The Role of New South Wales Community Education Providers in Regional and Rural Economic Development

25 January 2018

Executive Summary

This report examines the capacity of New South Wales community education providers to contribute to regional and rural economic development. NSW regional and rural community education providers – an active network of 26 not-for-profit organisations – constitute a major economic development resource that has been under-utilised by the NSW State, Commonwealth and local governments, and not incorporated into economic development strategies or planning. This report aims to ensure that the NSW Government can use this community capacity, supporting economic development and providing new program models. The report expands on CCA's February 2017 paper, *The Role of Community Education in Australian Regional and Rural Economic Development*.

This page includes the Executive Summary, List of Recommendations and Acknowledgements of the report. A complete copy is available here (PDF).

Economic development in non-metropolitan NSW requires the coordinated and collaborative effort of numerous stakeholders and players, all working closely together. To increase the ability of community education providers to participate in economic development, the most important changes are:

- reductions in barriers to participate in government-funded projects;
- encouragement of multi-sector regional economic development planning activities to include the not-for-profit community education providers; and
- increasing the capacity of community education providers themselves to participate effectively in economic development.

There are powerful reasons for focussing on the contributions of not-for-profit NSW community education providers. They:

- are heavily over-represented in delivering NSW vocational education and training (VET) outside of metropolitan Sydney;
- are mostly small to medium size businesses, unconstrained by large bureaucracies;
- have mission statements that prioritise community development to meet local community social and economic needs;
- are independent organisations with autonomous governance structures, based in their local communities and working effectively with local stakeholders;
- are linked through a powerful network through their peak organisation, Community Colleges Australia;
- are agile and flexible, able to respond quickly to changing community needs, developing local programs that address local challenges;
- have developed efficient business models, given limited government funding;
- are not-for-profit organisations, unencumbered by the need to produce profit for investors, resulting in a low risk to governments;
- are familiar with reinventing themselves, engaged in an ongoing process of performance improvement – if they do not develop, they do not survive;
- understand how to work collaboratively with the NSW Government in achieving education, training and employment goals; and
- frequently work with other government bodies, state, local and Commonwealth, and with not-for-profit, business, industry and other community stakeholders.

There is already a strong relationship between NSW community education providers and economic development. Traditionally, community colleges foster and promote lifelong learning, innovative and critical thinking, capable workers, good communication, improved social and cultural life of their communities and the flexibility to meet challenges and change; all of these align closely with the aims of economic development.

The Australian Parliament's Committee on Regional Development and Decentralisation has concluded that, a "'place-based' approach to regional economic development is important because it recognises that regions are different, that one-size-fits-all approaches are often inappropriate, and that local communities must be central to development efforts." Regional and rural NSW community education organisations are well-placed to support place-based regional economic development activities.

Regional and rural NSW community education providers contribute extensively to their communities through their operations as small and medium size businesses: the approximate combined annual income for the 26 providers in 2016/17 was $70 million, and they employed more than 1,500 staff and many more casual and part-time trainers.

Despite rationalisation of the NSW community college sector in recent years, community, lifelong, professional and further education remain important features of Australia's educational landscape. The Jobs for NSW's *Jobs for the Future* report (p.32) places adult, community and school education amongst the state's top 20 growth industries. The NSW community education sector is poised to assist the state to take advantage of this growth.

Much of regional and rural Australia does not perform economically as well as capital cities, a perception that is widely shared among people who live there, who feel forgotten by governments, despite record Commonwealth investment. VET is an essential part of Australia's regional economic development. Because of the economic and business structure of most regional and rural areas, VET is usually seen as more relevant to future careers, more actively undertaken (50% higher than in cities) and has a greater economic impact than in metropolitan areas.

The NSW Government funds NSW adult and community (ACE) providers for the [Community Service Obligation (CSO) program](#) ($18 million in 2017/18), part of Smart and Skilled, for disadvantaged learners, regional and remote communities and hard to service communities. A high percentage of [ACE CSO-funded students](#) live in regional and rural areas: in 2016, more than 72.4% of government-funded VET to community providers was spent outside of metro Sydney. CCA acknowledges the importance of CSO funding, which has produced outstanding outcomes for NSW in servicing the most disadvantaged residents. It is an excellent initiative; given the superb track record of community providers, CCA strongly believes that a substantial increase in CSO funds is warranted.

