



Pre-Budget Submission

Recommendations for the 2013/14 Federal Budget

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Summary

In this submission, Adult Learning Australia outlines policy recommendations for consideration by the Federal Government in its 2013-14 Budget.

ALA's key policy plank is for equitable access to lifelong and lifewide learning for all Australian adults. *Lifelong* because people are living longer, managing a greater number of transitions between careers in different industries and between full time, part time and casual work. *Lifewide* because people are much more than workers, with family, cultural, social and aesthetic lives and a need for learning to keep them multi-literate, mentally, physically and socially independent, and able to participate in the important policy debates of our time such as the move to a lower carbon future.

ALA acknowledges and supports the significant investment of the Gillard Government in Vocational Education and Training in the 2012/13 budget. We acknowledge its continued investment in implementing the strategies of the 2008/9 Ministerial Declaration on Adult and Community Education. We were also pleased to see the development of the National Foundation Skills Strategy for Adults in 2012.

We recognize the government's commitment to fiscal responsibility and have made suggestions for savings as well as suggestions for increased expenditure where this is economically and socially responsible.

The "high productivity, high participation" country that our Prime Minister aspires for Australia to be, will require a renewed commitment to both lifelong and lifewide learning for all Australians. It will require better access and outcomes from learning in all its forms: formally through the Vocational Education and Training (VET) and Higher Education systems, but also non-formally and informally through the workplace and through community participation.

A commitment to lifelong and lifewide learning is integral to closing the gap between the educational, economic and health status of First Australians and the rest of the Australian community. A renewed commitment is also required to ensure that regional and rural communities have access to a range of learning opportunities.

We propose a modest investment of \$24 million funded by a recalibration of the employee subsidy system for Apprentices and Trainees, taking into account the return on investment to the employer and therefore the likelihood that the training would go ahead regardless of government investment.

ALA recognizes that industries are significant stakeholders in post-compulsory education and training. However, we would like to see greater prioritization of generic skills and literacies that allow adults to succeed across a lifetime of work in an increasingly volatile labour market, as well as function, exercise agency and contribute to their families and communities beyond paid work. We particularly want to see a greater investment in the skills and multiple literacies that allow Indigenous and other socially marginalized Australians to manage their own health and wellbeing, raise healthy and literate children, participate as active citizens in a vibrant democracy and age positively.

The small investment suggested in this submission arguably pays lifetime dividends. It is no accident that world nations like South Korea and Finland with comprehensive lifelong learning opportunities also have robust and resilient economies.

The ACTU has recently highlighted the growing stresses and risks carried by Australian workers who work in increasingly flexible and casual arrangements. (ACTU 2012) We would argue that there is currently insufficient support for Australians to develop the skills and wellbeing to cope with such a volatile industrial environment and rapidly changing ICT environments at work and home. Rather, our post compulsory education system presupposes a 'fantasy world' where young people enter the workforce once, then access lifelong learning via a committed employer, and earn enough income to periodically fully fund retraining for subsequent career shifts.

Unlike in Europe and Asia, Australia has been lulled into a sense of complacency by an economy artificially propped up (in some states) by a mining boom. By contrast, Europe

and much of Asia are investing for the longer term in people of all ages through education and training, recognizing the many values associated with learning that include family, community, democracy, health and wellbeing.

Proposed new expenditures would collectively cost approximately \$24 million. ALA's priorities are:

- Holding a national Inquiry into Lifelong Learning (\$3-\$5 million)
- Developing an Intergenerational (Family) Literacy program in low SES communities and in Indigenous communities. (\$8 million)
- Funding a new suite of research into community literacy, lifeskills and wellbeing (\$500000).
- Expanding funding for the Productive Ageing Through Community Engagement program from the current 200 sites to 400 sites across Australia. (\$1 million)
- Developing a *Learning in the 4th Age* Program for Australians in supported care. (\$2 million)
- Providing Higher Education Access Points in towns more than 80 km from a TAFE or Higher Education campus (\$5.5 million)

