



**Submission to the Australian Government
Expert Review of the VET Sector**

**by Community Colleges Australia
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1. Background: The National Australian VET Review

The Australian Government has commissioned an Expert Review of Australia's vocational education and training (VET) sector, led by Steven Joyce, former New Zealand Minister for Tertiary Education, Skills and Employment.¹ The Review:

will focus on how the Australian Government's investment in VET could be more effective to provide Australians with the skills they need to be successful throughout their working life. It will also focus on ensuring Australian businesses, including small and family businesses and businesses in rural and regional areas, have the skills they need to support their business growth.²

In this submission, Community Colleges Australia (CCA) provides an overview of the activities, performance and requirements of the VET activities undertaken by Australia's not-for-profit community education providers so that the Expert VET Review takes into account the unique capacity, capabilities and role that this sector plays in Australian post-secondary education. The Executive Summary (Section 2, immediately following) contains the submission's major points.

2. Executive Summary: Key Points of this Submission

2.1 The VET Sector and Community Education Students

Just over 4.2 million VET students enrolled with 3953 Australian providers in 2017, including 442 community providers. Not-for-profit community education providers delivered training to 384,260 students (9.1% of the national VET total), with private for-profit providers (2,549,380 students, 60.2% of the total) and TAFE/government-owned providers (680,180 students, 16.1% of the total) delivering the majority of the courses. Despite the extensive political and media attention that is given to state and territory TAFE systems, in 2017 community education providers delivered training to more than one-half as many students as TAFE providers did.

The large number of VET students who studied with a private for-profit providers in 2017 – 2,549,380, representing 60.2% of the total – indicate that VET as an education sector has substantially been privatised, much of it taken over by the private sector. This means that private for-profit commercial organisations can – and do – exert an outsize influence on sector priorities, programs, policies and choices. Although CCA believes that there is a role for private for-profit providers in VET, CCA does not believe that these large numbers – and the associated large number of private RTOs (3,156) – is a healthy situation for Australian training. CCA believes that making a profit out of education – and especially out of education funded by government – is inappropriate and against the best interests of the students, because there will always be pressures to reduce quality (of teaching, of student services, of hours delivered) and increase quantity of students, to obtain maximum profit. All of this means poorer training as a result.

In 2017, there were a total of 4193 training providers in Australia, including 3953 registered training organisations (RTOs) and 240 non-registered training providers:

¹ See <https://www.pmc.gov.au/domestic-policy/vet-review>.

² See the Review Terms of Reference at https://www.pm.gov.au/sites/default/files/media/vet-review-terms-of-reference_0.pdf.

- 442 community providers (an increase from 2016 when there was 425 – the only sector to show an increase)
- 41 TAFE (41 in 2016)
- 3156 private for-profit providers (3233 in 2016)
- 398 schools (425 in 2016)
- 143 enterprise providers (172 in 2016)
- 13 universities (15 in 2016)³

Although Victoria leads the country with the most government-funded community education VET students, New South Wales community providers have the most VET students: approximately 146,000, indicating a larger “fee-for-service” cohort. New South Wales and Victoria – states which have historically supported the adult and community education sector – had two-thirds (65%) of community education students in 2017.

2.2 Community Education Student Outcomes

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. Students who have studied VET courses with community education providers also rate their experience very highly:

- Graduates were highly satisfied (87.1%) with the overall quality of their training, second only to TAFE graduates (at 87.7%); and
- A record 92.7% of graduates (the most of any category) would recommend community training providers: more than TAFE (92.3%), universities (90.6%) and private training providers (89.6%).⁴

Community education providers also do very well with respect to completing students, including in the lower level qualifications (Certificate I and II). Completions across all levels have consistently grown over the 4 year period from 2012 to 2016: on a sector-wide basis, increasing from 36.8% to 48.1%. This shows a continuing ability of Australia’s community education providers to ensure that students finish their study.

2.3 Government-Funded VET Community Education Students

Nationally, the community education sector’s share of government-funded VET in 2017 was 5.7% (68,170 students), approximately two-thirds its share of overall VET delivery. Community education providers consistently reaches Australia’s most vulnerable and disadvantaged learners, in almost all cases much more capably than other types of providers: TAFE and the private for-profit providers.⁵ The categories of vulnerable and disadvantaged where community excels are students:

- aged 45-plus
- with a disability
- who are Indigenous

³ Source: NCVET, <https://www.ncvet.edu.au/research-and-statistics/publications/all-publications/total-vet-students-and-courses-2017>. Of the non-registered training providers, most will be not-for-profit community or religious organisations.

⁴ See NCVET, <https://www.ncvet.edu.au/publications/publications/all-publications/total-vet-graduate-outcomes-2016>.

⁵ CCA has previously analysed the 2016 government-funded VET statistics for New South Wales and provides some comparative notes in the analysis; see <https://cca.edu.au/wp-content/uploads/2017/10/NSW-Community-Colleges-Govt-Funded-VET-2016-Analysis-28September2017-1.pdf>.

- from Non-English speaking backgrounds
- living in rural regional and remote areas
- experiencing socio-economic disadvantage (bottom two quintiles – or 40% - of the SEIFA index⁶)
- female

The community sector especially out-performs all other provider groups with respect to students aged 45-plus, students with a disability and female students.

It is clear that if Australian governments wish to reach, engage and train Australia's most vulnerable and disadvantaged individuals and communities, it is essential to commence with community VET providers, and to build programs with community providers in mind.

2.4 Major Issues Facing Community Education Providers

A number of organisational, institutional and funding barriers prevent not-for-profit community providers from reaching their full potential to help Australians prepare for the future workforce and to engage actively in their communities. These are:

- an ongoing funding need for infrastructure and building support, with no programs available since the (then) Commonwealth Government set up a \$100 million “Investing in Community Education and Training program”, part of a \$500 million VET Capital Fund that included TAFE;
- recognition of Australian adult and community education (also known as “ACE”) as a distinct sector;
- restoring the community education, community college and VET brands, given the unsavoury practices by a number of for-profit VET providers, some of whom take on names to pretend that they are not-for-profit or government organisations;
- proper funding for VET system as a whole, which lags behind all other education sectors;
- reversing the marketisation and privatisation of VET (as noted above);
- providing proper funding for foundation skills, adult literacy and numeracy; and
- supporting the activities of not-for-profit community providers in regional economic development, both in non-metropolitan areas, as well as in outer metropolitan Sydney and Melbourne locations.

2.5 VET in Regional and Rural Australia

VET is particularly important in rural and regional Australia, because of the economic and business structure of most regional and rural areas. Regional and rural VET participation rates run at least 50% higher than in metropolitan areas. A much larger percentage of regional and rural VET students also study lower level qualifications: Certificate III and below – just those qualifications that community education providers excel in, with their focus on vulnerable and disadvantaged learners. Community education providers proportionately over-deliver VET outside of the capital cities, on a population basis, making them a significant national force in non-metropolitan Australia: in 2017, approximately 41% of community education government-funded VET students nationally and a substantial 61% in New South Wales were rural and regional, easily exceeding the percentages of TAFE and private for-profit providers. Some 22 (of a total 33) accredited New South Wales community providers are headquartered outside of Sydney.

⁶ See Australian Bureau of Statistics, <http://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa>.

There are a number of issues around regional and rural VET program design and delivery to consider, when planning the proper contribution of community education providers:

- “Thin markets” and unproductive competition (including “contestable” funding) damage the ability for rural VET providers to deliver efficiently.
- Resourcing and costs in regional and rural areas are consistently greater;
- The quality and availability of trainers and assessors is limited, as is the availability of professional development.
- Australia has a well-documented “digital divide”, with almost three million Australians not online.⁷ While this divide is narrowing, important divisions still persist. Community providers are well-placed to reach and engage these learners through programs such as the Tech Savvy for Seniors program.⁸

3. About Community Colleges Australia

Community Colleges Australia (CCA) is the peak national body representing community-owned, not-for-profit education and training providers. Our vision is for dynamic and vibrant communities, informed and empowered through learning. To make our vision a reality, CCA works to empower Australia’s community education sector by increasing the awareness of the sector and its place in the economic and social fabric of our nation. CCA advocates with government on the value of the community education sector, and for our members’ activities and programs.

CCA assists its members to sustain and grow, promoting learning innovation, focussing especially on vulnerable and disadvantaged learners. The majority of CCA members are Registered Training Organisations (RTOs) for vocational education and training. They focus on student welfare and are strongly committed to employment outcomes for their learners.

Our members have been providing flexible and dynamic education and training opportunities to individuals, groups and businesses for a long time – in some instances more than 100 years. As well as operating in accredited VET, CCA members offer a range of other learning opportunities, including non-accredited training, lifestyle and lifelong and cultural learning courses – education for which they are historically well-known. These educational activities help build self-esteem, re-engage “missing” learners and create and sustain social and community networks, all of which help to reinforce and sustain the communities in which our members operate.

The community sector’s history permits our members to be strategic and innovative in their flexibility to employ a wide range of tools. Our sector plays a strategic role because our members have the freedom to take considered risks.⁹ They are not bound by government structures in the way that TAFEs are, nor are they beholden to private shareholders to supply cash returns in the way of for-profit private providers.

⁷ See Thomas *et al*, *Measuring Australia’s Digital Divide*, <https://digitalinclusionindex.org.au/wp-content/uploads/2016/08/Australian-Digital-Inclusion-Index-2016.pdf>.

⁸ See <https://www.telstra.com.au/tech-savvy-seniors> and https://www.training.nsw.gov.au/ace/tech_savvy_seniors.html.

⁹ In October 2016, CCA ran a “Community Education Innovation Prize”. View details of the winner and finalists here: <https://cca.edu.au/what-we-do/2016-cca-annual-conference/cca-innovation-contest/>. Examples of innovations are included in this recent CCA conference presentation: <https://cca.edu.au/wp-content/uploads/2018/08/NCVER-presentation-Don-Perlgut-Evelyn-Goodwin-16Augu2018-FINAL-web.pdf>.