The NSW Government's $1.8 million Tech Savvy for Small Business program (2017/18) has enormous potential to make a real difference in regional and rural economic development, as it draws on the strengths of NSW community providers – their ability to work locally and with small businesses. This program is worth expanding in future years. The NSW Department of Industry supports the governance and professional development needs of NSW community education providers to build both quality and capacity of the providers through ACE Teaching and Leadership program. This program has been extremely valuable, empowering the sector to deliver NSW Government training and skills programs in the best possible manner – and is particularly important for regional and rural providers, which have limited access to professional development opportunities.

The NSW Department of Industry is well-positioned to bring together VET and regional economic development activities. CCA encourages stronger organisational linkages between the two functions, which will assist economic development participation.

Community education regional economic development activities fall into six categories:

- business incubators, such as those run by [Business Growth Centre](#) and [Byron Community College](#);
- working with Indigenous communities, such as the ACE Community Colleges' award-winning [Aboriginal drivers education program](#);
- workplace and business services, such as [VERTO's Australian Apprenticeship Support Network](#), [Western Riverina Community College's](#) English in the Workplace and WHS for Mandarin speakers, and [WEA Hunter's RTO expansion](#);
- employment programs and services, such as [Kiama Community College's NextGEN](#) Digital Development Program that simultaneously supports local businesses to enhance their digital presence and accelerates young peoples' job readiness for careers in the digital sector, and [Byron Community College's](#) national reputation as a supplier of permaculture and sustainability training that has made it an important attraction for regional employers;
- health and social services, such as the [Port Macquarie Community College's](#) formation of the Mid North Coast Human Services Alliance; and
- arts and culture, such [Riverina Community College's Disability Art Studio](#) – mentoring people with artistic and craft talent so that they can reach the point where their works are commercially viable, and South Coast College's Certificate III in Tourism group project that resulted in the [Milton-Ulladulla Comedy Festival](#), a sustainable social enterprise.

New regional opportunities for the sector exist in the training of older workers – who are over-represented and under-utilised in many regional locations, working with regional universities, and developing and encouraging social enterprises. CCA also sees a real opportunity to extend economic development approaches to Western Sydney, where nine of its members are active and many are already collaborating. Opportunities also exist to access philanthropic funding, which needs to be viewed as complementary and not replacing government's service role.

Regional and rural NSW community providers have identified barriers that prevent engagement in regional economic development, including:

- institutional and program blocks, such as the Commonwealth's Building Better Regions Fund, which does not allow not-for-profit educational institutions to participate, and an absence of funding sources to develop pilot programs;
- difficulty in attracting, keeping and supporting quality trainers and assessors because of distances to regional and rural centres; and
- resourcing, facilities and infrastructure needs, which prevent organisations from delivering more services and developing new programs and strategic capabilities.

For that reason, the NSW Department of Industry's 2017/18 "thin market" funding – $100,000 to each of five outer regional and remote community colleges – has been warmly welcomed (Robinson in Broken Hill, Western in Dubbo, Western Riverina in Griffith, Northern Inland in Barraba and New England in Guyra).

Summary of Recommendations

Community Colleges Australia recommends the following:

The NSW Office of Local Government, the NSW Department of Industry and the NSW Local Government Association, in association with Regional Development Australia:

- Collaborate in developing a consistent policy approach to local government involvement in NSW economic development activities, particularly outside of metropolitan Sydney, taking into account the capacity of community education providers to participate (s. 2).

The NSW Office of Local Government and the NSW Department of Industry:

- Fund a regional and rural economic development summit that explores successful models for local government involvement in regional and rural economic development and the connections to education and training, inviting a diverse range of stakeholders, including regional development organisations; VET organisations such as Community Colleges Australia, TAFE NSW and the Australian Council for Private Education and Training (ACPET); regional NSW universities; and other relevant stakeholders (s. 2).
- Encourage the new regional and rural Joint Organisations of Councils to incorporate workforce training and development as part of their responsibilities, and to undertake stakeholder liaison with their local and regional community education and other VET providers (s. 2).

The NSW Department of Industry:

- Ensure that community colleges are included in the Local Government Skills Strategy pilot activities in Namoi region as well as the Central West, Illawarra and Northern Rivers areas (s. 2).
- Undertake a state inquiry into the delivery of VET in regional and rural NSW (s. 4.4).
- Commit to continuing to fund the ACE CSO program with multi-year contracts (s. 5.1).