Inquiry Into Lifelong Learning

There have been no overarching, national inquiries into Adult and Community Education since the Australian Senate *Come in Cinderella and Beyond Cinderella* inquiries in 1991 and 1997. Australia remains one of the few countries in the OECD without a Lifelong Learning policy. While some commentators have suggested that Australia's highly respected VET system means that we don't require a Lifelong Learning Policy (Karmel, 2004, p.18), ALA has argued that in the absence of such a policy, important questions to guide expenditure in post compulsory education remain unanswered. These include:

- Who has access to literacies and learning (informal and non-formal as well as formal) and who does not?
- Who has the greatest return on investment from government expenditure in education and should therefore contribute more?
- Which Australians will demand education and training in a market-based system and which will need to be encouraged to participate?
- What skills and literacies do adults need to manage multiple transitions between industries and between periods of full time, part time and casual work in a rapidly changing labour market?
- With record levels of mental illness, and so called "lifestyle diseases," with many workers incapacitated through, in and beyond work, what skills do Australians need to manage their health and wellbeing in order to participate and give back to families and communities, including into the senior years?
- Does our current post compulsory education system match the lifelong and lifewide learning and literacy needs of an ageing population?

The *Learning through life: Inquiry into the future of lifelong learning* undertaken in the UK provides a model of Inquiry that could produce an evidence-based snapshot which answers some of the questions outlined above.

An Inquiry into Lifelong Learning to be held in 2013 /14 is particularly timely in the context of:

- Australian states embarking on one of the most radical policy experiments in recent

years in the form of “user choice” policies for Vocational Education and Training.

- A reduction in the overall number of community- based Adult and Community Education providers in both NSW and Victoria as they struggle to remain viable in the face of rapid government funded private sector growth and increasing compliance costs.
- The narrowing of funding in NSW, Victoria and Queensland for post compulsory education to that required by a small number of specific industries.
- Significant reductions to TAFE funding in many states.
- Restrictions on funding for career shifting in some states.

Recommendation 1: The Government should hold a national Inquiry Into Lifelong Learning. The Inquiry should analyse research and seek new advice from specialists, researchers and recognized experts. It should include public hearings including in regional and rural Australia.

Estimated Cost: \$3-\$5 million

Intergenerational (Family) Literacy

It is important that in our rush to ensure that we can compete internationally in high skills and high wage industries, that we don't leave behind the 46% of Australians who don't currently have the literacy levels required to operate effectively in a modern economy and society, (ABS, 2006).

The right to literacy is an inherent part of the right to an education and therefore all Australians should be supported to develop their language, literacy and numeracy skills, regardless of their age and status in the labour market.

ALA welcomed the development of the 2012 National Foundation Skills Strategy as an important first step. However, adults with low levels of literacy make up a large and diverse group and not all are unemployed or job seekers. Of those who are working, many have tenuous relationships with their employer and are less likely than full time ongoing workers to be offered on the job training through WELL or a similar program. (AWPA, 2012)

We propose the continuation of investment in the LLN and WELL programs to support jobseekers with low literacy and workers with low literacy. We propose a third tier in the Commonwealths approach to adult literacy in the form of an Intergenerational (Family) Literacy program to be piloted in low SES communities with a particular focus on communities with high populations of Indigenous people.

Some good models would be the Whānau Ara Mua (Families Moving Forward) program in New Zealand or the Toyota Family Literacy Program in the United States.

These models include the explicit aim of building up the skills of the adult participant to the point where they are able to pursue paid work or further education and training. They also have strong social capital aims of connecting adults to their children's schools and their broader families and communities. In the case of the Whānau Ara Mua (Families Moving Forward) program, it takes into account the specific learning needs of Indigenous families and

communities.

The program would complement initiatives in the pre-school and early learning policy areas, such as the HIPPIY program conducted nationally by the Brotherhood of St Laurence, the Risdon Prison “Reading Together” program and the Smith Family “Let’s Read” program.

Recommendation 2: The Government should continue its current level of investment in the Language, Literacy and Numeracy Program and the Workplace English Language and Literacy Program.