Our members have an historic commitment to invest in their communities and respond to the needs of vulnerable and disadvantaged Australians, including a special commitment to foundation skills. They do this through small class sizes, focussing on personal support, and creating connections to and collaborations with local non-government organisations, government agencies, social services and employers.

4. Community Education VET Providers

4.1 Australia’s VET System by the Numbers

In 2017 just over 4.2 million vocational education and training (VET) students enrolled with 3953 Australian providers, including 442 community providers. Not-for-profit community education providers delivered training to 384,260 students (9.1% of the national VET total), with private for-profit providers (2,549,380 students, 60.2% of the total) and TAFE/government-owned providers (680,180 students, 16.1% of the total) delivering the majority of the courses; see Table 1 below.

Despite the extensive political and media attention that is given to state and territory TAFE systems, in 2017 community education providers delivered training to more than one-half as many students as TAFE providers.

The large number of VET students who studied with a private for-profit providers in 2017 – 2,549,380 people, 60.2% of the total – indicate an education sector that has substantially been taken over by the private sector. Although the VET sector is not fully privatised, with well more than half of the students, the private for-profit commercial organisations can – and do – exert an outsize influence on sector priorities, programs and policies. Although CCA believes that there is a role for private for-profit providers in VET, particularly in delivering certain niche courses, CCA does not believe that these large numbers – and the associated large number of private RTOs (3,156 in 2017, see below) – is a healthy situation for Australian training. CCA believes that making a profit out of education – and especially out of education funded by government – is inappropriate and against the best interests of the students, because there will always be pressures to reduce quality (of teaching, of student services, of hours delivered) and increase quantity (of students, to obtain maximum profit). All of this means poorer training is the result. This topic is discussed further in Section 6.5 below.

Table 1: Breakdown of Australian VET Students by Provider, in 2017

Provider type	Number	Percentage (%)
Private for-profit	2,549,380	60.2
TAFE and government	680,180	16.1
Community providers	384,260	9.1
Schools	82,550	1.9
Enterprise providers	75,525	1.8
Universities	56,165	1.3
More than one provider type	407,500	9.6
Total	4,235,560	100.0

Source: National Centre for Vocational Education Research (NCVER)¹⁰

¹⁰ Source: <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>.

4.2 Australia’s Training Providers by the Numbers

In 2017, there were a total of 4,193 training providers in Australia, including 3,953 registered training organisations (RTOs) and 240 non-registered training providers:

- 442 community providers (an increase from 2016 when there was 425 – the only sector to show an increase)
- 41 TAFE (41 in 2016)
- 3,156 private for-profit providers (3,233 in 2016)
- 398 schools (425 in 2016)
- 143 enterprise providers (172 in 2016)
- 13 universities (15 in 2016)¹¹

Information on the spread of community providers around Australia delivering VET is not easily accessible, however the location of providers delivering government-funded VET is, as shown in Table 2 below. Victoria leads the country, with 256 providers engaged in government-funded VET delivery – many of them small or engaged in pre-accredited training. New South Wales and South Australia both have 34 providers (many of the New South Wales providers are substantial in size), Queensland with 20 providers and Western Australia with 9.

Table 2: Australian Community Education Training Providers Delivering Government Funded Training, 2017

State/territory	Number of Providers	% of national total
New South Wales	34	9.6
Victoria	256	72.5
Queensland	20	5.7
South Australia	34	9.6
Western Australia	9	.2.6
Tasmania	-	-
Northern Territory	-	-
Australian Capital Territory	-	-
Total	353	100.0

Source: NCVER¹²

4.3 Where are the VET Students

Although Victoria leads the country with the most government-funded community education students, New South Wales community providers have the most VET students: approximately 146,000 (see Table 3 below), indicating a larger “fee-for-service” cohort. New South Wales and Victoria – states which have historically supported the adult and community education sector – had two-thirds (65%) of community education students in 2017.

¹¹ Source: NCVER, <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/total-vet-students-and-courses-2017>. Of the non-registered training providers, most will be not-for-profit community or religious organisations.

¹² See https://www.ncver.edu.au/_data/assets/pdf_file/0039/2896572/Government-funded-students-and-courses-Jan-Dec-2017.pdf.

Table 3: Total VET Students by provider type and the state or territory where the training was delivered, 2017 ('000)

Provider type	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Over-seas	Other	Total
TAFE	281.6	149.3	84.1	49.7	56.1	18.3	2.1	12.9	23.4	2.6	680.1
University	0.1	37.2	5.5	0.02	0.4	0.6	8.7	0	3.6	.02	56.2
School	33.8	14.9	26.6	0.6	1.6	1.9	0.5	2.3	0	.09	82.6
Community education	146.0	102.9	38.2	36.0	47.8	0.8	6.2	6.0	.03	0.2	384.3
Enterprise provider	20.1	7.4	21.9	7.1	14.8	0.4	2.0	0.2	0.3	0.3	75.5
Private for-profit	741.5	644.1	651	112.8	207.5	27	21.3	50	6.8	87.1	2,549.4
attending more than one provider	106.2	66.8	77.2	24.2	45	5.1	4.7	5.0	0	73.2	407.5
Total students	1,330.2	1,022.8	904.6	230.8	373.4	54.1	45.5	76.3	34.3	163.6	4,235.6

Source: NCVER, Total VET Students and Courses 2017¹³

Each July the NCVER publishes two annual totals for vocational education and training (VET) student activity for the previous calendar year:

- Total VET students (also known as “total VET activity”) – approximately 4.2 million VET students VET in 2017, as described above¹⁴; and
- Government-funded VET, defined as “all Commonwealth and state/territory government-funded training delivered by TAFE institutes, other government providers (such as universities), community education providers and other registered providers)” – 1.2 million students participated in government-funded VET in 2017 (see next section).¹⁵

The NCVER data undergoes significant quality control to ensure it will be of value to Australian policy makers and researchers.¹⁶

4.4 VET Student Employment Outcomes

NCVER data shows the importance of the community education sector to employment outcomes, given that so many community education students come from disadvantaged backgrounds and use the training to move into employment. 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. Students who have studied VET courses with community education providers also rate their experience very highly:

¹³ See <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/total-vet-students-and-courses-2017>.

¹⁴ See <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/total-vet-students-and-courses-2017>.

¹⁵ See <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>.

¹⁶ The NCVER makes available “data slicers” and the original data sets in ways that can be downloaded and compared; CCA has used these “data slicers” in the preparation of this report. See <https://www.ncver.edu.au/research-and-statistics/data-quality-policy> and <https://www.ncver.edu.au/about-ncver/about-our-data>.

- Graduates were highly satisfied (87.1%) with the overall quality of their training, second only to TAFE graduates (at 87.7%); and
- A record 92.7% of graduates (the most of any category) would recommend community training providers: more than TAFE (92.3%), universities (90.6%) and private training providers (89.6%).¹⁷

Community education providers also do very well with respect to completing students, including in the lower level qualifications (Certificate I and II). As shown in Table 4 below, completions across all levels have consistently grown over the 4 year period from 2012 (actual) to 2016 (projected): on a sector-wide basis, from 36.8% to 48.1%. This shows a continuing ability of Australia's community education providers to ensure that students finish their study.

Table 4: Government-funded Student Completions of Community Education Providers, 2012-2016

Qualification	Observed actual		Projected		
	2012 %	2013 %	2014 %	2015 %	2016 %
Diploma/higher	58.3	49.1	57.2	61.0	71.1
Certificate IV	57.2	56.2	60.0	61.5	63.5
Certificate III	37.8	44.6	47.4	47.7	52.5
Certificate II	24.9	32.8	45.7	38.5	44.4
Certificate I	30.1	22.4	25.8	31.0	41.4
Total	36.8	39.5	45.5	45.8	48.1

Source: NCVET, VET Program Completion Rates 2016, published August 2018¹⁸

5. Government-Funded VET

5.1 Government-Funded VET: Summary and Definitions

Nationally, the community education sector's share of government-funded VET in 2017 was 5.7% (68,170 students), approximately two-thirds its share of overall VET delivery (see Table 5 below). CCA notes that the number of government-funded VET students in private for-profit institutions (475,045) is many times the number of community providers, and approaching the number of TAFE students: again CCA's view is that this is inappropriate and has contributed to long-term damage of Australian vocational education and training.

Table 5: Government-funded VET students by provider type, 2017

Provider type	Total	Percentage (%)
TAFE	622,100	52.3
Community providers	68,170	5.7
Private for-profit	475,045	39.9
Attending more than one provider	25,115	2.1
Total	1,190,430	100.0

Source: NCVET¹⁹

¹⁷ See NCVET, <https://www.ncver.edu.au/publications/publications/all-publications/total-vet-graduate-outcomes-2016>.

¹⁸ See <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/vet-program-completion-rates-2016>.

¹⁹ See

CCA has compiled data and analysed the performance of not-for-profit community education providers in New South Wales, Victoria and Australia-wide (nationally). This analysis shows that the community sector consistently reaches Australia's most vulnerable and disadvantaged learners on a percentage basis, in almost all cases much more capably than other types of providers: TAFE and for-profit providers. The analysis utilises the calendar year 2017 data set, compiled by the National Centre for Vocational Education Research (NCVER).²⁰

In NSW, "government-funded" VET for community providers primarily refers to one of two programs managed and funded by the NSW Department of Industry: the ACE (Adult and Community Education) Community Services Obligation and the Smart and Skilled program and (CSO) program.²¹ In Victoria, government-funded VET primarily refers to the State Government's Skills First program. Providers utilise a range of other government programs, both state and national, although the funded amounts are usually smaller.

The analysis below compares NCVER 2017 "government-funded" student data, examining the differences between not-for-profit community education providers (often known as "community colleges"), TAFE (government/public) providers and for-profit private providers

The tables compare the following student characteristics – by percentage of all learners – across the three types of VET providers delivering government-funded VET during 2017:

- gender
- age
- Indigenous status
- disability status
- ARIA remoteness category²²
- SEIFA IRSD
- non-English speaking background

ARIA classifications fall into five categories: metropolitan, inner regional, outer regional, remote and very remote. Australian research acknowledges the increasing difficulty that many regional and remote residents experience in accessing education, training and other services, compared residents of major cities. For details of this disadvantage, see CCA's report, entitled *The Role of Community Education in Australian Regional and Rural Economic Development* (February 2017, pp. 12-17).²³

<https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>

²⁰ CCA has previously analysed the 2016 government-funded VET statistics for New South Wales and provides some comparative notes in the analysis; see <https://cca.edu.au/wp-content/uploads/2017/10/NSW-Community-Colleges-Govt-Funded-VET-2016-Analysis-28September2017-1.pdf>.

