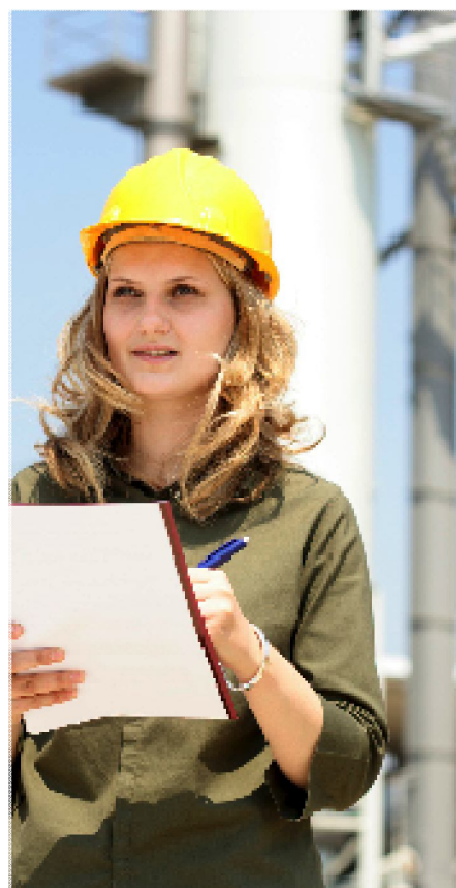




Education &
Communities

Smart and Skilled: making NSW number one

Submission cover sheet and template
September to November 2011



SMART AND SKILLED: SUBMISSION COVER SHEET

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Is this submission made on behalf of an organisation?

Yes ☐

If Yes, please fill out the following:

Name of organisation:	Community Colleges Australia Limited
Organisation's main function eg training provider, job service provider, community organisation, government agency	Industry association whose members are NFP training organisations providing a range of learning services include VET.
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Submission should be treated as IN CONFIDENCE?

No ☐

Do you consent to your submission being made available on the Department's website?

Yes ☐

SMART AND SKILLED:

1. INCREASE PARTICIPATION IN VOCATIONAL EDUCATION AND TRAINING

1.1 How can we engage more of the working age population in vocational education and training?

At the 2011 CCA conference held between the 2nd-4th November, many speakers (both internal and external to the VET sector) made reference to the need for better marketing around VET. There is general consensus throughout the public domain that many people and most industries have an understanding of university learning and this may in part be due to the emphasis by governments, the media and schools on information regarding the higher education sector over the past decade. It should be possible that further education as an important learning sector with clearly defined employment opportunities through VET training receive a similar emphasis too.

Whilst the range of training and vocations on offer and the style of training provided (full time study attendance, part time with work placement, in-work training etc) may appear complex, without schools, governments and the media highlighting the value of VET NSW will not be able to engage the numbers into VET from the working population that the state requires to raise both workforce participation and productivity. For example, there are occasions when discussions are based on the premise that VET is a pathway to something else. Whilst this is true, it should also be possible for the public to be made aware of the benefits that arise from training spent purely in vocational learning institutions.

Current policy and practice can be fragmented, and confusing, not only for the student, but also providers and employers. There have been and continue to be major shifts in how individuals 'learn' and the types of qualifications they achieve. For owners of small companies, a confusing myriad of certificates are placed before them when wishing to employ new staff. VET skills and outcomes must be understood by all employers if they are to be encouraged to employ staff with appropriate skill sets and/or up-skill them using VET qualifications to do so.

Career counselling at schools needs to be expanded. Without individuals realising what is available, VET will remain (incorrectly) as the poor alternative to university education. Too many students and too many employers have limited awareness of training that is available and the possible assistance that may be accessible for skilling either their workforces or themselves. CCA members through their community focus, assist local business to employ local people. Community colleges can and do play a key role in assisting employers to better understand the types of work skills their employees require.

1.2 How can we equip people with the skills they need to participate more fully in work?

ISCs are tasked with identifying through consultation with employers, unions and other key stakeholders, the content of training packages necessary to equip individuals for work in specific sectors. RTOs need to ensure that their tutors remain updated in regard to work skills that are evolving e.g. digital literacy and eco-skills.

In CCA members businesses, skills equipping for individuals may be more than specific work requirements. Education in foundation skill-sets are often a pre-requisite before VET courses may be undertaken. A set of interdependent prerequisites essential to coping with work, life and community involvement may include language, literacy, numeracy and employability skills. These fundamental skills are often what businesses seek; employers may then be prepared to up-skill using training methods and facilities that suits their unique circumstances. Foundation Skills may be viewed as those that often 'underpin' other vocational learning skills and should not be misinterpreted as just low-level or single-level skills.

