

## THE AUSTRALIAN

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# Community colleges in trouble

JOHN ROSS THE AUSTRALIAN JUNE 25, 2014 12:00AM

**ADULT and community education has taken a hit in Victoria's open training market, with one in six community colleges losing government contracts and some going to the wall.**

The number of ACE organisations providing publicly subsidised training has crashed by 18 per cent — from about 340 to 280 — since 2008 when the state government announced plans to fully open its skills funding to private colleges.

During that period, the number of private colleges receiving state funds has more than doubled to 430. The figures, outlined in the state government's 2013 report on its training market, suggest adult education sectors elsewhere could face a similar fate as other states adopt Victorian-style open market policies.

Sally Thompson, who heads national peak body Adult Learning Australia, said it had proven impossible for ACE colleges — known in Victoria as “learn local” providers — to compete with private colleges.

“They run an expensive model: small groups, face-to-face, learners who need lots of support. And they get their funding from the same source as providers that run tick-and-flick online courses. They can't continue to compete.”

The problems have been exacerbated by state government cuts to funding rates, forced by blowouts in the training budget. Cuts in 2012 saw rates for many hospitality courses reduced to just \$1.50 a student an hour. Ms Thompson said this had forced the closure of training cafes established for people with intellectual disabilities.

In another blow late last year, the government cut funding rates for foundation training and restricted its delivery to colleges on an approved provider list. The government said providers had been offering unnecessary training to rake in public subsidies.

Three months later one of Melbourne's biggest ACE colleges, Morrison House, announced that its “declining financial situation” had forced its closure. “Morrison's was the shiny apple, considered one of the strongest in the state,” Ms Thompson said. “It was a real sign of how hard it is for providers to survive.”

While TAFEs and private colleges mainly teach high-level certificates and diplomas, ACE colleges cater to a different

type of student. Two out of five complete “modules” rather than formal qualifications, while another 23 per cent take low-level certificate I and II courses.

The report says two-thirds of ACE students are women, up to three-quarters are aged over 45, just one-third have jobs and almost half have not completed Year 12 or its equivalent.

The government says these types of students are thriving under the open market. The report says subsidised enrolments have risen 48 per cent for indigenous students, 69 per cent for students with disabilities, 137 per cent for “culturally and linguistically diverse” students and 222 per cent for unemployed students.

Skills Minister Nick Wakeling said subsidised training at ACE colleges had increased 15 per cent under the Coalition government, recovering the sector’s losses during the first two years of the open training market. He said additional assistance for concession cardholders meant they paid only 20 per cent of the course fees.

But Labor skills spokesman Steve Herbert said the system was failing second-chance students such as young school dropouts and women re-entering the workforce. His survey of about 50 ACE colleges found that almost 60 per cent had “concerns for their future financial viability”, with disabled students and refugees among the most affected. “These organisations often run on both volunteers and paid staff. They never have any cash reserves,” he said.

A survey of about 50 ACE providers, conducted last year, found they spent an average \$60,000 a year meeting compliance costs. Ms Thompson said many ACE colleges did not have the resources to meet increasingly demanding requirements.

“Lots of them have fallen off the tree because of paperwork issues,” she said.

The latest cuts to Victorian training funding rates, announced last week, kick in next Tuesday.

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