²¹ Commonwealth and other state funding programs and initiatives make additional, mostly minor contributions to the government-funded VET totals.

²² For more details of ARIA remoteness index, see the Australian Bureau of Statistics, <http://www.abs.gov.au/websitedbs/d3310114.nsf/home/remoteness+structure>, and the Australian Government Department of Health, <http://www.health.gov.au/internet/main/publishing.nsf/Content/health-historicpubs-hfsocc-ocpanew14a.htm>.

²³ The report is available at <https://cca.edu.au/wp-content/uploads/2017/02/The-Role-of-Community-Education-in-Regional-and-Rural-Economic-Development-7February2017.pdf>. Also see <https://cca.edu.au/home/nsw-regional-and-rural-economic-development-report-summary/>.

Also see: Australian Productivity Commission, *Deep and Persistent Disadvantage in Australia*, July 2013, http://library.bsl.org.au/jspui/bitstream/1/3521/1/Deep%20and%20Persistent%20Disadvantage%20in%20Australia_PC%20July2013.pdf.

SEIFA IRSD refers to Socio-Economic Indexes for Areas (SEIFA), an index “developed by the Australian Bureau of Statistics (ABS) that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census.” IRSD refers to “Index of Relative Socio-Economic Disadvantage”.²⁴ SEIFA is widely used and acknowledged by Australian researchers as a strong comparative tool for disadvantage.²⁵

5.2 Government-Funded VET: Summary of Findings

A close examination of the NCVET’s government-funded VET data reveals that:

On almost all tracked measures of vulnerability and disadvantage, in 2017 community education VET providers significantly over-performed compared to both TAFE and private for-profit providers, disproportionately catering for students from the state’s most disadvantaged groups and regions.

The calendar year 2017 figures are consistent with the 2016 government-funded VET data.²⁶

5.2.1 New South Wales Government-Funded VET Comparisons

In 2017, NSW community education providers achieved the following percentage proportions of their government-funded VET student populations (see Table 6):

- Almost 20% of community students had a **disability**, compared to 12% of TAFE and 9% of private providers: community providers almost doubled that of other provider percentages.
- More than 13% of community students were **Indigenous**, compared to less than 10% of TAFE and 7% of private students: community providers delivered to one-third more than TAFE and almost double the private for-profits.²⁷
- Almost 64% of community students lived in **regional, rural and remote areas**, compared to less than 37% of TAFE and less than 33% of private students: community non-metropolitan provision was almost double that of other providers.
- Almost 66% of community students were the most **socially and economically disadvantaged** – the bottom 2 SEIFA quintiles, compared to 55% of TAFE and 56% of private students. The SEIFA index of disadvantage is calculated by separating the Australian population into 5 “quintiles”, with each quintile representing 20% of the NSW total population. So the bottom 2 quintiles represent the bottom 40% of Australians, calculated on socio-economic advantage.
- More than 64% of community students were **female**, compared to 57% of TAFE and 51% of private students. Contributing factors are because community providers

²⁴ See Australian Bureau of Statistics, <http://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa>.

²⁵ See “Australia’s most disadvantaged suburbs: where are they and who lives there?”, by Nicholas Biddle, *The Conversation*, 8 April 2013, <https://theconversation.com/australias-most-disadvantaged-suburbs-where-are-they-and-who-lives-there-13181>.

²⁶ See <https://cca.edu.au/wp-content/uploads/2017/10/NSW-Community-Colleges-Govt-Funded-VET-2016-Analysis-28September2017-1.pdf>.

²⁷ In 2016, Indigenous Australians made up 2.9% of the NSW population; see <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0~2016~Main%20Features~Aboriginal%20and%20Torres%20Strait%20Islander%20Population%20Data%20Summary~10>. Indigenous Australians participate in VET at a much higher rate than non-Indigenous Australians – approximately double; see <https://www.ncver.edu.au/publications/publications/all-publications/indigenous-vet-participation-completion-and-outcomes-change-over-the-past-decade>.

undertake limited engagement traditional male-dominated programs, including trade apprenticeships, and many deliver more female-dominated certificates in Individual Care, Child Care and Hospitality.

- Almost 36% of community students were **aged 45 or over**, compared to 19% of TAFE and under 15% of for-profit students – more than double the other provider sectors: community providers disproportionately have the ability to reach older workers, and should be enlisted in more programs of that sort.
- **Non-English speaking background students** was the only category in New South Wales where community providers did not top the charts: with 13.7% of students, compared to TAFE with 21% and private providers with 11%. This probably resulted in part because of the large number of non-metropolitan community students, most of whom are native English speakers. However, in certain locations – such as Western Sydney, with its large migrant and refugee population – community education providers engaged proportionately more students from non-English speaking backgrounds than other providers.²⁸

Table 6: NSW Comparison of Community Education, TAFE and Private for-profit Student Percentages – Government-Funded VET, 2017

Category	Community Education (student %)	TAFE (student %)	Private for-profit providers (student %)
Aged 45+	35.8	19.0	14.7
With a disability	19.7	12.1	8.9
Indigenous	13.4	9.6	7.0
Non-English speaking backgnd	13.7	21.0	11.0
Rural regional & remote	63.8	36.6	32.6
Socio-Econ disadvantage	65.6	55.2	56.2
Female	64.3	56.7	51.5

Source: NCVET, Government-funded students and courses 2017²⁹

5.2.2 Victorian Government-Funded VET Comparisons

In 2017, Victorian community education providers achieved the following percentage proportions of their government-funded VET student populations (see Table 7):

- Some 27% of community students had a **disability**, compared to 9.6% of TAFE and 7.5% of private providers: community providers almost tripled and quadrupled the percentages of other providers.
- Just over 2.2% of community students were **Indigenous**, just under TAFE's number, but 50% more than the private for-profit providers. These low number reflect the relatively small number of Indigenous Australians living in Victoria: just under 1% (0.9%) as of June 2016.³⁰
- Community students lived in **regional, rural and remote areas** at a rate (31.4%) less than TAFE providers (34.1%) but greater than for-profit providers (27.8%).

²⁸ See CCA's forthcoming Western Sydney regional economic development report to the NSW Government (due late January 2019), and will be available at <https://cca.edu.au/member-services/western-sydney-regional-economic-development-and-community-education/>.

²⁹ Source: <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>. Note that the data in this table summarises only the "known" results for each category of student status: when applying the percentages, the "unknown" reports were removed.

³⁰ Source: Australian Bureau of Statistics, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001>.

- Almost half (47.6%) of community students were the most **socially and economically disadvantaged** – the bottom 2 SEIFA quintiles, significantly more than TAFE (with 39.8%) and private providers (43.1%).
- More than 68% of community students were **female**, compared to 38.7% of TAFE and 53.3% percent of private students. Like New South Wales, contributing factors most likely are that community providers undertake limited engagement traditional male-dominated programs, including trade apprenticeships, and many deliver more female-dominated certificates in Individual Care, Child Care and Hospitality.
- More than 45% of community students were **aged 45 or over**, compared to 13.6% of TAFE and under 23.7% of for-profit students – more than triple TAFE and about double private providers: like in New South Wales, it is obvious that community providers disproportionately have the ability to reach older workers, and should be enlisted in more programs of that sort.
- Community providers also topped all other groups in engaging **Non-English speaking background students**, with 39.2%, compared to TAFE with 23.3% and private for-profit providers with 35.8% of students. This reflects the work undertaken by many metropolitan Melbourne community providers with migrant and refugee communities in great Melbourne.

Table 7: Victoria Comparison of Community Education, TAFE and Private for-profit Student Percentages Victoria – Government-Funded VET, 2017

Category	Community Education (student %)	TAFE (student %)	Private for-profit providers (student %)
Aged 45+	45.2	13.6	23.7
With a disability	27.0	9.6	7.5
Indigenous	2.2	2.5	1.4
Non-English speaking backgnd	39.2	23.3	35.8
Rural regional & remote	31.4	34.1	27.8
Socio-Econ disadvantage	47.6	39.8	43.1
Female	68.2	38.7	53.3

Source: NCVET, Government-funded students and courses 2017³¹

5.2.3 National Government-Funded VET Comparisons

Although New South Wales and Victoria make up the majority of community education students in Australia, the other states do contribute substantial numbers, so the national figures differ and provide some useful guidelines for national policy development. In 2017, nationally – all states and territories – community education providers achieved the following percentage proportions of their government-funded VET student populations (see Table 8):

- More than 23% of community students had a **disability**, compared to 10.4% of TAFE and 7.6% of private providers: again, community providers doubled and tripled the percentages of other provider categories, indicating that the ability of the community sector to reach and engage people with a disability is unparalleled.
- Just over 6% of community students were **Indigenous**, slightly less than other provider types.
- Just over 41% of community students lived in **regional, rural and remote areas**, slightly more than other provider types.

³¹ Source: <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>. The data in this table summarises only the “known” results for each category of student status: when applying the percentages, the “unknown” reports were removed.

- More than half (53.4%) of community students were in the most **socially and economically disadvantaged** (bottom 2 SEIFA quintiles), more than both TAFE (47.6%) and private (47.0%) students.
- Two thirds (66.4%) of community students were **female**, compared to 46.6% of TAFE and 49.6% of private students – very consistent with New South Wales and Victoria.
- Almost 41% of community students were **aged 45 or over**, compared to 16.3% of TAFE and 18.3% of private for-profit students – again, well more than double the other provider sectors, showing a national consistency in engaging with older Australians for training.
- The community sector easily dominated the national percentages of **Non-English speaking background students**, with 30%, well ahead of TAFE (20.%) and private providers (18%).