1.3 How can we improve training and job outcomes for disadvantaged learners?

CCA considers that improving training for disadvantaged students begins with a need for simplified information to be available for specific groups of learners who need extra assistance to identify not only the consequences of their training choices but also because they may be initially overwhelmed by the complexities of workplace options. These learners include disengaged youth, migrants, indigenous, older persons wishing to rejoin the work force and disadvantaged households. Some of these potential students have a degree of nervousness when requested to attend government agencies or educational facilities and we would suggest that NFP community embedded education providers can play a key role in assisting these persons with appropriate training options and accessing training subsidies.

In order to improve job outcomes for such learners, training, which may include 'mechanical and cognitive skills' e.g. holding a pen, processing the English alphabet and numbers system; 'social comprehension' - an ability to connect or reconnect with Australian society following trauma in their lives, 'resilience' which could be self-esteem issues; will need to be undertaken. Often such learning is not considered part of a formal training course and accessing funding can become challenging. Increased participation in VET requires funding at all levels, not just Cert III and above.

VET reform for disadvantaged learners requires a whole of government approach that offers long term funding programs providing more consistency for tutors and prospective learners, and providing greater coordination between government agencies, recognising that for an education and employment change to occur for disadvantaged students in VET, related change needs to happen in all areas of the student's life. Departments such as Health, Mental health, Aboriginal affairs, Housing, Transport, Family and Community, Disability, all contribute to the continued engagement of a disadvantaged student in gaining success in VET.

A community development response for improving disadvantaged learners' outcomes could be an investment in organisational capabilities in order to offer potential students the best delivery opportunities. This approach would facilitate diverse, life long, life wide opportunities for all members of the community to engage with foundation skills formation. Alternatives to mainstream learning institutions could be vital in enhancing the capacity building of foundation skills across the spectrum of groups who require them.

Disadvantaged students may require- longer hours for same outcomes, more 1 on 1 teaching, more wrap around services such as assistance with housing, families, transport, drugs, work ethics. As long as the real cost of service is not being met, services to disadvantaged students will diminish or be delivered with compromised levels of support.

1.4 How can we maximise vocational education and training opportunities for people in rural and remote communities?

It is generally acknowledged that VET training in 'thin markets' presents extra challenges. Providers cannot always offer work to trainers because of low class numbers and for learners it is not always possible to undertake skills development at a time that is convenient to them. However, as distance learning via quality internet connection becomes a possibility, RTOs who show learning agility may be able to maximise VET opportunities in their local communities.

To enhance opportunities for higher level course participation, the NSW Government could provide funding for "clustered" residential study blocks that may encourage both individuals and employers to undertake diploma courses. Simplifying and centralising the process of registering NFP RTOs for VET FEE HELP may also assist community providers to attract more participants into higher qualification courses.

The provision of funding via a model where it is prefixed on certificate rather than skill set completion should be reviewed to allow for a statistical model that doesn't only use qualification completions as a measure of successful engagement with a learner. A unique student ID would assist the NSW Government to track an individual learner and their VET courses over their lifetime.

With contestable funds for VET e.g. programs via the APL, the NSW Government could consider relaxing the partnering/sub contractor provisions. In thin markets this could allow for the possibility of scope sharing once the contract period for the project has commenced.

CCA contends that it is not only rural and remote communities that may need their VET opportunities maximised with special provision offerings. In parts of metropolitan areas and the capital city, there are 'pockets' of potential learners who are proving hard to reach. Some of the highest levels of unemployment (and in particular youth) in the state are in greater Sydney. This requires some form of special intervention as whilst it could be argued that there are no restrictions on either the public or private sector VET RTOs being present in these areas there are not sufficient numbers being trained or up-skilled and (re)joining the workforce. Re-engaging these groups will require teachers and tutors with special empathy and time and as a consequence, greater funding to ensure learners are encouraged to complete courses.

Community based NFP RTOs are well placed to deliver VET in areas challenged either through geographic isolation and/or education isolation. Invariably these entities are able to be flexible with learning programs and course delivery, have surprisingly good distribution channels (through connections with other like-minded organisations) and a strong ethic and philosophy to assist their community; whether that be a business owner or an individual looking to be up-skilled. Government needs to recognise that a weighting should be applied to such areas to ensure that providers, employers and individuals are not disadvantaged by their specific circumstance.

