

S2EP6

Speaker Key:

EL	Emma Lancaster
KJ	Kerry Johnson
GT	Garry Traynor
RV	Richard Vinycomb
TC	Theresa Collignon

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EL Hi and welcome to the Community Colleges Australia podcast, I'm Emma Lancaster. You're listening to the final episode of the six part series on Governance and Business Management for not-for-profit community education providers. In this episode we talk to four CEOs from prominent community colleges across Australia to find out how they approach funding. We look at how to maximise your colleges chance of funding and what it means to play the long game, as well as how to ensure your organisation's sustainability and the importance of diversified funding.

Joining us today is Kerry Johnson, ACE Community College's CEO and Principal, Garry Traynor, the Foundation Principal of Sydney Community College, Richard Vinycomb, Director of Byron Community College and Theresa Collignon, Chief Executive Officer of Macquarie Community College. First up is Kerry Johnson.

Kerry, it's my understanding that ACE Colleges, based in Lismore, has been expanding recently so I'm keen to know what your organisation's approach is to funding.

KJ We've been expanding in Queensland, if I just go back a bit we actually had a campus in Tweed Heads, in the very north of New South Wales, and we were getting a lot of students coming in from Queensland, but they couldn't access NSW funding. So we decided to move 5 km over the border because the border runs right through Coolangatta and we moved into Burleigh Heads, and we got a government funded contract there so we were able to take QLD students as well as still service the students at the very north, at Tweed Heads. So that was our initial foray into a, and what we found in QLD, it's a different funding model to NSW so if a student is eligible and you're offering a course, then they can just go into that course. So there's no limit, there's no financial cap as to what you do. And also they pay monthly so there was a regular income stream coming in, so to set up a new campus was a good idea there for us. And since then, we've opened up a new campus at Southport.

EL Congratulations!

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KJ Yeah, that's pretty exciting and that was because of work we were doing with another partner in QLD, and they've been offering us some great locations for us to operate out of, as well as their network of opportunities and connections.

EL Kerry, I'm keen to understand, you said, you mentioned a partnership and that's actually been something that's helped you move across the border and open up a campus, so how is it that you're identifying your partners, and how do you choose to go into a partnership with another organisation?

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KJ We actually moved across the border on our own, so that was Burleigh Heads, and then we were approached by another not-for-profit in the middle of last year, and they'd actually been stalking us on Facebook. So they'd been looking at all of the information we'd been putting up – our posts, Facebook, looking at our website. They thought we were a really good fit for what they were doing and fitted in with their own values, and they asked us if we wanted to just have a bit more of a relationship together that we could, that they could see some synergies between us.

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One of the ideas that we came up with for how we could actually get to know each other better, sounds like a real relationship, was to open up a campus. They had spare space at their location at Southport – a lot of spare space – they had two really large training rooms, a student room and another kitchen, reception, and they didn't have a use for it, so we've been able to go in there with, completely redecorated it, it looks like us and that was part of the deal, we said it had to look like us, it couldn't look like them, and they've gone along with it and it's a really great relationship and it's been really helpful for us to move to the northern end of the Gold Coast. The Gold Coast in general has a large population, the largest population on the northern end and that also extends our reach moving back into Brisbane as well. So for us it's a really great location. It's one that we know we've got students in that location and workplaces that we work with so very it was a very very low risk venture for us and we're really excited about it.

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EL How then do you think you can best, for people who are listening, who perhaps have a community college in other states, how do you think they should be maximising their college's chance of funding, because it sounds like you've got a really successful model, the way you're operating and the way you're expanding at the moment. What advice could you provide there?

KJ The model that we're working on at the moment with that partnership one really works well in QLD and a lot that's got to do with the way VET training is funded in QLD. So for us it really does work in looking at how we might expand and that could be further up the coast as well, and we'll be looking at that. We also do a lot of work in traineeships on the Gold Coast and that's, Gold Coast and northern NSW, and that's through the use of partnerships as well, where we've partnered with large early childhood providers as well as aged care providers so that's worked there. In NSW, we've really worked to maximise the funding that we've got, so in our Smart & Skilled, we utilise every dollar, we maximise every loading

that we possibly can to try to get the maximum out of that. And because we've got a large Aboriginal population in northern NSW we often do maximise completely all of the loadings.