Table 8: National (Australia-wide) Comparison of Community Education, TAFE and Private for-profit Student Percentages Australia – Government-Funded VET, 2017

Category	Community Education (student %)	TAFE (student %)	Private for-profit providers (student %)
Aged 45+	40.8	16.3	18.3
With a disability	23.4	10.4	7.6
Indigenous	6.2	8.0	6.4
Non-English speaking backgnd	30.0	20.2	18.1
Rural regional & remote	41.1	39.3	36.0
Socio-Econ disadvantage	53.4	47.6	47.0
Female	66.4	46.6	49.6

Source: NCVET, Government-funded students and courses 2017³²

6. Issues Facing Australia’s Not-for-profit Community Education Providers

As detailed above, Australia’s not-for-profit community education providers over-perform in reaching the country’s most vulnerable and disadvantaged learners, in comparison to other providers. The message from this analysis is clear: *if Australian governments wish to reach, engage and train Australia’s most vulnerable and disadvantaged individuals and communities, it is essential to commence with community VET providers.*

However there are a number of organisational, institutional and funding barriers that prevent not-for-profit community providers from reaching their full potential to help Australians prepare for the future workforce and to engage actively in their communities. CCA lists each of these below. See the following Section (7), for a detailed analysis of the special challenges of delivering VET in rural and regional Australia, where community education providers are disproportionately active.

³² Source: <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>. The data in this table summarises only the “known” results for each category of student status: when applying the percentages, the “unknown” reports were removed.

6.1 Infrastructure and Building Support

One of the greatest challenges facing community education providers is how to maintain existing and construct new buildings. Small and medium providers, especially in regional and rural areas as well as growth sectors such as outer metropolitan Melbourne and Sydney, face special and well-documented challenges to maintain the high infrastructure costs imposed by accreditation and competitive tendering.³³

Building and maintenance issues facing not-for-profit community providers include:

- postponing essential maintenance because of limited funds;
- the costs of maintaining older heritage buildings; utilisation and retro-fitting of buildings not originally designed for education and training;
- poorly maintained buildings providing poor branding and marketing image;
- providing buildings in accessible locations – important for both youth and adult clients, who often study on a part-time or casual basis in between other work and family responsibilities; and
- ensuring buildings are accessible to people with disabilities, given that community providers have a much larger percentage of learners with disabilities than either TAFE or private-for-profit providers.³⁴

In 2009, the then Commonwealth Government set up a \$100 million “Investing in Community Education and Training program”, part of a \$500 million VET Capital Fund that included TAFE.³⁵ This fund offered not-for-profit community education providers grants up to \$1.5 million for major capital infrastructure developments and upgrades.

In 2017, Community Colleges Australia and Per Capita surveyed almost half of the organisations that received funds from this 2009 program.³⁶ Our survey found that more than 100,000 additional students undertook training in the following seven years as a direct result of that funding. In other words, a new student was trained for every \$1,000 invested, a fabulous return on investment.

Repeating this facilities investment for not-for-profit training providers is an obvious national government policy to pursue, a cost-effective means to support the education and training aspirations of the most vulnerable.

CCA is pleased to report that a small but significant step has recently been made in this area by the New South Wales Government, following a submission by CCA to the NSW Deputy Premier and the NSW Department of Industry.³⁷ The NSW Department of Industry is planning “ongoing infrastructure support as part of a review of the implementation of the Community Service Obligation (CSO) program. The review aims to ensure CSO is supporting ACE providers to be effective in the programs available to serve their clients.” In 2019/20, funding program will “be implemented against specific criteria and ... take account of a provider’s Smart and Skilled compliance and performance against Community Service

³³ See https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

³⁴ See CCA’s NSW submission on this at <https://cca.edu.au/wp-content/uploads/2018/05/CCA-Submission-Maintenance-costs-of-NSW-Community-Education-Providers-21May2018.pdf>.

³⁵ Details available at <https://cca.edu.au/wp-content/uploads/2017/04/Commonwealth-Infrastructure-Funding-2009-10-ICET-Guidelines.pdf>.

³⁶ Report available at https://cca.edu.au/wp-content/uploads/2017/08/Per-Capita-CCA-conference-presentation_final.pdf.

³⁷ See <https://cca.edu.au/wp-content/uploads/2018/05/CCA-Submission-Maintenance-costs-of-NSW-Community-Education-Providers-21May2018.pdf>.

Obligation program targets.”³⁸ More details will be available by April 2019. This New South Wales initiative provides an excellent model for both the Commonwealth and other states.

6.2 Recognition of Australian Adult and Community Education

CCA calls on the Australian Government, along with all state and territory governments to update and reissue the Ministerial Statement on Adult Community Education (ACE), which was issued in December 2008 by the Ministerial Council for Vocation and Technical Education. That Statement confirmed the “value of ACE in developing social capital, building community capacity, encouraging social participation and enhancing social cohesion.” The Statement also described how the sector can respond to industrial, demographic and technological changes in Australia, including important contributions to skills and workforce development – and thus to productivity.³⁹

There is very little in the 2008 Ministerial Statement that does not apply today. But the world of post-school education has changed rapidly in the last 11 years. CCA joins with Adult Learning Australia to request a new national policy statement that articulates the new realities of vocational education and training in Australia, given our rapidly changing economy in the post-mining boom period.⁴⁰ This new statement will include the complementary nature of community providers to TAFE and the private, for-profit sector, as well as the role in educating young people, and providing services to the NDIS and other programs.

More than 12 years ago, Dr Kaye Bowman identified the six key roles played by community education providers, roles which still characterise the sector.⁴¹ The three economic development roles community education providers play are:

- platform builders, re-engaging adults with basic education and support services;
- bridge builders, providing pathways into formal tertiary education and paid work; and
- work-skills developers, offering accredited vocational training.

And the three community development roles community providers play are:

- community capacity builders, facilitating local networks, community-led development and leadership at suburb, town, regional, state and national levels – with particular importance for programs for young people;
- promoters of citizenship, engaging adults active in community activities, contributing to social cohesion and unity; and
- facilitators of adult health, improving mental, physical and emotional well-being, especially for people who may be socially marginalised.

6.3 Restoring the Community Education, Community College and VET Brand

The community education and community college brand has been comprehensively confused in recent years, because all levels of government have allowed a number of private

³⁸ See <https://cca.edu.au/wp-content/uploads/2019/01/Deputy-Premier-infrastructure-letter-to-CCA-26Nov2018.pdf>.

³⁹ Read the full statement at http://cca.edu.au/wordpress/wp-content/uploads/2016/06/Ministerial_Declaration_on_Adult_Community_Education_2008.pdf.

⁴⁰ See <https://ala.asn.au/about-us/community-education-providers/>.

⁴¹ See https://www.ala.asn.au/wp-content/uploads/research/Bowman_final_draft_30_Oct_2006.pdf.

for-profit VET providers to use the words “community” and “college” freely in their names. A large part of the public can no longer distinguish between genuine not-for-profit community-serving education and training and the for-profit VET counterparts. This is not an accident. These for-profit companies purposefully use the words “college”, “community”, “institute”, “Aboriginal”, “Indigenous” and various place names – Australia, Melbourne, Sydney, Adelaide and Brisbane as a means of deceiving potential learners to think that they are a public (TAFE) or not-for-profit community provider. The CCA website lists 30 examples of misleading organisations, with their logos.⁴²

CCA believes that certain words in RTO naming should be “restricted”. CCA also believes that the lack of transparency of a large number of Registered Training Organisations (RTOs) regarding their ownership and management has damaged both the VET brand and particularly hurt community and public providers. ASQA regulations do not appear to require any specific details regarding ownership, and ASQA’s view appears that this issue is not a matter for the national VET regulator. A large majority of the websites of RTOs that CCA has examined do not include details of:

- who owns the RTO, including company directors;
- where the owner/s are domiciled; and
- who the key staff are, along with their qualifications.

No amount of national or state-based VET promotional campaigns⁴³ can overcome these issues, which were severely compounded by the VET FEE-HELP scandals. This is a failure of governance that can and should be addressed by the Australian Government.

6.4 Proper Funding for VET

Proper government funding for Australian VET is now imperative. The numbers collated by the Mitchell Institute show this clearly: in the 10 year period to 2016, real terms government expenditure in various education sectors were:

- pre-schools increased by 150%;
- schools increased by 30%;
- universities increased by 53%; and
- VET **decreased** by 5%.⁴⁴

VET is the “forgotten middle child” - so writes Dr Damian Oliver:

The middle child is squeezed between schools, which tend to get a lot of policy attention, like the youngest child, and the universities, which tend to get the prestige and status, like the oldest child. There is no doubt that the VET sector has a lower status in Australia.⁴⁵

⁴² See <https://cca.edu.au/wp-content/uploads/2016/11/RTO-Marketing-and-Naming-submission-October2016.pdf>.

⁴³ See the NSW VET campaign: <https://vet.nsw.gov.au/>.

⁴⁴ Source: <http://www.mitchellinstitute.org.au/reports/expenditure-on-education-and-training-in-australia-2017/>.

⁴⁵ For details, see <https://cca.edu.au/vet-is-the-forgotten-middle-child-of-education-that-needs-attention/>.

Recent free TAFE course announcements by the Victorian Government, the New South Wales Government and promises by the current Federal Opposition.⁴⁶ CCA supports proper funding of TAFE, the true anchor VET institution, with which it shares most values.⁴⁷ It's safe to say that the community sector loves TAFE. However it's almost always an unrequited love – except possibly in South Australia, which has developed a model that integrates TAFE and community provision.⁴⁸

What the community sector does not support, however, are the unintended consequences of providing free TAFE courses while leaving the rest of the policy settings unchanged. When this happens, there will be – it's already happening – a negative impact on community providers. That may not be the intention, but that's the reality. If additional TAFE funding damages community providers, the whole training sector loses.