1.5 How can we encourage more people to complete higher-level qualifications?

Individuals engage in work for a variety of reasons, but monetary reward is often a strong motivator. To undertake training at higher levels of VET, there should be some correlation between training and pay or

progression in the industry the person is working in. Employers who are motivated to have more of their workforce completing higher level qualifications because this will assist productivity may be the people the VET sector needs to encourage individuals to continue their VET certification.

However, for some industries, especially those where the workforce is predominantly women there is evidence that a higher level qualification may not be of specific employment benefit; either because the individual will not benefit from increased wages or because the employers do not require (yet) high proportions of their staff with high-level qualifications.

Whilst CCA acknowledges that future workforces will demand higher-level qualifications, we consider it important not to overlook the value of lower level qualifications. This is not only because a qualification may motivate an individual to go on and undertake up-skilling, but also because employers are more likely to take on a person who has a basic certification, as they are then more likely to continue their education at the company's expense.

1.6 How can we build better pathways to higher-level qualifications across our education sectors?

Community education providers have historically been acknowledged as organisations that provide a vital bridging point between social inclusion and workforce development. CCA members undertake life-wide learning as well as working with disengaged youth; both these activities provide a pathway for students to move into VET courses.

If NSW is to achieve its goal of increasing workforce participation foundation skills will need to have a focus as well as medium range VET qualifications such as Certificate III; now considered the level at which individuals can gain and retain a job. CCA considers there will need to be an evaluation on managing funding between low-level and Certificate III and above skills development. Focusing only on higher qualifications will impact bridging and pre vocational pathways.

An example of this has been the current state funding programs (SSP, PPP) which have recently targeted training at the higher certificate levels for funding eligibility. Students are not able to participate in these higher level qualifications, if they do not have the Literacy and Foundation skills to underpin the training.

CCA considers that its members provide an increasingly important pathway offering, especially in foundation and lower certificate levels, as TAFE and private providers deliver Higher Qualifications. However, funding requirements have meant that members also now deliver higher qualification VET courses too. The position of CCA members as community owned and managed RTOs, places them in a unique position as a connection point with in their communities. Developing partnerships between School, employers, JSA providers and other training providers is a pathway function provided by most community colleges.

CCA members also encourage pathways between their VET entities and universities. However, historically universities have sometimes been confused by the Diploma and Advanced Diploma certifications and not always recognised their education value. Sectors need to have a better understanding of how each operates, and how credit transfer and articulation arrangements can be maximised.

Helping universities understand (and value) that engaging with VET providers could assist them with achieving their own targets for social inclusion, through articulating learners who have already overcome

barriers to complete Cert IV and Diploma level programs will be an important objective.

1.7 To what extent could a training entitlement increase training participation and meet the future skill needs of individuals, businesses, regions and our economy?

The NSW Government wishes to increase both workforce participation and productivity. One benefit from a training entitlement is actually “social”, that is an entitlement has a community benefit if it assists in encouraging an individual (or employer) to participate in training that they may not have otherwise undertaken. It should also assist with social equity issues, whereby a person may wish to undertake a course of study but have no ability to pay for it.

One of the objectives of a training entitlement system should be to ensure that it “is competitive, efficient, and student centred”. Evidence from Victoria has shown that there has been a significant increase in training participation since the introduction of such a system. However, if such a system was to be introduced in NSW, CCA would recommend that all RTO providers be treated equally, i.e. Government should not offer a full subsidy in courses for students to attend the public provider. Students deserve to have choice based on learning options rather than financial costs.

For an entitlement system to work effectively for all individuals and groups, people should receive clear advice on the choice that is available for undertaking VET studies through a range of providers, types of training and levels of subsidies. Whilst marketing could be considered as a cost impost for the Government, CCA believes it would offer an effective Return on Investment, as the training regime is likely to be better understood and therefore better utilised if quality information has been provided to allow learners and employers to make better informed decisions.

Some employers prefer on the job training -traineeships and bespoke skilling for specific workplaces may increase through training entitlements as employers, especially SMEs may be better engaged. And whilst CCA has noted the need to focus on improving foundation skills for numeracy and literacy in disadvantaged groups we are aware that this also applies in the workplace. It may be a lot of older workers who will benefit from improved LLN and under an entitlements scheme businesses will benefit by increasing their training participation.