- Substantially increase the funding to the ACE CSO program in recognition of its excellent program outcomes for vulnerable and disadvantaged learners (5.1).
- Continue the "thin market" funding program for outer regional and remote community providers in 2018/19, with funding announcements made earlier in the year so that effective program planning can take place (s. 5.1).
- Continue the technology and professional development support program in 2018/19, and analyse how the funds were spent in 2017/18 (s. 5.1).
- Continue the Tech Savvy for Small Business program in 2018/19 (s. 5.1).
- Continue to fund the ACE Teaching and Leadership program, expand the funding base, commit to funding cycles of more than one financial year at a time, and implement a program timetable that enables proper and efficient planning (s. 5.1).
- Create stronger operational and managerial links between Training Services NSW and the Regional Development section of the Department, ensuring that NSW community education providers have access to regional development staff (s. 5.2).
- Continue the process of empowering [Training Services NSW regional offices](#) outside of metropolitan Sydney with additional staff and resources (s. 5.2).
- Assist the community education sector in establishing a state-wide memorandum of understanding (MOU) with TAFE that will enable community provider to access TAFE facilities at a reasonable cost (s. 5.4).
- Sponsor a pilot program of community education provider involvement in business incubators (s. 9.3).
- Fund Community Colleges Australia to undertake a similar regional economic development research project in Western Sydney, including a forum with interested stakeholders (s. 9.6).

The NSW Department of Industry and NSW Department of Education:

- Examine potential locations for co-locating educational institutions in regional centres and rural towns, including the not-for-profit community providers (s. 3.1).

The NSW Department of Premier and Cabinet:

- Prioritise applications from community education providers to the [Regional Growth Fund](#), given their strong community connections and their proven ability to make a difference in their local areas (s. 5.3).
- Encourage or require non-metropolitan local councils that are developing [Regional Economic Development Strategies (REDS)](#) to consult and involve their local community education providers (s. 5.3).

NSW Office of Aboriginal Affairs and the NSW Department of Industry:

- Co-fund a project with the objective to produce guidelines and models for community education providers to work more closely with NSW Aboriginal communities (s. 9.2).

The Australian Government Department of Education and Training:

- Undertake a national inquiry into the delivery of VET in regional and rural Australia by commencing a major inquiry (s. 4.4).
- Work with the states and territories to establish a new national policy on the role of VET in Australian economy and how VET is placed with respect to the secondary and university education sectors (s. 6.3).

- Ensure that the [Skilling Australians Fund](#) is developed and operated in such a way that does not exclude not-for-profit community education providers from participation in funding, particularly those operating in regional and rural locations (s. 6.3).
- Take the lead in developing, in conjunction with the states and territories, a national policy statement on the role of community education providers in Australian education and training, [updating the 2008 Ministerial Agreement](#) including details of the role of community providers in regional and rural Australia (s. 6.3).
- Recognises the importance of incorporating entrepreneurship more fully into VET courses through its [Review of training packages](#), as outlined in recent [NCVER reports](#) (s. 9.4).

The Australia Government Department of Infrastructure and Regional Development:

- Re-draw its guidelines to allow not-for-profit regional, rural and remote not-for-profit community education organisations to apply for funding from the [Building Better Regions Fund](#) programs (s. 6.4).
- Ensure that its regional economic development programs encourage localised solutions by funding regionally-based organisations (s. 6.4).

The National Centre for Vocational Education and Research:

- Develop an additional set of yearly reports that track student and provider outcomes in regional, rural and remote areas, by states and territories (s. 6.5).
- Include the regional economic development role of VET to the priorities of its national research program (s. 6.5).
- Ensure that community education VET providers are a priority for research outcomes (s. 6.5).

The Australian Government Department of Industry, Innovation and Science:

- Alter its [Incubator Support](#) eligibility requirements for regional and rural projects to include domestic-focussed economic activities, and not limit it to international commercial applications (s. 9.3).

Philanthropy Australia:

- Include regional economic development as a theme at its next national conference in Melbourne, 4-6 September 2018 (s. 9.5).

About This Report

This report is divided into nine sections plus five appendices:

- The Introduction (section 1) describes the project, how it fits into the [NSW Government Regional Development Framework](#), and reviews the capabilities of regional and rural community education providers.
- Section 2 discusses the current Australian regional economic development, and the importance of place-based approaches that align with community education provider strengths.
- Section 3 details the geography and operations of regional and rural NSW Community Education Providers, their role in delivering government-funded VET and their economic contributions to the NSW regional and rural economy.