6.5 Reverse the Marketisation and Privatisation of VET

The marketisation and privatisation of Australian VET has been a “disastrous failure”.⁴⁹ In the Australian schools sector, there are almost no “for profit” institutions. In the university sector, for-profit institutions enrol only 5 per cent of students.⁵⁰ Yet – as noted in Table 1 above, in the VET sector in 2017, more than 60% of students enrolled in private for-profit institutions.

The age of “contestable funding” for VET has severely disadvantaged community education providers. No less than the self-described “Queen of Capitalism”, Business Council of Australia's Jennifer Westacott, has said:

We can't just say let the market work, because it doesn't always work for everybody.... It doesn't often work for disadvantaged people, it doesn't work in certain locations [and] it doesn't work for emerging skills. Whenever you hear people say, 'Let the market just run,' you say: to what end and what purpose? Market reform has to be about outcomes, not fads.”⁵¹

The much-abused VET FEE-HELP scheme was the worst manifestation of marketisation.⁵² But it was only a symptom of a much deeper malaise in Australian public life. This “neoliberalism”⁵³ assumes that the privatisation of public educational (and other) services is a good thing.⁵⁴ An efficient market will provide when public funding is given to the private sector.

⁴⁶ See the following references: <https://www.abc.net.au/news/2018-05-02/free-tafe-course-student/9716470>, <https://www.tafensw.edu.au/short-courses/courses/short-courses-for-your-business> and <http://www.douglcameron.com.au/news/media-releases/labor-is-backing-tafe/>.

⁴⁷ See CCA's policy on TAFE: <https://cca.edu.au/wp-content/uploads/2017/05/CCA-Policy-on-TAFE-and-Community-Education-11April2017.pdf>.

⁴⁸ See <http://www.tasc.sa.gov.au/News-Events/PostId/20/recognising-the-value-of-adult-and-community-education-policy-released>.

⁴⁹ See <http://insidestory.org.au/vocational-education-policy-is-failing-and-its-not-hard-to-see-why/>.

⁵⁰ Source: <https://www.teqsa.gov.au/for-providers/resources/statistics-report-teqsa-registered-higher-education-providers-2017>.

⁵¹ See the reference on page 23 of the CCA paper available at <https://cca.edu.au/wp-content/uploads/2017/02/The-Role-of-Community-Education-in-Regional-and-Rural-Economic-Development-7February2017.pdf>.

⁵² See <https://cca.edu.au/vet-fee-help-15-months-on-an-epic-fail-still-causes-pain/>.

⁵³ See definition of neoliberalism at <https://theconversation.com/what-exactly-is-neoliberalism-84755>.

⁵⁴ See <https://cca.edu.au/news/comment/why-the-issue-of-for-profit-australian-vet-doesnt-go-away/>.

What we know now – and should have recognised years ago – is that this simply is not true. Education is a public good⁵⁵; it should not be sustaining profit margins greater than 30%.⁵⁶ If it does, surely quality will suffer. The marketisation of Australian public services has never been more problematic than in the VET space.⁵⁷ Education and training is not a suitable buy-and-sell commodity, both on rational economic as well as social criteria.⁵⁸

Even the Australian Government's Productivity Commission acknowledges that, "The expansion of VET FEE-HELP access after 2012 is a well-documented example of how policy can fail if governments do not ensure proper policy design along with suitable regulatory oversight."⁵⁹

The Australian National Audit Office report on the *Administration of the VET FEE-HELP Scheme* also acknowledges that a free-for-all Australian VET market is wrong.⁶⁰ Paragraph 27 of the report details how there was an average tuition fee increase of 342% over a six year period due to VET FEE-HELP, and a variation in course fees of up to 1000%.⁶¹ In other words, consumers did not have enough information or power or capability to determine or negotiate the proper pricing mechanism. Many learners simply assumed that because the loans were from the Australian Government that it must have been okay. Put simply, competition did not bring lower prices or higher quality – in fact the opposite occurred.

And which consumers fared worse from the VET FEE-HELP fiasco? The answer: Indigenous students and low socio-economic status students: the Government's *Redesigning VET FEE-HELP* paper found that in 2015 the average annual tuition fee for Indigenous students was almost 40 per cent higher than non-Indigenous students.⁶²

These are extraordinary findings. Australia does not need more "choice" or competition in VET. What we do need are properly funded government and community providers that are committed to the common good, and not to producing high levels of profit for individuals and corporations.

6.6 Foundation Skills, Adult Literacy and Numeracy

The Australian Bureau of Statistics concluded in 2012 that a significant proportion of the adult population in Australia was unable to "demonstrate minimum levels of literacy and numeracy required ... in the emerging knowledge-based economy."⁶³

The Australian Council for Adult Literacy estimates that "one in five adults do not have the literacy skills to effectively participate in everyday life."⁶⁴

⁵⁵ See <https://theconversation.com/education-is-a-public-good-not-a-private-commodity-31408>.

⁵⁶ See <https://cca.edu.au/news/comment/what-do-bank-profits-have-to-tell-us-about-australias-private-for-profit-vet-providers/>.

⁵⁷ See <https://www.abc.net.au/news/2016-04-14/manning-rorts-and-blowouts-the-folly-of-public-subsidies/7325462>.

⁵⁸ See <https://journals.sagepub.com/doi/abs/10.1177/1035304614533624>.

⁵⁹ See <https://www.pc.gov.au/inquiries/completed/productivity-review/report/3-future-skills-work>.

⁶⁰ See <https://cca.edu.au/proof-that-a-free-for-all-australian-vet-market-is-wrong/>.

⁶¹ See <https://www.anao.gov.au/work/performance-audit/administration-vet-fee-help-scheme>.

⁶² See https://docs.education.gov.au/system/files/doc/other/redesigning_vet_fee_help_-_discussion_paper_0_0.pdf.

⁶³ See [http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4228.0Main+Features12006%20\(Reissue\)](http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4228.0Main+Features12006%20(Reissue)).

⁶⁴ Available at http://www.acal.edu.au/publications/papers/acal_view/ALitAustOct01.pdf.

A survey by Mission Australia and Youth Action showed that 74 percent of young people said that literacy and numeracy issues were significant barriers to completing VET qualifications.⁶⁵

Australia's community providers do some of the heaviest lifting in adult literacy and numeracy, with the concentration on lower level training. Yet funding for foundation skills – both the rate of funding per student contact, as well as the total amount available – continues to languish.⁶⁶

6.7 Regional Economic Development

It is time to recognise that Australia's community providers play an important role in regional and rural economic development through our training and other service activities. Despite some decline in the community education share of VET funding over the past 15 years, CCA estimates that Victorian community education providers deliver more than 20% of accredited VET training in regional and rural areas, and more than 10% in New South Wales.⁶⁷ VET participation is at least 50% higher in regional Australia, where community providers constitute a significant national force.⁶⁸ Many small towns and rural areas depend on the service. Australia needs to reduce the arbitrary barriers for community providers to participate in regional economic development programs.⁶⁹

The community sector also plays an important role in outer metropolitan areas such as Western Sydney, home to 2.3 million people, almost 10% of Australia's population. CCA has started to work with 13 community providers to develop a coordinated approach to economic development of that region, supported by the New South Wales Government.⁷⁰

6.8 Upskilling Older Workers

CCA welcomed the Government's recently announced Skills Checkpoint for Older Workers program, designed to support people aged 45 to 70 to remain in the workforce.⁷¹ Many of this age group are at risk of becoming collateral damage in a rapidly changing economy.

Community education providers have the right environment and style to reach and re-train older workers in many industries, which is also a key message from the Regional Australia Institute.⁷² As noted above, the latest statistics show that 36% of community education government-funded VET students were aged 45-plus, compared to 19% of TAFE and less than 15% of private for-profit students.⁷³

⁶⁵ See <https://www.missionaustralia.com.au/news-blog/news-media/disadvantaged-young-people-face-significant-barriers-to-vocational-education-and-training-vet>.

⁶⁶ Source: <https://ala.asn.au/wp-content/uploads/2011/02/Litearcy-Paper-Final.pdf>.

⁶⁷ See <https://cca.edu.au/report-calls-for-increased-investment-in-community-education-to-tackle-disadvantage-and-unemployment-in-rural-australia/>.

⁶⁸ See research contained in the CCA report available at <https://cca.edu.au/wp-content/uploads/2017/02/The-Role-of-Community-Education-in-Regional-and-Rural-Economic-Development-7February2017.pdf>.

⁶⁹ See <https://cca.edu.au/new-report-highlights-nsw-community-education-providers-contribution-to-regional-and-rural-economic-development/>.

⁷⁰ CCA's research to be published in early February 2019 and will be available at <https://cca.edu.au/member-services/western-sydney-regional-economic-development-and-community-education/>.

⁷¹ See <https://www.education.gov.au/skillsccheckpointprogram>.

⁷² See <https://cca.edu.au/older-workers-the-opportunity-for-community-vet-providers/>.

⁷³ See <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-2017>.

Rational government policy would ensure community providers can take their place in meeting the needs of older workers, as the natural partner for governments. CCA is pleased to note that its member VERTO has been awarded sole provider status for NSW, VIC and the ACT under the Skills Checkpoint for Older Workers program.⁷⁴

6.9 The Need for National Leadership by the Australian Government

CCA believes strongly that Australia's national political leaders need to provide vision and leadership in Australia's VET space, developing bi-partisan approaches to the country's significant national challenges.

It's time for proper funding: no-one can say that Australia doesn't have the money, because we surely do when we are considering both business and personal tax cuts. It's time to bring the states and territories together to further a national conversation on how we educate and train Australia for the mid twenty-first century. And certainly it's time to value the contributions that Australia's community education sector makes to skills development.

7. Community Education Regional and Rural VET

7.1 Background

VET is particularly important in rural and regional Australia, because of the economic and business structure of most regional and rural areas. Regional and rural VET participation rates run at least 50% higher than in metropolitan areas. A much larger percentage of regional and rural VET students also study lower level qualifications: Certificate III and below – just those qualifications that community education providers excel in, with their focus on vulnerable and disadvantaged learners. Because the Commonwealth Government's VET loans programs – the now-closed VET FEE-HELP and the replacement VET Student Loans – operate for Diploma and Advanced Diploma (and not Certificates I to IV), it is highly likely that rural and regional providers have received little benefit and are unlikely to receive much in future.