Through a demand-driven scheme, industry should be able to outline to both the Government and training providers the specific skill needs they require, which in turn can be delivered to individuals. This would constitute a significant change from current funding models and CCA would recommend a transition period to assist community-based RTOs re-align their business models, especially for organisations who have extremely limited access to bank loans or mortgages.

1.8 What should an entitlement to training cover?

CCA would recommend that a training entitlement cover not only the VET course fees but also any pre-mentoring that is required by the RTO with the individual - to ensure that the study is an appropriate choice for the student. Where the RTO identifies that the student may require additional assistance with, for example, literacy and numeracy, this should also be incorporated into the entitlement. In some circumstances (and especially if it helps with completion) assistance with travel costs may also be covered

in the entitlement.

1.9 How do we match individual demand with industry needs under an entitlement model?

The NSW Government in conjunction with industry groups should identify those VET qualifications and courses most in demand for employers to be able to fill skills gaps and increase the state's productivity levels. Based on enrolments into particular courses and the fees RTOs charge, the Government can regulate its demands and needs through adjusting the entitlement. We would not necessarily encourage however the removal of minimum fees. CCA considers this could lead to a "race to the bottom" in terms of quality because of opportunistic providers. Charging a nominal fee forms a symbolic commitment by the client/student and assists in acknowledging the value of a training course. It also helps to instinctively maintain a person's individual pursuit for a VET certificate (or skill set) because of their own (however minimal) financial contribution.

One challenge of identifying the "cost" of entitlement is actually establishing the price of a specific course. For most learners undertaking VET they will fit the 'norm' of number of hours to complete as identified within a training package. However, some learners may take significantly longer because they have specific learning difficulties. CCA outlines this more specifically at chapter 4.5.

1.10 Under an entitlement, how should the level of investment in training made by government, individuals and employers be determined?

In general, CCA considers that at a very high level, that is Diploma and Advanced Diploma, a student or employer should pay for their tuition fees in VET. Exceptions to this would be where a student (or employer) provided compelling evidence of their lack of financial ability to pay, together with a high probability of a job being the outcome from undertaking the course.

We would concur with Skills Australia in their report *Skills for prosperity: a roadmap for vocational education and training* that Governments should provide the investment up to and including Cert III. We also strongly endorse that any foundation training (provided it is identifiable and legitimate) be fully public funded.

1.11 Should student loans be available for government-funded vocational qualifications? If so, what should they look like?

Student loans may be of benefit for the higher VET qualifications of Diplomas and Advanced Diplomas. As we have previously noted, for a number of vocational certificates at Cert III and IV level, whilst they encourage individuals to gain and retain employment, for female-focussed work especially they do not necessarily lead to improved wages. For a range of industries and especially those where contract and part-time work is prevalent, it is possible that the student may never reach a salary level that enables them to repay a government loan debt in a format that currently applies to HECS (HELP).

CCA notes in regard to the existing VET FEE HELP that this has not been a program NFP community-embedded education providers have found very useful. Individual members can outline the onerous

compliance and reporting expectations that exist and significant improvements that would need to be made before our members considered applying for it either for the first time or again.

2. TARGET VOCATIONAL EDUCATION AND TRAINING TO BUSINESS, INDUSTRY AND REGIONAL NEEDS

2.1 What is the best way to ensure that the Government's funds for vocational education and training flow to areas that maximise economic benefits for our businesses and the State?

Smart skills should be about choice for both the individual and the employer. The NSW Government may identify those areas - be it geographic, industry or socio-economic need - that requires government intervention to assist in maximising the economic benefits to the state. However, what is critical with VET funding for specific programs is to ensure that all allocations are plausible. And significantly that funding is not stopped part way through a year or a program cycle due to budgetary changes. This not only frustrates employers it also discourages them from participating in future learning projects because they lose trust in the Government to deliver.

Some CCA members have noted that NSW is currently reasonably well served by the existing funding structure - a mixture of core funding for ACE providers plus the opportunity for contestability under APL.

2.2 How can we maximise vocational education and training opportunities to meet the needs of our regions?

CCA members have very strong credentials in delivering Cert I and II in regional NSW; completion rates are good. In addition, foundations skills are our colleges' strength because they are empathetic and very conscious of delivering pathway training opportunities. We would note that schools are not the only learning solution available in the regions; collaboration and alternative adult learning environments can assist students who are not fully succeeding in a traditional training environment. In addition, CCA members have strong social inclusion credentials because of their commitment to their local communities that they work in.