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With our CSO grant as well, we're really really cognisant of making sure we equip that, [check] that's really important bit with my staff and their work is to make sure we have programs that acquit those grants so we never have to hand back money and that's a really important driver for us in NSW, is maximising the government funding that we can access, and in QLD it's about growing the numbers because we're able to there.

So we've had to be quite resourceful in what we've done, develop things over a long period of time, or use partnerships to try to expand our footprint. So that's how we've decided that we're going to be able to do that. And also our moving into e-learning as well, that's going to be something that we are looking to use to really enhance the student experience with us but also to enable us to reach other students that we couldn't before.

For us in terms of how we're moving forward with our business we are sticking to things that we know, the qualifications that we know we can deliver, the areas we can deliver the programs we can deliver, and that's been a really important thing for us and again comes back to our size, and it's really important in all of our partnerships that we deliver on what we can say we can deliver. So that's a really key point for us to make, is don't veer to far out of what you know. If you're going to do that that you're going to have to start doing that in smaller steps. But we're able to use what we know and expand on that.

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EL That was Kerry Johnson, CEO and Principal of ACE Community Colleges. Next, we're going to hear from Garry Traynor. Garry is the Foundation Principal of Sydney Community College – a position he's held since 1986. Garry's dedication and commitment to adult education and training saw him formally recognised in 2018, when he received an Order of Australia. Garry has a long track record when it comes to the field of adult education and training.

GT At the moment my role is mainly in educational leadership and administrative leadership, however I do have a very large operational role here as well, while we continue what is an ongoing restructure of the college which has been happening over the last six years.

EL So that restructuring, is that a contracting or an expanding venture?

GT Well, initially it was certainly contracting. Now it is tending to be more in the expanding area, yes.

EL Well let's kick off with today's first question. If you could tell me what your organisation's approach to funding is?

GT Well, I have a particular definition of funding, and funding as I have experienced it is from a source, such as government, to an organisation, usually an independent, not-for-profit organisation, that government actually supports the purpose of. So the government supports the purpose of that organisation. That model, which was

largely adopted, and was the model that created community colleges, was rolled out in the 1980's, and it was used to build capacity outside of government, such as services such as evening colleges, for instance, were within government at one time, they were part of the NSW education system and, in fact, were created in the NSW Education Act of 1880, so they have a long history.

So that moment in 1980 when Government decided that what it really wanted to do was to distance itself from the delivery of those services, created a funding model which was to support organisation that it believed in the purpose thereof. We have now, in its place, what can only be determined as the service purchase model, in this model government purchases services to achieve a policy objective. These are contracts to deliver a service. Government policy will no doubt be short term, whereas, when you view funding within the lifespan of an organisation that can really affect the organisation.

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EL When you're looking at ways to maximise your college's chances of funding, what is that you guys are doing here at Sydney Community College?

GT We don't concentrate on funding. What we do is concentrate on sustainability, so we see that sustainability is the key to everything: that if you can't survive as an organisation outside of the current environment, which is funding based entirely on the service of purchases, then you've probably got the wrong model.

EL So then, I guess a good question is then what can colleges do to ensure the sustainability of their funding? You're talking about the need for sustainable funding. What is it that other community colleges around Australia, what should they be doing to ensure their future?

GT I think the first place to start is to really discover what it is that you are about, whether the organisation's mission and vision are clear, because if they're not clear then it's time to go back to the drawing board and really think about that. If the mission is achievable then work at the mission. That's what organisations really need to do. Think about the mission and think clearly about whether or not you are able, the organisation, is able to do that. Then put in place the strategies that support achieving that mission. Now some of those strategies may be seeking government funding over short-term contracts. There are risks involved in that. There are risks involved in all business decisions but there are big exposure risks in just hooking your whole business model to the one horse.

