

**Submission  
No 275**

**INQUIRY INTO VOCATIONAL EDUCATION AND  
TRAINING IN NEW SOUTH WALES**

**Organisation:** Community Colleges Australia

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**SUBMISSION TO THE NEW SOUTH WALES (NSW) LEGISLATIVE COUNCIL  
GENERAL PURPOSE STANDING COMMITTEE NO. 6**

**INQUIRY INTO Vocational Education and Training in NSW**

**August 2015**

**Introduction**

Community Colleges Australia (CCA) is pleased to provide this submission to the General Purpose Standing Committee No. 6. The terms of reference are broad and we therefore are focussed in this paper on those points that have direct relevance to the members we represent and their learner cohorts. We note that individual members' of CCA have put in their own responses.

Any specific point stated in this response by CCA does not override any views made by individual members of the peak body.

**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.

Prior to the introduction of the new VET program known as Smart and Skilled, most CCA members in NSW accessed state government funding for post-secondary learning through a

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program administered specifically for Adult and Community Education Providers and, additionally, as community education providers they successfully tendered for skills programs via the APL (Approved Provider List). Member entities have a keen interest in re-engaging learners who require specialised assistance to start or re-skill in vocational training; they also deliver national training packages up to Diploma levels. 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.

**A. Factors influencing student choice about entering the vocational education and training system including:**

(i) Motivation to study

A key motivation for students engaging in VET is increasing their opportunity to gain employment. A quality RTO needs to be highly focused on the requirements of local industry and employers in order to ensure that the training and assessment strategies employed by the RTO respects the investment by students.

It needs to be acknowledged that Job Active providers and other support agencies are a very significant influence on the study choices of students with barriers. This will usually be shaped by current vacancies, student interests and employment services contract requirements. It also needs to be acknowledged that a significant proportion of these students are “reluctant” learners, and that their motivation at the commencement of study is often low. They attend a training course because they “have to”. This is why it is not feasible to expect these learners to pay a co-contribution. They would simply choose not to participate. These “reluctant” learners are likely to be the people that the Government would like most to have participating in skills development. A quality learning organization with well developed student support services will engage reluctant learners once they commence their program, building their motivation, confidence and desire to better their lives and skills.

(ii) Choice of course, course location and method of study.

For disadvantaged learners, all three of these factors are significant influences in their choice of engaging in VET and choosing an RTO. Learners seek a course that is relevant to getting them a job, in a location that is accessible for them to attend. For a disadvantaged learner the cost of travel to a training organisation can be a significant barrier to participation, particularly if this is also partnered

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with a need for childcare.

The strength of community based RTO's, is that they are able to support students in local centres. As the RTO has it's heart in the community, it is well connected with local support services and agencies for whole of life student support and post training follow up. It also has connections with local industry and employers, so training opportunities are tailored to local needs, hence placing the student in the position of greatest potential in terms of gaining employment post the completion of their qualification. Many students report that the small, intimate nature of community education suits their needs better than the institutionalized nature of TAFE.

Smart & Skilled tender results saw the funding of many online or flexible mode courses. Whilst, on the surface, online courses may seem like an excellent solution for students in regional and remote locations, it takes a highly motivated, self- managing and capable student to successfully complete an online qualification. This is supported by consistently low completion rates for students studying online. Given that students selecting to undertake a qualification at Cert III and below (and even more so at Cert II or below) rarely have the required combination of self- motivation, self- management and capability to complete an online course, we believe that online and blended modes of training are actually inappropriate for the students attracted to these courses.

The cost of course enrolment fees are probably the greatest barrier to access for disadvantaged learners. Unfortunately in the new Smart and Skilled framework, Community Education providers report that the co contributions demanded under the system are too much for many low income learners.

- (iii) Barriers to participation, including students in the non-government education and home schooling sectors

One of the key barriers to participation in VET is lack of understanding of how the vocational training system works. The system has become so complex, and clear information not always accessible. Career professionals in schools push students emerging from both public and private school systems, towards TAFE or university due to a lack of understanding of VET systems. In many cases, particularly for those disengaged learners or learners with barriers, the best opportunity is Community Education. We would be thrilled to demonstrate case studies to the Standing Committee of disengaged learners who have been failed by the education system, finding their feet in Community Education programs.

It is interesting to note that, whilst VET in Schools has been opened up to RTO Providers other than Tafe in recent years, private providers currently have "capped" provision to the value of \$150,000 per annum. A number of

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Community Colleges provide effective VET In Schools programs but are prohibited from expanding their programs as demanded by schools due to the financial cap that is imposed.

There is a range of other personal barriers to participation including: need for childcare; attitudes to study; financial; access; convenient timings; LLN; digital literacy; lack of support by peers and family.