The community college network, both in metropolitan and regional NSW, has good transitional arrangements. Due to the members being independent entities they can adapt and respond quickly to changes in their marketplaces. And over many years of operation, members have engaged in partnerships - not just with students but also with local business.

3. ROLE AND FUNCTION OF TAFE NSW AS THE PUBLIC PROVIDER

3.1 What should the role of TAFE NSW be in the context of a broader entitlement to training in our vocational education and training system?

There are specific areas where TAFE should be adequately funded to maintain and enhance existing infrastructure to ensure VET in high resource qualifications e.g. construction, auto engineering etc. TAFE departments with highly technical specialist training that requires specific and costly infrastructure could

also receive capital budget funding or alternatively, companies with their own highly developed internal training units and access to existing infrastructure could take on training for others in the sector using TAFE services and tutors.

There is ongoing discussion around funding the public provider as an educator of last resort. However, in this regard to be funded to provide services in 'thin markets' where it is not financially viable for private providers to operate, CCA notes that NFP community embedded RTOs may also provide quality services in more remote areas of the state.

If the NSW Government intends to create a contestable funding model for VET in the state then consideration needs to be given to markets where TAFE may be seen to be subsidised for services that other providers also offer. There may be a historic notion that private providers were able to deliver training at considerably less dollars per hour than a public provider, however with recent regulatory and IR changes this may no longer be applicable.

4. GREATER CHOICE FOR INDIVIDUALS AND EMPLOYERS

4.1

4.2 How can we continue to assure the quality of vocational education and training in the context of greater choice?

It can be argued that the new national regulator is responsible for maintaining the quality of registered RTOs. However the student and the employer may also have a view on training quality and the market place "may" identify quality over greater provider choice (but potentially only if the marketing as defined in chapter 1.1 is taken up).

The drive for a more flexible and demand driven VET system in theory is common sense. In an ideal world everyone wants to have the appropriate training available, at the time exactly when the students or employers need it and in a flexible delivery mode to meet all situations. However, when there are low numbers of students this can make it difficult for RTOs to plan, schedule and deliver a comprehensive program for a reasonable price. It is also awkward for sessional trainers to plan their livelihood as clients do not want to wait for training to start yet many trainers work on a minimum of 3 to 6 months in advance. This may allow less quality-conscious providers to deliver programs on a faster demand cycle.

4.3 How could increased contestability of government-funded training support greater participation in vocational education and training and greater take-up of higher-level qualifications?

Greater contestability of funding is being identified as being cost effective and maximising return on investment to government, the student and the employer. How entitlements are decided between the different VET providers could have a negative impact on the costs and quality of services RTOs can provide. If funding is contestable then all providers should be treated equally including the public provider.

4.4 What factors should the Government consider in increasing contestability of training funds?

One concept for the NSW Government to consider in approaching the VET market is that the sector comprises a complexity beyond just 'supply and demand' cohorts. For example, entitlement rates may need to be adjusted for equity issues and factors such as regional and remote locations and weightings for socio-economic aspects.

The above point is particularly relevant for NFP community based providers, whose students often comprise learners from disadvantaged groups. There are significant costs incurred in training high need learners; often the recommended hours in a training package are much less than what will be undertaken with these learning groups.

Whilst there is a small amount of additional funding available for some young persons, the labour intensity of providing learning for these groups is high. In addition disengaged youth who need great assistance in re-engaging at foundation levels and who require 'carefully managed coercion' to come to an educational institution, preferably within their local environs also need to be considered in ensuring sufficient funds are available for foundation skills programs to support pathways for social inclusion clients.

The Government will need to ensure application processes and outcomes are fair, transparent and accountable.

4.5 How should community service obligations be managed in a contestable market?

It will be important in any new system where employers and students are wishing to make learning comparisons that more than 'simple numeric data' is used. CCA members are passionate about ensuring that all persons have an opportunity to receive skilling and training. This can lead to significant anomalies as described by one member below.

"For example if you have a provider that is delivering a program to a group of highly motivated workers in a progressive company with high LLN levels it would be expected that they would easily meet all their competencies and show as a high completion level with a better than average outcomes. On the other hand the same qualification could be run by another provider for a group from a disadvantaged background and despite being an excellent program with an excellent trainer/assessor may not meet the targets due to the personal circumstances of the participants e.g. Ongoing attendance problems and requiring extensions due to personal problems such as health issues, adverse family situations, financial problems, geographical isolation, lack of motivation.