So what can you do to ensure sustainability? Diversify your income as much as possible, make your income as diverse as possible and be willing to shed something very quickly but ensure that what you are doing always tends to what your purpose is. Otherwise you're going to get taken down a road that takes you well off-course.

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EL That was Garry Traynor, the Foundation Principal of Sydney Community College. Next up is Richard Vinycomb. Richard is the Director of Byron Community College. He's established a unique operation that is locally based and stresses the importance of diversified funding.

RV Hi, my name's Richard Vinycomb. I'm the Director of Byron Community College and I've working at the college for the last 20 years, and my role is to manage a regional program in northern NSW.

EL So, what's your organisation's approach to funding?

RV Well, it's to diversify the funding so we're getting money from the government, people pay for courses, and we also apply for project grants.

EL And has there been anything in particular that you've been doing with your community college to maximise your colleges' chance of funding?

RV Yes, we've tried to apply for grants and get money from various sources. One of them is philanthropy. So for our business mentoring program, we get money from various foundations, and one of them is also from other government departments than Education, so one's that support jobs, one's that support health and the environment, are particular targets

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EL So philanthropy, is this a new area, as in terms of a funding pool for you?

RV Yeah it's a very different area because it's about building relationships with those philanthropic groups. It's quite interesting when you find a philanthropist that likes the work that you're do, and the kind of meetings that we have with these people. Because they're coming out of the private sector it's a bit different to working with government: less bureaucracy, less reporting but it does take a long time to build those relationships up.

EL How are you building those relationships, Richard? Have there been things along the way that you've learnt, just say for someone starting out now looking to do something like what you've done up in Byron?

RV Yes there have been some things along the way. I guess we had our own vision first and then we had to find that relationship afterwards. It became clear to us that, with the particular vision we had, say business mentoring, that there wasn't a government department that was necessarily interested in that, so it was looking at, well, even though the program uses volunteers, it still needs professional coordination, it needs a whole lot of activity that costs money – we didn't want to charge very much. So where could we get that? And so we went to some of the people who are experienced in business in our local community, they had contacts so we weren't just, we didn't feel alone in building those relationships.

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EL So you found a number of new partnerships in the region as well, is that right? Outside of philanthropy, in terms of creating partnerships that work well with the community college?

RV Definitely. We had people like economic development officers in councils, we had chambers of commerce, we had people who were working in regional development for the commonwealth government. So it was about having a whole series of round-table meetings and just throwing out ideas with some of these people before we really go the strategy.

EL And I think, you know, when you're starting something like that, there can be a lot of excitement and energy. How do you keep driving it forward and actually get a result out of it?

RV Well one of the things is to get really early feedback from a pilot program and then be, and then have the enthusiasm of the people who are actually benefitting. One example is there's a group that's formed called Women in Business, and they felt like there wasn't enough for women re-entering business life and/or that didn't necessarily have the skills and the support to survive in business. And they became a kind of a little cooperative themselves and came to us and said we need the help of this particular program that we called Sourdough and the Sourdough Business Pathways is now helping this group and we're helping them get some funding, we provide venues for their activities and whenever they have something that's of interest to the rest of the college, then that also comes back and helps everybody else as well.

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My overall view, as Director of the college, is to sort of to see, to look at the relationships, so I'm always looking at the sum of the parts. I think one of the dangers we often suffer from in community colleges and in the government funded world of vocational education is that it's very siloed, you know there's a skills list in NSW, there's Smart & Skilled funding, there's this sort of funding, but sometimes we don't get the big picture of what our communities want in other forms of learning that's not strictly about qualifications and in the case of business people that's certainly the case. And in the case of the other part of the college that's to do with permaculture, there's a qualification being funded but we take an interest in what is happening with those students after they finish, and that isn't about a funded qualification. So we need programs that support people for a longer term than just the strict, you know, area of study, the vocational study.