## **B. The role played by public and private vocational education providers and industry**

We note that in many of the submissions to the Standing Committee there is reference TAFE as distinct to “Private Providers”. We would like to be clear that according to NCVET statistics there is a distinct additional sector – Community Education providers – these are Not for profit providers who are based within specific communities, be they geographical communities, communities based on need, such as NFP disability RTO’s, or sometimes communities based on industry expertise such as Film and media RTO’s. The critical difference between Community based RTO’s and private RTO’s is that Community based RTO’s are not for profit, and their primary purpose is to contribute value to their communities rather than to obtain a profit.

### **The development of skills in the New South Wales economy.**

The Smart and Skilled funding structure has created significant challenges for RTO’s in terms of skills development. The current financial caps limit training organisations to be responsive to community skilling needs.

It is disappointing to see the demise of some niche RTOs, for example Metro Screen, that provide excellent delivery in terms of skills, and employment outcomes, that do not quite fit the Smart and Skilled funding agenda.

### **The development of opportunities for unemployed people, particularly migrants and persons in the mature workers' category, to improve themselves and increase their life, education and employment prospects,**

Within the policy context of NSW VET these groups are marginalised. These are the people who quite often need the most help and have access to the least resources. Day to day existence “eats at” their resources and available time. They are therefore unable to engage

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in activities that enhance their skills, which, in turn may facilitate a rise in their family living standards.

Another complexity of the Smart and Skilled system is the challenge to navigate the system for some of our most disadvantaged learners. Colleges have reported the challenge of supporting learners who, not only do not have functional English language skills, but may also be illiterate in their first language.

Many migrants and refugees are disadvantaged by the requirement to not have prior, higher qualifications as it is very challenging to check qualifications from overseas, particularly people in refugee situations. Community Education providers have also noted that some migrant /refugee students were placed into training by TAFE providers as part of their obligations under AMEP /LLNP program, often in industry areas that they ultimately may choose not to work in, and consequently not entitled to supported training under Smart and Skilled.

If this policy is going to continue, there needs to be a system in place that enables providers to easily check this requirement. Currently for the University sector, the process takes 3 months, and costs in excess of \$300.00

### **Delivery of services and programs particularly to regional, rural and remote communities**

One of the biggest challenges provided to regional and remote communities for both providers and students under the Smart and Skilled program is the fragmentation of services. Community Education providers have an intimate knowledge of community needs through consultation with local industry, and social connections. The current system of funded training has taken away quality, connected providers' ability to fund priority areas.

The fragmentation of service delivery based on allocation of funding via Smart and Skilled has been ill thought out, with contracts being given to training providers with no base in communities. Many community education providers who have been delivering qualifications for many years did not receive contracts within their communities, yet other providers with no relationship with the community, in fact, no actual training location, have been awarded contracts.

Other anomalies include examples of Community education providers receiving contracts for qualifications that have significant pre requisites, but not receiving contracts for the pre requisite courses.

### ***C. Factors affecting the cost of delivery of affordable and accessible vocational education and training, including the influence of the co-contribution funding model on student behaviour and completion rates***

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Co-contribution represents an investment by the student, and isn't in itself a negative. However in reality, the co contribution in the Smart and Skilled program, including the CSO program have created challenges. If the student is unemployed incurring costs with no guarantee of employment is problematic. As stated above, those with the greatest need, are excluded from the system through affordability.

In the previous Employment Services Contract, Job Service Providers could cover the cost of the co-contribution for a concession student to enable them to access training. The new Contract makes it much more difficult for Job Active Providers to access Employment Pathway Funds. This has made it much more difficult to give our most vulnerable citizens access to training. The skills participation agenda and COAG targets for educational attainment from which Smart & Skilled stems is currently being undermined by the Federal Department & Employment's approach to training under the Employment Services Contract. This conflict in direction must be addressed if NSW is to meet its training targets.

Community education providers are finding that the co-contribution model under Smart and Skilled provides a significant barrier to enrolment for many, for example, students interested in engaging in training to become qualified in Auslan or Auslan Interpreting. To become an Auslan Interpreter, a student must complete 5 separate courses, Certificates II, III and IV in Auslan, Diploma of Auslan and Diploma of Interpreting. The total cost of co-contributions for these courses is up to \$10,380.

This is at best a serious disincentive, and at worst prohibitive. These fees will almost certainly have a negative impact on the VET system's ability to provide a sufficient number of graduates in this area. This in turn will have a negative impact on the ability of the NDIS to provide timely and appropriate supports for deaf and deaf blind people.

Under Community Service Obligation (CSO) funding we are also finding that costs are having a negative impact on prospective students. The first course for students with a disability is free and all others are at a significant cost (compared to previous fees), of \$80. We are finding students are enrolling for the first course and not enrolling for a second course because they cannot afford it. The CSO is designed to serve the most disadvantaged members of our community who require basic skills such as literacy, numeracy and computer skills in order to start looking for work.

