolment into appropriate courses for learners. Following similar guidelines would assist the Victorian Training Guarantee system to be better regulated.

CCA would welcome the possibility of a separate regulatory regime for private RTOs. Community education providers do not seek personal gain; their incorporated and charitable status forbids profits/surpluses from being distributed. Indeed, their annual reporting requirements can often be more onerous than those of privately owned RTOs. Their learning activities and actions, focus on finding educational solutions to best equip their students with competencies and skills to allow them to gain a job or a further training pathway.

Sustainable and supported TAFEs

CCA recognises the important need for a well-resourced TAFE system. However, it must be acknowledged that if ACFE providers are to be also considered a component of the “Public Provider” then they must also be supported to be sustainable. CCA would note that one clear advantage the TAFE public provider has is that its name offers a brand which is extremely well-recognised.

With both historic and more recent government funding commitments to TAFE, CCA would expect that there is a strong focus for TAFE institutes to offer training qualifications that require significant capital infrastructure. This should include highly technical training packages.

There has been much previously written on the ability of community colleges/ACE/Learn Local to provide quality training at lower levels to assist those in the community with learning challenges a vastly improved opportunity to acquire skills that lead them into a pathway of sustained work. What has not yet been achieved is a recognition of the financial burden and administrative challenges the VTG has created on the ACFE providers who are willing and wanting to actively participate in the accredited as well as the pre-accredited arena. CCA has quantifiable evidence that the number of volunteers in operational positions within our member organisations has increased in the past 3 years. We do not believe this to be sustainable in the long term, and nor should it be. The sector deserves better financial acknowledgement as well as the respect of government agencies for the work they undertake with the most vulnerable members of Victorian society. This must be part of the value that comes with being considered a component of the ‘public provider’.

CCA members are well placed to offer qualifications in 'soft skills'; particularly in those industries where there is an increasing need for workers such as child care and aged care and disability provision. CCA members also have a close rapport with their smaller community employers and in the past have offered valuable training in business and retail and tourism and hospitality and health and beauty and agriculture. These small businesses are not accessing fee-for-service and it is likely that part of the decrease in VET enrolments reflects the fact that firms are not accessing the same level of training when subsidies and fees were more reasonable.

Supporting jobs and industries

CCA is represented on the Commonwealth Government's VET FEE HELP Reform Working Group. Many of our members have seen potential students adversely impacted by the existing Scheme's shortfalls. As their peak body CCA has taken a proactive interest in resolving the many 'wrongs' that have allowed some unscrupulous behaviour by brokers and RTOs alike.

We are confident that with the changes that have already taken place from the 1st July 2015 as well as proposed changes to be made to the Legislation later this year, that VET FEE HELP will be a much improved program from 2016. With limited funding available to the Victorian Government, CCA could recommend that for Diplomas and Advanced Diplomas there may be merit in students for these qualifications seeking assistance via the Commonwealth Program. This would be based on the recommended changes to VET FEE HELP being passed and continued monitoring of any unscrupulous behaviour impacting on vulnerable students.

Supporting training for vulnerable, disadvantaged and high needs groups

CCA notes that our individual members, as well as the ACE Peaks, have written extensively on this topic in their submissions and replies to the Issues Paper. Their concepts and recommendations should be studied with great care and deliberation. We reconfirm that core characteristics could include:

- Developing self-esteem and confidence
- Addressing issues and challenges people face such as: employment and career choices, decision making, peer group pressure, education, personal development, personal conflicts, accountability, the role of internal motivation in bringing about lasting change
- Work experience
- Foundation skill development
- Industry/guest speaker visits
- Community engagement/projects

Community/ACE/Learn Local providers should be the only sector within VET delivering these programs as it confirms their values and mission statements. Funding for these cohorts should also reflect the planning and resources that are required to offer these programs successfully.

CCA provides the following as a suggested approach for a CSO scheme. The barriers to access could be assessed by confirming that one or more barriers exist that would significantly and negatively impact the Student's ability to successfully access or complete training under the VTG Program.

The community/ACE/Learn Local Providers are best placed to identify students as having one or more barriers which could include:

- low literacy, language and/or numeracy skill level which would impinge on successful completion of a Qualification under the NTP
- limited employability skills
- physical or mental health issues
- personal issues/difficulties impacting on educational achievement
- financial limitations in accessing childcare, transport, and/or respite care which affects a potential student's ability to participate in Subsidised Training

Background to Community Colleges Australia

Community Colleges Australia (CCA) is the peak body that represents and provides services to community owned, not-for-profit education and training providers. CCA is committed to assisting our members' sustain and grow their businesses, thereby enhancing education opportunities through choice for all Australians. CCA promotes learning innovation for all Australians by delivery that engages with and belongs to communities. Membership comprises long established community learning organisations located in metropolitan, regional and rural locations. The community college members are advantageously placed to provide a focus on student welfare with commitment to the employment outcomes for, and personal development of, the individual.

Our vision is for Australia to achieve more dynamic and vibrant communities, informed and empowered through learning.

For our members CCA works to increase awareness of the sector and its place in the economic and social fabric of our nation, build business opportunities for our members and advocate at all levels of government on the value of our members' undertakings.

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