As the tables in Section 5 above show, community education providers proportionately over-deliver VET outside of the capital cities, on a population basis, making them a significant national force in non-metropolitan Australia: approximately 41% nationally and a substantial 61% in New South Wales in 2017 (government-funded VET), well exceeding the percentages of TAFE and private for-profit providers.

Adult Learning Australia reports:

- One quarter (25%) of Victorians live in rural and regional Victoria, yet 44% of delivery by community-based adult education providers registered with the Victorian ACFE Board (in 2011) occurred in regional and rural Victoria and approximately half of the (then) 312 providers were based in rural and regional communities.
- Around one quarter (27%) of the residents of NSW live in regional and rural NSW, yet close to three quarters (72%) of NSW government-funded community college delivery was in regional and rural NSW.

⁷⁴ See <https://www.verto.org.au/news/verto-awarded-sole-provider-status-for-skills-checkpoint-tender>.

- Around one quarter (27%) of the residents of South Australia live in rural and regional areas, yet 30% of accredited and 59% of non-accredited ACE activity occurs in regional and rural areas.⁷⁵

Currently in New South Wales, twice as many regional and rural community colleges (22) than metropolitan colleges (11) are contracted to the NSW government as ACE providers.⁷⁶

The connection to employment outcomes in regional and rural Australia is a natural fit for community education providers.

Regional and rural Australia provides the major source of Australia's export earnings, accounting for 67% of the value of exports, and playing a critical role in the tourism industry. However, distance and geographic isolation in regional and rural Australia results in reduced access to services such as health, education and transport; generally lower incomes; and a vulnerable employment base. Especially impacted are young people, who have much higher levels of unemployment and under-employment than in the major cities.

The Regional Australia Institute states:

Achieving more equitable education outcomes across regional Australia is our nation's greatest challenge in realising the potential of regional Australia.... This is not just the right thing to do, it is central to the future of our economy.⁷⁷

Community education providers operate as important "education investment vehicles" that re-invest their financial surplus in their communities, accelerating new programs and increasing quality and reach.⁷⁸ Thus community education providers have the capacity to make a significant contribution to local and regional economic development, a resource insufficiently utilised by Commonwealth, state and territory governments.

7.2 Post-Secondary Education in Regional and Rural Australia

The post-school experiences of rural, regional and remote young people continue to compound the disadvantage, facing greater vulnerability in the transition from school to further study and work. In 2011, about six months after leaving school, young people who were still looking for work or in part-time work only were:

- 13.4% in major cities;
- 21.7% in provincial cities;
- 19.8% in provincial centres;
- 23.0% per cent in large towns;
- 18.4% in small towns and rural areas; and
- 19.3% per cent in remote areas.⁷⁹

⁷⁵ See https://ala.asn.au/wp-content/uploads/2011/02/regional-research-report_WEB.pdf

⁷⁶ See https://www.training.nsw.gov.au/forms_documents/ace/provider_contact_list.pdf.

⁷⁷ See <http://www.regionalaustralia.org.au/home/2015/11/human-capital/>.

⁷⁸ See "What is the difference between for-profit and not-for-profit groups?" <http://www.ourconsumerplace.com.au/consumer/helpsheet?id=3443>. Contrast this to for-profit VET providers, many of which distribute all of their profits as dividends to private owners. This often means that their profits gained in delivering VET in rural and regional Australia, including profits from government-funded activities like the New South Wales "Smart and Skilled" program, are delivered to private shareholders who are not resident in the communities.

⁷⁹ Source: http://research.acer.edu.au/cgi/viewcontent.cgi?article=1228&context=research_conference.

7.2.1 Vocational Education and Training

Because of the economic and business structure of most regional and rural areas, VET is usually seen as more relevant to future careers and more actively undertaken. NCVET research concludes that, “it is likely that the lower educational and skill base in rural and remote Australia means the marginal impact of vocational education and training programs is greater than in metropolitan areas.”⁸⁰

VET participation runs about 50% higher outside of metropolitan areas, with higher education (university) participation in regional areas at rates half or less. These figures are consistent with the evident decline in secondary school participation (age 16 above) as remoteness increases. (See Table 9 below.)

Table 9: Educational Participation by Regional Classification, 2012

Indicator	Metro %	Inner regional %	Outer regional %	Remote %	Very remote %
Participation in VET	7.4	10.7	11.2	11.9	10.4
Secondary School participation age 16	81.2	77.0	73.9	65.6	52.3
Higher ed participation of school leavers	36.7	20.1	16.1	13.1	4.3
Left school year 10 or below	30.8	41.5	42.3	41.2	50.3

Source: Compiled by PHIDU based on data from the National Centre for Vocational Education Research, 2012; and the ABS Estimated Resident Population, 30 June 2012.⁸¹

VET participation rates are also not uniform across Australia (see Table 10 below): Victoria, New South Wales and South Australian rates run higher than in Queensland, Western Australia and Northern Territory, particularly notable in inner and outer regional areas.

Table 10: Australian VET Participation by State/Territory, 2012

⁸⁰ Source: Kilpatrick, Sue and Bell, Rowena (1998) *Vocational Education and Training in Rural and Remote Australia*, National Centre for Vocational Education Research, Adelaide, <https://www.ncver.edu.au/data/assets/file/0014/3209/200.pdf>.

⁸¹ See <http://phidu.torrens.edu.au/current/graphs/sha-aust/remoteness/aust/education.html>.

Indicator	Metro %	Inner regional %	Outer regional %	Remote %	Very remote %
NSW	6.3	11.9	14.6	15.4	18.5
VIC	10.3	13.9	16.6	19.8	-
QLD	5.9	7.8	7.9	8.4	10.4
SA	8.2	10.8	12.5	13.5	12.9
WA	6.1	7.5	10.8	12.1	9.6
TAS	-	8.6	10.6	13.4	14.6
NT	-	-	8.6	13.2	9.9
Australia	7.4	10.7	11.2	11.9	10.4

Source: Compiled by PHIDU based on data from the National Centre for Vocational Education Research, 2012; and the ABS Estimated Resident Population, 30 June 2012. (released October 2014)⁸²

The Youth Affairs Council of Victoria notes that rural and regional students “are more likely to be dealing with socio-economic and educational disadvantage, so tend to go into VET with relatively low levels of previous qualification and are more likely to take Certificate courses at junior levels.”⁸³ This has long-term impacts on their educational achievement levels, as well as the type of VET courses are in greatest demand.

A 2010 Skills Australia report also refers to the type of VET undertaken in regional and rural Australia:

Approximately 45 per cent of VET students are in regional, rural and remote Australia, compared to 20 per cent of higher education students. The qualifications being studied by VET students also suggest the sector plays a role in laying the foundations for an educational pathway in the regions. Lower level qualifications (Certificate III and below) are a feature of the qualification profile of VET students especially in the outer regions and remote areas. Higher level studies of Certificate IV and above are a more marked characteristic of those enrolled in major cities.⁸⁴

The flexibility and practicality of vocational education and training has meant that the sector “has responded particularly well to the broader social issues especially apparent in regional centres, such as an ageing population and the growing number of retirees.”⁸⁵ Nevertheless, as the Australian Human Rights Commission has pointed out, rural distance and lack of accessibility often means that, “There are still too few opportunities for secondary-aged students to participate in vocational education and training courses of relevance to the industries and businesses in their local areas.”⁸⁶

Indigenous Australians live in regional and rural Australia in greater percentages than their share of the Australian population (3%). In addition, Indigenous Australians also participate

⁸² See <http://phidu.torrens.edu.au/current/graphs/sha-aust/remoteness/aust/education.html>.

⁸³ Source: Youth Affairs Council of Victoria, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/27-education-and-training/414-vet-and-young-victorians>.

⁸⁴ Source: Skills Australia, <http://www.rdasdney.org.au/imagesDB/wysiwyg/discussionpaper-creatingnewdirectionforVET-hr.pdf>, pp. 32-33.

⁸⁵ Source: http://library.bsl.org.au/jspui/bitstream/1/749/1/Building_learning_communities.pdf, p. 6.

⁸⁶ See “Recommendations”, p. 80, <https://www.humanrights.gov.au/our-work/rights-and-freedoms/projects/rural-and-remote-education-inquiry>.

in vocational education and training in greater percentages. The Productivity Commission reports:

Nationally, the participation rate in government funded VET for Aboriginal and Torres Strait Islander people aged 15–64 years was 17.4 per cent in 2013, compared with 16.9 per cent in 2009 and 15.1 per cent in 2004. The participation rate for the non-Indigenous population aged 15–64 years was 8.9 per cent in 2013, compared with 7.5 per cent in 2009 and 7.0 per cent in 2004.⁸⁷

While the experience of regional and rural VET is different from the metropolitan areas, it is hard to obtain data that examines student outcomes and provider types and sizes by geographical area. While the NCVET has this data, publishing and tracking it annually will assist policy-makers and the VET sector generally to monitor the performance of VET by geographic classification, and not just on a national and state/territory basis.

7.2.2 University Qualifications in Regional and Rural Australia

Levels of educational qualifications differ significantly between Australia's capital cities and rural and regional Australia, with the differential increasing the further people live from major cities. Of Australians aged between 25 and 64 in 2011, 31% of major city residents held bachelors degrees or above, compared to 18% of residents in inner regional areas, 15% in outer regional areas and 12% in remote areas. Encouragingly, the rate of growth of higher education qualifications was slightly higher in regional and rural Australia than in the capital cities in the five year period leading to 2011 – indicating a strong desire of non-metropolitan residents for further education.⁸⁸

Low levels of university commencement reflect the crucial barriers that face young people in rural and regional Australia. With only a few exceptions (small cities with regional university campuses), it is impossible to live at home while studying on campus, greatly adding to the economic, social and psychological costs of study. Online distance study is usually a poor choice for entering university students, given the fact that one in five Australian students leave their course during their first year of study.⁸⁹ The drop-out rate for Australian university students studying via online (distance) mode is significantly greater than for on-campus students.⁹⁰ Academic research studies consistently show that, “In spite of the growth in online learning, high dropout rates have been of concern to many organisations and higher education institutions.”⁹¹

There is a strong perception that university study is less relevant in regional and rural Australia: aside from the costs, fewer rural jobs demand a university degree, and opportunities for those with degrees to use their training are often limited. This in turn

⁸⁷ Source: Productivity Commission, <http://www.pc.gov.au/research/ongoing/report-on-government-services/indigenous-compendium-2015>, pp. 5.5-5.6. The report also notes that “These student participation data are not age standardised, so the younger age profile of the Aboriginal and Torres Strait Islander population relative to all Australians is likely to affect the results.”