EL You said that permaculture is something that your college is focussing on. Obviously you're in the beautiful Byron area where there's just lush land all around. Is that something that is new to your organisation, investing in that permaculture space, is looking at the demographic that's surrounding wanting to provide those courses to them?

RV Well we've been in this space for about 10 years now, you know, researching it, networking with other permaculturists in Australia and around the world, reading a lot about it and then finally we decided that we needed to actually offer serious courses in it, and we lobbied the government to put it on the schools list so it's now funded at a Certificate III and IV level, so, and a lot of young people, not just from our area but from around Australia, are attracted to this course, so that's been really great.

And then, we're now establishing the Byron Centre for Permaculture, so we have an outdoor practical site, we have relationships with landholders, so it's kind of, there's a whole ecosystem of learning, it's not just about growing and planting things, it's about design, it's about living and that's what permaculture is, and it does suit our region, but I'm also, you know, happy to help other regions, other colleges, that want to get into this space because I think it's such a wonderful thing to, you know, be doing in the world. We need hope, we need courses that have a

lot of hope in them, especially with all the terrible stuff that's happening around, and this is, this provides that.

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EL Sounds wonderful! Now is there anything that you can encourage other colleges to do to ensure the sustainability of their funding? You mentioned the diversified funding option that your college has taking?

RV I think, I mean, the example I gave you before about philanthropy is that it's important to have at least three years of funding and stage it, have a pilot first. I think it's very hard to have projects that only get funded for one year because sometimes, you know, you have to be able to make mistakes in that first year, and sometimes you need to build up the right teachers and trainers and people facilitating those programs and that's a longer term investment.

EL Do you think, Richard, there are any kind of specific funding issues to a regional campus like yours? Are there issues around that or do you see them as opportunities?

RV Ah, mostly opportunities. I think sometimes we get a bit marginalised because, you know, we're not huge, we're not a big sector and we have to be careful with our money, and we're in a regional area. I think if we've got some partnerships and got local government on side, and we've got local businesses on side, that really helps a lot and inviting politicians along when there's some kind of, you know, gathering, but for me the best advocacy is students telling their stories. That is one thing in a regional community often, people talk, and you ask them why they've engaged in, participated in something, and, you know, it's often because they've heard about it from a friend.

EL Now Richard, are there any final tips, tricks or thoughts when it comes to funding in the adult education sector?

RV Look I think it's important to have students paying for things, if they can afford it. I think, sometimes when we've done things that are very heavily subsidised or free, that they don't necessarily value it. We've got a course that's about to start and the subsidisation for that course means some students pay only about \$200 but some students pay about \$2,000. Well, you know, when they've got to pay money that they actually do really value it and they want to finish so I think some element of fee paying is important. We're sensitive to disadvantage but also when people are prepared to pay money then that's important.

The other thing is that we need to be in control of our own resources, and so that means investing in intellectual property, that means actually developing material where there's not readily available commercial material that we can just buy off the shelf, that we develop or even customise material ourselves. So there's quite a lot of work that goes in behind the scenes with trainers and teachers who are being properly paid to do developmental work.

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EL That was Director of Byron Community College, Richard Vinycomb. Our final CEO to join us for this series is Theresa Collignon. She is the Chief Executive Officer at Macquarie Community College. She spoke with me about why community colleges

need to measure their outcomes and get better at telling their success stories. Theresa also shared the lessons she's encountered while her organisation has been required to downsize after losing a significant government contract, and why sustainability and long-term horizon thinking is the key.

Now, are there any funding issues specific to your campus, I know there was a very significant contract and your organisation lost 75% of its funding pool that it was relying on? So how have you approached that and, I think, everyone is always keen to look at expanding, but there are some lessons that can be learnt when you're contracting. So what are those lessons that you've encountered, Theresa?