- Section 4 describes the economic challenges facing regional and rural Australia, the performance of the regional economy, and educational access, including regional and rural VET delivery.
- Section 5 analyses NSW Government policies and programs that impact community education providers and regional economic development.
- Section 6 analyses Australian Government policies and programs, and includes a case study of how infrastructure funding in 2009/10 assisted community providers.
- Section 7 details the economic development activities of community providers.
- Section 8 analyses the barriers to regional economic development participation: government, trainers and assessors, and resources/infrastructure.
- Section 9 looks at new opportunities for regional economic development, including engagement of older workers, working with Indigenous communities, business incubators, entrepreneurship and social enterprises, how philanthropic funding can assist economic development, and how the concepts can be extended to Western Sydney.
- Appendix A details the people and organisations consulted for this report.
- Appendix B describes the activities during the Mullumbimby Regional Economic Development Forum in October (see graphic below).
- Appendix C shows the locations and postcodes where regional and rural NSW community education organisations operate (see map below).
- Appendix D summarises student cohorts for government-Funded VET in NSW in 2016 by type of provider.
- Appendix E details the economic development activities undertaken by NSW regional and rural community education providers.

Acknowledgements and Disclaimer

A Note on Terminology

Community education providers – frequently termed "adult and community education" or "ACE" providers – are commonly known in New South Wales as "community colleges". This report usually uses the generic name "community education providers", as it incorporates organisations that do not use the "community college" term.

In NSW, the name "Aboriginal" is frequently used by the NSW State Government to mean both Aboriginal and Torres Strait Islander people, or Indigenous people. At times, to prevent confusion or organisational names, this report utilises both "Indigenous" and Aboriginal interchangeably.

NSW Regional and Rural Postcodes Serviced by Community Education Providers
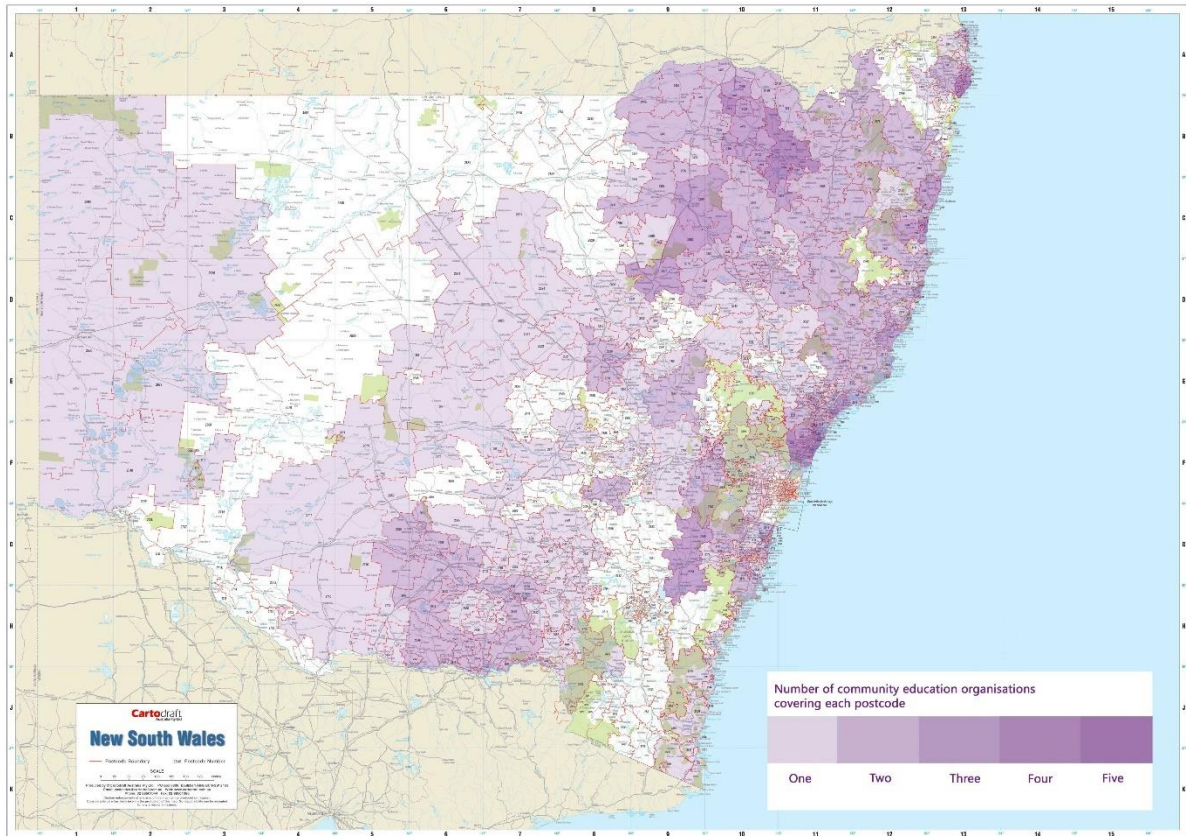
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