⁸⁸ See <http://www.run.edu.au/resources/Regional%20Australia.pdf>. The results of Australia's 2016 Census are not yet available.

⁸⁹ About one-third of these students change courses or institutions, but just over two-thirds drop out entirely. See <http://www.smh.com.au/data-point/university-census-date-arrives-one-in-five-students-quit-by-first-year-20140329-35pv4.html>.

⁹⁰ See <http://www.irrodl.org/index.php/irrodl/article/view/1647/3448> and <https://theconversation.com/online-learning-can-work-if-universities-just-rethink-the-design-of-their-courses-50848>.

⁹¹ See Park and Choi, http://www.ifets.info/journals/12_4/18.pdf.

becomes ingrained in attitudes towards higher education, with lower expectations in turn producing lower educational attainment.⁹² For regional and rural Australian university students, the first year drop-out rates are consistently higher and completion rates consistently lower than the rates of metropolitan students. Of the nine worst-performing universities in drop-out rates, only one is located in a major capital city (Murdoch). The reverse is also true, in that only one of the ten top-performing public universities is located outside a major capital city (University of Wollongong).⁹³

7.3 Creating Social Capital through Community-Provided VET

Community education organisations are well-known for their ability to create “social capital”, defined by the OECD as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups.”⁹⁴

Adult Learning Australia describes the connection between social capital and Australian adult and community education (ACE):

Robert Putnam, the sociologist most closely associated with theories of social capital, makes the important distinction between bonding capital, that is, links with like people, and bridging social capital; links with people from different backgrounds.... Bridging capital ... is closely associated with social cohesion. Adult education is a significant builder of bridging social capital.⁹⁵

Harvard Professor Putnam speaks highly of the importance of “community-based education” in creating social capital.⁹⁶ The Centre for Rural and Regional Innovation at the University of Queensland has connected VET, social capital and regional Australia, noting that vocational education and training mobilises “social capital, as well as human, environmental, cultural and built (that is, physical) capital in regional Australia. These various types of capital are core requirements for sustainable regional development.”⁹⁷

Although Indigenous Australians make up about 3% of Australia’s population, they are proportionately over-represented outside the major cities: while Indigenous people comprise only 1% of the population in major cities, they are 3% in inner regional areas, 6% in outer regional areas, 15% in remote areas and 49% in very remote areas.⁹⁸ This has important implications for the delivery of education services in regional and rural Australia.⁹⁹

⁹² See http://ruralhealth.org.au/documents/publicseminars/2013_Sep/Joint-report.pdf, p. 7.

⁹³ See *Completion Rates of Higher Education Students: Cohort Analysis, 2005-2014*, Australian Government Department of Education and Training, January 2017, <https://docs.education.gov.au/node/41841>. Also see Liz Burke (2017), <http://www.news.com.au/finance/work/careers/nation-of-dropouts-university-completion-rates-drop-to-a-new-low/news-story/1265f4d9872db263694aaa74f815c432>.

⁹⁴ See “What is social capital?”, OECD, <https://www.oecd.org/insights/37966934.pdf>.

⁹⁵ See Adult Learning Australia, “Adult Learning and Civic Participation”, <https://ala.asn.au/civic-participation/>.

⁹⁶ See Robert Putnam’s speech, entitled “Education, Diversity, Social Cohesion and ‘Social Capital’”, Dublin, Ireland, 18 March 2004, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EDU/EC/MIN\(2004\)5&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EDU/EC/MIN(2004)5&docLanguage=En). Also see Mark Smith on Putnam and informal education at <http://infed.org/mobi/robert-putnam-social-capital-and-civic-community/>.

⁹⁷ See http://library.bsl.org.au/jspui/bitstream/1/749/1/Building_learning_communities.pdf, p. 4.

⁹⁸ See <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001> and Baxter *et al*, <https://aifs.gov.au/publications/families-regional-rural-and-remote-australia>.

⁹⁹ Community providers deliver a wide and creative range of services to Indigenous Australians. See Appendix A for details of the ACE Community Colleges (Lismore) “Licensed and On the Road” Aboriginal driver education.

7.4 Regional and Rural VET Program Design and Delivery

There are a number of issues around regional and rural VET program design and delivery to consider, when planning the proper contribution of community education providers.

A literature review of factors impacting rural and regional VET identifies that:

- “At times, training providers from beyond the local community [were] seen as lacking necessary local knowledge or the commitment to meeting community ... needs.”
- Many believe that the open training market has “generated an unhealthy degree of competition between various providers.”
- A great deal of rural VET addresses “the specific needs of existing workers in enterprises and small business owners, especially equipping farmers with the “skills they needed to manage their diverse small businesses and compete ... successfully in new global markets.”
- “Local councils in rural areas are often major employers and create a significant demand for training.”¹⁰⁰ As a result, local council amalgamations, with a consequent reduction of local staff, clearly can have an impact on local demand for training.¹⁰¹
- Rural and regional Australia has a limited tradition of formal vocational education and training. With the exception of mining and agricultural extension, the industries which dominate non-metropolitan Australia do not have a tradition of formal VET.
- Even though a larger proportion of the non-metropolitan population is employed in small business compared to metropolitan Australia, “small business employees are less likely to participate in formal VET. Many businesses and families have no confidence in their ability to be informed and effective as 'consumers' of VET. Many individuals have low self-confidence as learners.... [that] relate to previous negative experiences of schooling and low education levels.”
- Adult and community education providers are important in providing bridging programs in rural communities.¹⁰²

Other issues facing rural and regional VET provision include:

1. “Thin markets” and unproductive competition
2. Impact of “contestable” funding
3. VET Student loans will not assist providers
4. Resourcing and costs
5. Quality and availability of trainers and assessors

7.4.1 Flexible Learning and the “Digital Divide”

As a response to the challenge of increasing accessibility of VET outside of major cities, delivering VET via online (distance/flexible) modes to rural and regional learners holds many challenges, some of which are described above in the discussion of higher education.

Availability of proper broadband access and suitable computer equipment at home can be challenging for many disadvantaged rural and regional learners, with less competition (fewer

¹⁰⁰ See http://www.aveutra.org.au/Conference_Archives/2004/documents/PA050BlomClayton.PDF.

¹⁰¹ See Regional Development Australia Northern Inland, http://www.rdani.org.au/files/pages/our-region/current-regional-issues/the-economic-impacts-of-local-government-amalgamations/Economic_Impacts_of_Local_Government_Amalgamations.pdf.

¹⁰² See TAFE Directors Australia, http://www.tda.edu.au/resources/TDA_Regional_TAFE_Position_Paper.pdf.

ISPs), substantially higher costs and poorer service – despite the growth of the National Broadband Network (NBN).¹⁰³ The NBN does not appear to have lived up to its early promise, with Australians continuing “to experience low speeds and high prices relative to other countries,” according to the Technology Policy Institute.¹⁰⁴ While almost all Australians believe that the Internet is an essential service, only about one in five believe that the NBN will be able to supply it.¹⁰⁵

Australia has a well-documented “digital divide”, with almost three million Australians not online.¹⁰⁶ While this divide is narrowing, “important divisions persist, and there are clear disparities between different groups in their use of the internet.”¹⁰⁷ Not all Australians have proper online access. Some stark figures tell the story:

- While 88% of households in our major cities have access, this falls to 82% in inner regional locations, and 79% in outer regional, remote and very remote areas.
- While 94% of ACT households have an internet connection, only 82% of Tasmanian and South Australian households have access.
- While two thirds of low-income households have access, 98% of the highest-income households have an internet connection.
- Of the lowest-income households, 44% have a tablet in the home, compared to 76% of the highest-income households. The mean (average) number of devices used to access the internet in the lowest-income households is four compared to seven in the highest: this is an important factor because “these devices enable individuals in the household to access the internet simultaneously.”
- Australians with more education use the internet more: 96% of those with bachelor degrees or higher use the internet, compared 77% for those with Year 12 or below (a large proportion of rural and regional VET students).
- Use of the internet by employed Australians is 93%, but only 70% for unemployed people.¹⁰⁸

Community providers are well-placed to reach and engage these learners through programs such as the popular Tech Savvy Seniors program.¹⁰⁹

In addition to accessibility issues, research on flexible learning in VET for the NCVER has identified:

- the need for training of teachers and students to maximise the benefits of technology and issues of individual learning styles;
- a lack of training opportunities in the areas of both communications and advanced technologies;
- a lack of accessible technical support;

¹⁰³ See Ogle and Musolino, <http://accan.org.au/our-work/research/1257-connectivity-costs>; and Curtin, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/CIB/cib0102/02CIB01.

¹⁰⁴ See Sorensen and Medina, https://techpolicyinstitute.org/press_release/australias-national-broadband-network-failed-to-deliver/.

¹⁰⁵ See Lewis, <https://www.theguardian.com/commentisfree/2016/oct/06/the-unravelling-nbn-how-turnbull-failed-to-download-the-nations-network-solution>.

¹⁰⁶ See Thomas *et al*, *Measuring Australia’s Digital Divide*, <https://digitalinclusionindex.org.au/wp-content/uploads/2016/08/Australian-Digital-Inclusion-Index-2016.pdf>.

¹⁰⁷ See Ewing, <https://theconversation.com/australias-digital-divide-is-narrowing-but-getting-deeper-55232>.

¹⁰⁸ See Ewing, <https://theconversation.com/australias-digital-divide-is-narrowing-but-getting-deeper-55232>.