TC Yeah, we unfortunately didn't win a bid in a competitive tender process for a program we have been running for 18 years beautifully, really high quality, flawlessly, and it went to another provider in a competitive process and we envisaged that may happen, but thought it never would. However, I guess it's "hope for the best, plan for the worst" is probably the approach, which actually meant spending a lot of time on the, one of our business units which had potential and really investing in that: in people, compliance, relationships, marketing, so that if the worst happened, which it did, where we didn't get a renewal of the contract, which really was all of our profitability which underwrote so much of everything we did, then we at least had something to fall back on, a long running fee-for-service business, and we've now been focussing on that as well to try to break that, to bring that into profitability.

A lot of expense management – can we be more efficient? Can we do without? – so we've actually cut at least \$1 million out of our overheads, because they were funded and supported by one of our other businesses which we no longer have. So we went from being an \$8.5m business to \$4.5m business, and we've managed to, in fact, become more profitable but it's been very, very hard, and you've got to make really hard decisions, which is about retrenchments, closing campuses, what are you going to invest in, salary freezes, really tough decisions that impact your employees, your clients, their lives but if the goal is to maintain the college as a business, you have to make tough decisions. So we've reorganised, we've restructured, we've done everything we possibly can to be more sustainable which is not just about profitability, that's very important, but also about that diversity of where's the next business, what's our relationships, have we got stable staffing, how can we carry on.

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EL And what do you think has been your greatest lesson through that process? No doubt some very hard decisions have been made.

TC I really think that the biggest thing is that well, what if? What's the worst case scenario? How can we get ready for that? And I think what I've learnt about is to really understand your risk appetite, so we're very fortunate that we have hard assets – we have some buildings, we have cash, etc – so we have maintained financial stability without profitability and now we're trying to get back to profitability, and I think the biggest lesson is probably the role of the Board, the role of the senior management, is to look over the horizon: what is that's happening out there or in here that we need to focus on now, that will make a difference in 3, 5, 10, 20 years' time. That's the sustainability thing and it's got to be driven by your purpose and your relevance, and if you're not relevant and you're not clear about

your purpose, your mission and your values, I think that you'll wander off in all sorts of directions, so strategy is often about what you choose not to do, not just what you choose to do. So I think, having some discipline about decision making is really important, but keeping a bit of an "options open" approach to let's try this over here, take small experiments or big, well thought through experiments and investments, but it's got to be thinking over the horizon, it can't be next year we'll do this, or this year we'll do this, and unfortunately the funding is often only a year at a time. So it's hard to get out of the now thinking to be future oriented and I think that's the really big lesson: take the time to think about the future, and take the time to start working on the future, now, so that you have a future. So I think that's the hardest lesson is that Stephen Covey idea of work on the not urgent but important quadrant because we tend to get bogged down in the urgent and not important, and the not urgent and very important is the quadrant, certainly at the board level or the senior management level, you've really got to spend some time.

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EL Now, Theresa, do you have any final tips or tricks or thoughts when it comes to funding in the adult education sector, particularly looking at the next three to five years and what's on that horizon?

TC I really think that government is very much risk shifting, for many reasons, but it's all about employment outcomes for the vocational education and training space. If you can't demonstrate employment outcomes it's going to get, be harder and harder to secure the rationale to get more funding. So I think my tip, or trick, is to have in my strategy thinking, how am I going to measure this? How am I going to make sure I know whether people are getting employment outcomes, and if they're not, what is it they're getting? And I think for the adult community education sector there's a really big disadvantage that government does not value some of the incredible outcomes we get, so I think, coming back to advocacy, measurement, the trends of the future, you've got to be able to prove, here's the value proposition to government, to funders, and to your own organisation, your stakeholders, and say this is what we do, this is why we're doing it and this is the difference it makes.

EL That was Theresa Collignon, Chief Executive Officer at Macquarie Community College.

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This is the final episode of the CCA Governance and Business Management series. Thanks for listening. This podcast is produced for Community Colleges Australia by Heaps Good Media, engineered by Miles Martignoni, and produced and presented by me, Emma Lancaster. The series has been created with funding from the NSW Department of Industry. If you would like to know more, visit cca.edu.au.