I would suggest a weighting system be introduced to the statistics to make allowance for the type of client base in question. This way those RTOs that are trying to re-engage learners with development needs who are at risk of dropping out of education and the workforce are not penalised for the sector of the community from which they draw their clients. It should also be realised that students from the disadvantaged sector often require more mentoring on an individual level and administrative chasing ensuring their completion of qualifications. Therefore the easier the group the lower the weighting applied should be. Similarly funding should be higher for training delivery services to disadvantaged groups."

5. IMPROVE VOCATIONAL EDUCATION AND TRAINING COMPLETION RATES

5.1 How can we improve vocational education and training completions?

CCA is strongly in favour of the introduction of the unique student ID. This would follow the student regardless of where his/her VET was being undertaken and how often his/her training was interrupted. CCA also recommends a more flexible approach to the notion of 'completion', such as enabling learners to commence study with a skill set, then return for RPL once they have completed work placement (paid), and developed further skills. This requires a system that allows time between commencement and completion, with strategies that connects the learners' outcomes during different study periods'.

In some instances it may be appropriate to have incentives for completion; this could be considered encouragement for learners to 'stay the course'. This may also be connected to career advice that helps learners better understand the link between qualifications and earnings potential (the WIIFM?). There should also be sufficient resourcing for disadvantaged learners.

Educating employers about the value of enabling employees to complete (especially where the learner was partway through a program when they gained employment) will also assist completions for apprenticeships and traineeships.

Finally, better PD opportunities for casual trainers to help them support learners who are likely to disengage before completion could also benefit VET.

6. ADDITIONAL COMMENTS

Background to Community Colleges Australia

Community Colleges Australia (CCA) is the national peak body representing not-for-profit community owned providers of adult and youth education, training and learning in a local environment.

Membership comprises long established learning organisations located in metropolitan, regional and rural locations. The colleges offer socially inclusive and progressive learning environments with a focus on student welfare and a commitment to employment outcomes and personal development of individuals. Colleges work with students and industry to develop flexible education options to ensure appropriate vocational pathways and learning actions.

CCA currently has 47 members that provide training in NSW. Not all these members receive funding from the ACE unit within the NSW Department of Education & Communities, but the majority do. Importantly, all the members are community-embedded entities delivering educational opportunities to a diverse range of individuals and industry. Our members range from very small, single-venue providers of adult education to large, multi-venue (and multiple local areas) entities. CCA welcomes this opportunity to provide input into rebuilding the NSW state through a skilled workforce. We note that whilst gathering input from our members there were some diverse views on the future of training in the state and CCA has therefore identified issues and opportunities, noting that some members will require greater assistance to any changes that could occur in the future to VET policies in NSW.



Due to the nature of our members business activities, where as community-embedded learning organisations the colleges have not only a broad scope of training packages, but also accommodate training levels that range from independent schools (which assist disengaged youth to re-enter the education arena), foundations courses (supplemented by career counselling in many instances), and VET certificates through to advanced diploma level we consider it important that the Department of Education & Communities recognise the unique needs of the NFP sector. As well as offering skilling courses that assist industry, employers and regular individuals within the member's local delivery environment, community college members play a key, sometimes unique role in delivering learning opportunities to students who are from disadvantaged groups or lower socio-economic households or require a "second-chance" education environment.

As noted in the 2005 Report, *Community Education and National Reform* (DEST, Commonwealth Government), when governments buy VET from community providers (that is through annual core funding), their ROI is not just a qualification for a student but an engagement into the local population. CCA members provide centres of connectivity and learning, which benefit individuals and employers and ultimately the state through higher workforce participation (and lower budgets in other state departments such as juvenile correction and mental health). The colleges have evolved constantly over the past 30 - 100 years; but as their industry association CCA is acutely aware of current economic conditions prevailing in NSW and their trade within the VET and wider learning environment. We would caution against "overnight" change to avoid losing learning centres that are at the heart of their local NSW community.

Finally, CCA observes that whilst this submission is focussed on our members and the impact any adaption of the existing VET regime may have, we are keenly aware of the need to focus on the final stakeholders in the context of VET; namely the student and the employer. We emphasise the need to ensure that all NSW residents (including SME employers and hard to reach learners) benefit from a system that is as clear, fair, transparent and accountable as possible for all. To be smart and skilled, the NSW Government should recognise that learners deserve choice in their training providers and "one size fits all" is not a model that will benefit all potential VET students in the state.