***D. The effects of a competitive training market on student access to education, training, skills and pathways to employment, including opportunities and pathways to further education and employment for the most vulnerable in our community including those suffering a disability or severe disadvantage***

By and large the operation of the contestable market should work. The question is does this policy approach meet addressing the skilling needs of the state. The problem rests within organisations whose organisational goals are aligned to profit making not education e.g.

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Vocation. This is not good for the market, or the people of NSW.

Additionally there is a huge burden placed upon RTO's of the ever-increasing nature of compliance, which has been put in place within the deregulated market to manage those who wish to operate outside the spirit of the contracts. To this end increased regulation has/does not improve quality. Quality improvement is nested within organisational attitude.

The contestable funding has been labelled a "Race to the Bottom" model and is forcing providers to reduce delivery costs, both in terms of delivery staff hours and ancillary support. This may subsequently lead to a lower quality of training for the student. Community education providers refuse to give in to these pressures, and hence puts extreme financial pressure on these not for profit community organisations as they battle to find funds to keep standards high.

Purchasing skills is only part of the natural market operation. Movement of capital through investment is the other half and government has no strategy to invest in communities through the existing networks in education although they do leverage community and care services.

To date, we have seen a number of negative effects on our most vulnerable learners in the community as unethical private providers abuse and misuse funding and VET Fee Help in these sectors. Even under the Smart and Skilled provision we have seen many private providers "cherry pick" what they will and or will not do and perhaps avoid high cost areas of delivery. Within the Community Education sector, many have not received allocations under Smart and Skilled and therefore are unable to invest within this group, as they do not have the financial resources to make this happen.

Students who require additional support either due to disability, or language and literacy issues often suffer in regard to in the privately run part of the VET sector. Within the private sector the motive is to satisfy share holders, hence, almost no private provider is willing to pay for the costs of additional Language, Literacy and Numeracy support, Auslan interpreting or other support mechanisms for people with a disability.

***e. The level of industry participation in the vocational education and training sector, including the provision of sustainable employment opportunities for graduates, including Competency Based Training.***

Our providers are indicating that there is increasingly a reluctance of industry to engage in

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competency based accredited VET training. The system is seen as confusing, expensive and of greater value to the RTO than the employer. This is made even more challenging if a business is working across state borders and is looking at not only different funding models, but also different regulators.

For many businesses, the only reason to engage in VET is due to licencing requirements accreditation. More often for small businesses accreditation is costly and does not always deliver what is required. A significant piece of research by NSW ITABs this year indicated a swing away from VET training by employers with 25% indicating that they were investing training dollars in non accredited options mainly due to complexities of the VET system and Smart and skilled, particularly the higher costs of courses, confusion over how the system works, and lack of choice over RTOs who can deliver training locally.

### **The Smart and Skilled Reforms – Recommendations from Community education providers:**

- Providers need to be able to come to local State Training Services to discuss genuine local needs identified with clients.
- Red tape needs to be reduced as current model is very labour intensive model
- Big provider isn't necessarily better especially when working with disadvantaged groups in the community some of these groups require the personal approach such as is provided by Community Education providers
- Programs are set up to provide support for local industry, this is not achieved by outsourcing it to providers that have never and have no intention of working in the area
- The program needs to be more flexible in its approach and realise that businesses and training programs do not just have start of year take up.
- Government needs realistic expectations of how long it takes to organise training with a business (involves scheduling around business needs – that training needs are identified on an ongoing basis throughout the year) – 2 weeks' notice of new entitlements such as happened with the traineeships reallocation is insufficient to attract interest let alone fill quota
- Important to understand that some industries only have a need for skill sets not a whole qualification and that providers that meet these demands are not necessarily less capable than those that specialise in whole qualifications
- Need to recognise quality providers by giving them a flexible allocation that can be used in their local area
- Return to an approved providers list with ability to apply for full and part quals as the need arises. Work with local providers to identify specific needs in their local area that could be addressed by retraining or training unemployed and disadvantaged and allowing them to offer these programs
- Talk to other services such as Job Active and Centrelink teams to ensure that they develop programs that will allow for clients that require foundation and entry level

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skills not to be discriminated against as the other programs do not want to refer clients to programs that are less than a Certificate II or III as it does not meet their required outcomes under the current Employment Services contract. Government departments need to work together to understand the whole system.

- When reviewing smart and skilled, there needs to be greater consultation with employers as well as training providers

### Summary

There has been much previously written on the ability of community education providers to deliver 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 recognition of the financial burden and administrative challenges that Smart and Skilled has created on the Community education providers who are willing and wanting to actively participate. 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 NSW society. This must be part of the value that comes with being considered a component of the 'public provider'.

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.

For more information on the role of Community Education providers, please do not hesitate to contact Community Colleges Australia.

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