



26 April 2017

The Hon John Barilaro, MP  
Deputy Premier  
Minister for Skills, Minister for Small Business and Minister for Regional Development  
Department of Premier and Cabinet  
52 Martin Place  
SYDNEY NSW 2000

### **Community Service Obligation Funding for NSW Community Colleges in 2017/18**

Dear Deputy Premier,

Community Colleges Australia (CCA) is writing to bring your attention to a matter of considerable importance for NSW community colleges. As you are aware, the community education sector delivers vocational education and training (VET) across a wide spectrum of industry areas and locales throughout the state. Our sector is especially skilled in working with vulnerable and disadvantaged learners. Our providers are acknowledged as capable to provide vital bridging between social inclusion and workforce development policy objectives. CCA members undertake lifelong learning and work closely with disengaged youth; both these activities provide pathways for students to move into VET courses.

For the past 18 months, the sector has been receiving funding through the Community Service Obligation (CSO) program under Smart and Skilled. CSO replaced NSW government funding to adult and community education (ACE) organisations that helped to support their operations. The CSO program funds training that cannot be effectively addressed through other Smart and Skilled programs. During the 2016/17 financial year, NSW ACE providers will receive just over \$17 million.

However, this CSO funding ceases on 30 June 2017, and we have received no formal indication from the NSW Department of Industry that the program will be continued during 2017/18.

CCA notes your speech to our Sydney Annual Conference on 19 October 2016, in which you stated:

Our Community Service Obligation funding: I have no plans, here in New South Wales, of opening that up to contestability. I have no plans of withdrawing Community Service Obligation funding. If anything, through the efficiencies that we will find in TAFE, those saving measures, what I'm hoping to see is more money for Community Service Obligation funding. And there is no question and no doubt that community colleges play an important role when we're looking after the most disadvantaged in our community, and have done so for 100 years, here in New South Wales. And you will continue to do that over the next 100 years." (Excerpt 00:04:20; available at <http://cca.edu.au/resources/#audio>).

CCA is aware of the NSW State Government's budgetary cycle, and the constraints that government departments face. However, the lack of assurance of continued CSO funding means that our members are unable to plan their activities properly for the next financial year, which commences in

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just over two months. Without some certainty of continued funding, the strong capacity and capability that our sector brings to the skills needs of vulnerable and disadvantaged NSW residents and their communities is hampered at best.

Adult and community (ACE) sector RTOs obtain outstanding results, with superior “return on investment” (ROI). For example, the National Centre for Vocational Education Research (NCVER) report on total VET graduate outcomes (2016) shows that community education providers topped all categories (TAFE, private for-profit, university) with almost half (48.9%) of graduates employed at the end of the training that had not been employed prior to commencing their study, and with 92% of graduates recommending the training they received from their provider - again the highest of all four categories. (Reference: <https://www.ncver.edu.au/publications/publications/all-publications/total-vet-graduate-outcomes-2016>.)

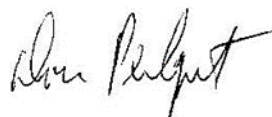
The range of initiatives delivered by community colleges under the CSO program is extensive, and has been documented with a series of case studies available on our website (see <http://cca.edu.au/resources/#casestudies>).

Over the past 18 months, NSW ACE RTOs have developed robust training and support models that work for their diverse communities. Our members are capable both to continue and to expand what they do well. Most have already met their 2016/17 program delivery targets, and many have significant demand for additional places or caps.

CCA strongly urges you to extend the CSO program for NSW community colleges in 2017/18, as well as confirming that the program will operate on a three-year funding cycle, rather than the insecure annual funding that is currently the case. In other words, we seek an announcement that the program will operate in the 2017/18, 2018/19 and 2019/20 financial years. We also request your consideration to expand the program by at least 30%, up to \$25 million in 2017/18 and subsequent years.

CCA and its members thank you very much for your strong support for our sector, and look forward to working closely with you to grow and build our capacity to provide important skills development to residents and communities of New South Wales.

Yours faithfully,



Don Perlgut, PhD  
Chief Executive Officer