¹⁰⁹ See <https://www.telstra.com.au/tech-savvy-seniors> and https://www.training.nsw.gov.au/ace/tech_savvy_seniors.html.

- how independent learning through flexible delivery requires certain learning capabilities; and
- the need for high-quality online resources.¹¹⁰

The real costs of distance/online delivery are usually much greater than realised:

Resource allocation and performance indicators for vocational education and training do not fully recognise the infrastructure and development cost of flexible delivery. Teacher/ trainer employment terms and conditions do not adequately take into account the tasks required by flexible delivery.¹¹¹

The recent Australian Government Department of Education and Training *Redesigning VET FEE-HELP: Discussion Paper* showed that of the low completion rates for VET FEE-HELP funded courses, the lowest completion rates were for online courses: only 7% in 2013 and 2014.¹¹² The discussion paper notes that setting up online VET courses consistently constituted part of a strategy aimed at “reduc[ing] costs associated with teaching staff, rent and equipment”, and clearly meant a reduction in educational quality as well.¹¹³ Although the badly designed VET FEE-HELP scheme was unique in its operation, the very low online learning success rates of those with those loans does indicate particular challenges to expanding online VET. To do it well, online is not an inexpensive option.

7.4.2 “Thin Markets” and Unproductive Competition

“Thin markets” in VET are “those in which the actual and potential number of learners (meaning low demand) may be too small to attract training providers. Thin markets occur in some occupational areas, industry areas and geographic regions (particularly in rural and remote locations) and can overlap.”¹¹⁴ Thin markets have an inefficient spread of resources and expertise, with the result that the most vulnerable courses in rural and regional locations are those that are low-profit and low-demand, but not necessarily the least important.¹¹⁵ Kilpatrick and Bell point out:

There is a lack of variety and diversity of training programs offered in smaller centres. Policy initiatives which foster competition at the expense of cooperation, such as user choice, can have negative consequences in small or thin rural markets. A lack of industry diversity in individual locations limits the range of work placements for training, especially vocational education and training in schools. The capacity of the predominant small business sector to host trainees is limited by economic factors and business training infrastructure. The move of businesses and government operations away from small communities reduces workplace training and assessment opportunities. Small, scattered rural and remote businesses lack bargaining power when procuring training from providers. Small private providers in rural and remote areas can be deterred by the high infrastructure costs imposed by accreditation and competitive tendering.¹¹⁶

¹¹⁰ See Kilpatrick and Bell, https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

¹¹¹ See Kilpatrick and Bell, https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

¹¹² Source: <https://docs.education.gov.au/documents/redesigning-vet-fee-help-discussion-paper>, pp.19-20.

¹¹³ Source: <https://docs.education.gov.au/documents/redesigning-vet-fee-help-discussion-paper>, p. 22.

¹¹⁴ See Ferrier *et al*, https://www.ncver.edu.au/_data/assets/file/0019/5644/nr06006p.pdf, pp. 9, 32.

¹¹⁵ See TDA, http://www.tda.edu.au/resources/TDA_Regional_TAFE_Position_Paper.pdf.

¹¹⁶ See https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

7.4.3 Impact of Contestable VET Funding

As detailed in Section 6.5 above, the age of “contestable funding” (“marketisation” or “privatisation”) for VET has increasingly disadvantaged community education providers, making it harder and harder for them to survive – making a particular impact on regional and rural providers.

Jenny Lambert, Australian Chamber of Commerce and Industry, has described the National Partnership Agreement on Skills Reform – which obliged the states and territories to pursue open market policies – as an “abomination”.¹¹⁷ The marketisation/privatisation of VET has created an unbalanced system, one that relied for some time in large part on VET FEE-HELP as a key driver, and effectively pushed VET students to the private for-profit sector away from both TAFE and the community sector. As Quentin Dempster wrote in March 2016:

What started as a bipartisan Commonwealth strategy to privatise vocational education and training (VET) by enhancing skills through a dynamic competitive market, has ended with allegations of corruption and malfeasance. Worse than that, it has resulted in the deskilling of Australia and \$3 billion in dubious VET loans, part of an estimated \$13 billion blowout in all unrecoverable student loans to 2017.... In 2012 the ... government gulled the states and territories into defunding their TAFEs with the offer of uncapped Commonwealth money via student loans, in return for making their TAFE systems "contestable".¹¹⁸

Here is the exact wording of the 2012 *National Partnership Agreement on Skills Reform*:

Jurisdictions recognise that the introduction or further strengthening of an entitlement will also require a suite of supporting reforms - such as the expansion of the Commonwealth’s income contingent loan scheme to improve the accessibility of higher level qualifications and strategies to support public providers to adapt to the particular circumstances of their local training markets, including an environment of greater competition and contestability.¹¹⁹

CCA strongly believes that it is time for Australia to value vocational education and training as an investment and not as a commodity.¹²⁰

7.4.4 VET Student Loans

With the billions of dollars supplied through the now-discredited and recently abolished VET FEE-HELP program, how much of it advantaged learners in regional and rural Australia? The short answer is “not much” – particularly because VET FEE-HELP loans primarily supported Diploma and Advanced Diplomas.¹²¹ As this paper notes above, the majority of

¹¹⁷ See John Ross, *The Australian*, 14 September 2014, www.theaustralian.com.au/...market-doesnt-work-for-everybody.../e6d377dcb76447.

¹¹⁸ See Quentin Dempster, “The bipartisan catastrophe that’s wasting billions in taxpayer dollars,” *The Sydney Morning Herald*, 25 March 2016, <http://www.smh.com.au/national/the-bipartisan-catastrophe-thats-wasting-billions-in-taxpayer-dollars-20160324-gnqe4g.html>.

¹¹⁹ See page 23, Schedule 3 of *National Partnership Agreement on Skills Reform* (2012), Council of Australian Governments, https://docs.education.gov.au/system/files/doc/other/skills-reform_np.pdf.

¹²⁰ See <http://cca.edu.au/make-education-an-investment-not-a-commodity-cca-in-the-sydney-morning-herald/>.

¹²¹ There was a limited trial of VET FEE-HELP for Certificate IV qualifications, which ceased on 31 December 2016. See <https://www.education.gov.au/trial-extend-vet-fee-help-certain-certificate-iv-qualifications>.

regional and rural VET learners in Australia study at Certificate III and below, so the regional and rural VET providers mostly missed out on this source of funding.

Will the VET Student Loans program – which commenced on 1 January 2017 – assist regional and rural providers? The answer again is “not much”. Only certain Diplomas, Advanced Diplomas, Graduate Certificates and Graduate Diplomas are eligible for the new scheme.¹²² So the flow of funds from VET Student Loans will again primarily advantage providers in metropolitan areas, and at best only a small handful of community education providers in any location.¹²³ Additionally, the VET Student Loans program has significantly underspent the amount of funds allocated.¹²⁴

7.4.5 Resourcing and Costs

The distance from capital cities to rural and regional Australian locations increases the costs of training, a factor not fully acknowledged by government funding programs. Kilpatrick and Bell comment:

The cost of delivering and accessing education and training (including assessment) in rural and remote Australia is greater than in metropolitan areas. Vocational education and training funding policy should address issues of access and equity by consideration of both supply and demand side issues. Higher delivery costs per student/contact hour are not fully recognised in national and state resource allocation models.¹²⁵

TAFE Directors Australia notes:

Current funding models that link funding to student/teaching hour ratios do not, in general, sufficiently take into account the increased costs of regional and remote delivery, provision of educational delivery technology or higher costs associated with recruiting and retaining qualified staff. Nor do they allow for sufficient differentiation ... between larger regional population centres and small, remote or rural communities. Regional loadings go only a small way in addressing the cost implications of supporting delivery.¹²⁶

7.4.6 Quality and Availability of Training Personnel

The distances to many rural and regional locations impacts both the quality and availability of trainers and assessors:

Trainers and assessors working in rural and remote locations require a broader range of skills than those in metropolitan areas in order to cope with flexible delivery and a more diverse teaching load. There is a need for professional development, especially as few adult educators in remote locations hold formal qualifications in

¹²² See <https://docs.education.gov.au/node/41951>.

¹²³ Some 48 not-for-profit (NFP) providers were enrolled in VET FEE-HELP in 2015, and of those 48 only 5 were “traditional” community VET providers, which used less than \$500,000 in VET FEE-HELP loans that year. (Many of the others are NFP industry associations, religious institutions or single-purpose training organisations.) In other words, the overwhelming majority of the 468 or so community education RTOs were not been able to access VET FEE-HELP and very few have signed up for VET Student Loans.

¹²⁴ See <https://www.tda.edu.au/wp-content/uploads/2018/11/ANAO-audit-of-VET-student-loans-program-totally-misses-the-point-13-Nov-2018.pdf>.

¹²⁵ See https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

¹²⁶ See TDA, http://www.tda.edu.au/resources/TDA_Regional_TAFE_Position_Paper.pdf.

adult education. Trainers need to understand clients' existing skills and their needs in order to be credible; metropolitan trainers and providers coming into rural and remote areas often lack this understanding. Insecurity of the training market and difficulties of isolation make acquisition and retention of quality teaching staff difficult in rural areas.¹²⁷

Recruit[ing] and retain[ing] suitably qualified and experienced staff is limited, when compared with metropolitan areas, and becomes more limited as the distance from major centres increases.... Subsidies such as district allowances ... only [go] a small way to address the perceived and actual social, career, and economic disadvantages of living in a regional or remote location.¹²⁸

The issues of trainer and assessor quality and availability – including the need for ongoing professional development – are particularly acute for community education providers, which do not have access to large internal training programs like staff in state government-funded TAFE institutes. While there are some state government professional development grants for the community VET sector, these are not close to sufficient to meet the needs, and particularly so for the regional and rural providers whose staff must usually travel long distances for any in-person training activities and events.

¹²⁷ See Kilpatrick and Bell, https://www.ncver.edu.au/_data/assets/file/0014/3209/200.pdf.

¹²⁸ See TDA, http://www.tda.edu.au/resources/TDA_Regional_TAFE_Position_Paper.pdf.