Recommendation 3: The Government should fund a major adult literacy program focused on family literacy in low SES communities and in Indigenous communities.

Estimated Cost: \$8 million

Research into Lifeskills, Literacy and Wellbeing

There is solid, empirical evidence from Europe and the UK that adult learning impacts positively on mental health and wellbeing. (Inquiry Into the Future of Lifelong Learning (p.45). For example,

- Learning is one of five ways to wellbeing (Foresight Report, 2008)
- Participation in adult learning has positive effects in terms of smoking cessation, taking exercise and improvements in self rated health and well being (Hammond & Feinstein, 2006)
- Participation in learning prolongs active life, delays dependency, and sustains independent living (Gladdish, 2006)
- The act of joining and being involved regularly in organised groups, such as learning groups, has a significant impact on health and well being (Putnam, 2000).

In Australia, ACE is most commonly valued by governments for its role in providing a 'soft point' of entry for disadvantaged groups into VET. However in Europe, the UK, and in many South East Asian countries, ACE is more commonly valued for its role in promoting health, wellbeing and resilience and in promoting positive Ageing.

For example, a 2012 UK study (Fujiwara, D., Valuing the impact of adult learning, NIACE) found that:

- 57% of the \$ value of adult education is related to 'better social relationships'
- 13% to 'improvements in health'
- 11% to ' a greater likelihood that people will volunteer on a regular basis'
- 19% (1/5) related to 'greater likelihood of finding/staying in a job'.

We know from the ABS Adult Learning Survey (2006) that those who take part in non-formal learning are more likely to be employed fulltime, more likely to be in the highest

wage quintile and more likely to already be in possession of a higher education qualification. We also know that those Australians without the literacy levels required to operate successfully in a modern economy and society are significantly less likely to report participation in any form of learning in the past 12 months (19% compared with 58%) . In other words, when it comes to non-formal learning, those who need it the most are the least likely to access it.

Australia's Ageing population, high levels of poor mental health and pockets of long term unemployment sitting alongside skills shortages, requires a more sophisticated and holistic policy approach that cuts across current policy parameters, particularly in areas of high social need.

There is a need for a renewed research effort into the intersections between learning, lifeskills, and social isolation, particularly for disadvantaged cohorts.

Principle 3 of the National Foundation Skills Strategy is a commitment to a stronger research base. However, the strategy itself included no new funding or initiatives for such research. As the Strategy correctly identified, improved outcomes for learners can only occur through policy informed by research.

Recommendation 4: The Government should fund a stream of research into Literacy, Lifeskills and Wellbeing. This could be managed through NCVET through an advisory committee including key stakeholders including ALA.

Estimated Cost: \$2 million over 4 years, \$500,000 in the 2012/13 Budget period.

Later Life Learning

Australia is an ageing society in which people are experiencing more frequent, less predictable life transitions, and spending more of their lives out of the labour market

The vast majority of Commonwealth government programs in the adult education and VET areas are targeted at those 15 – 64 years old, despite the need for adults to remain in the workforce beyond this age, The ABS Adult Literacy and Lifeskills survey indicated that (with the exception of 15-19 year olds) each Australian generation group has lower literacy skills than their younger cohorts (ABS, 2006). The full reasons for this are not clear. Some commentators have suggested that poor schooling in earlier generations may be part of the answer. However, loss of access to learning through declining workforce participation is generally considered by researchers to be a key factor. (Shomos, 2010).

There has been no comprehensive analysis of how Australia's adult education funding is spread across the lifecycle. However, the UK *Inquiry into the Future of Lifelong Learning* found that the lion's share of its total adult educational budget was spent on a very narrow age range: 86% on age 18-24, 11% on adults 25-49, 2.5% on age 50-74 and 0.5% on age 75+ (p.103). It would be safe to assume that Australia's spending patterns would be similarly 'front-ended' and oriented to initial education.

While it is appropriate to invest heavily in a young person's transition from preschool through school to work, lack of investment across the lifecycle is unsustainable and unproductive in an ageing population with almost one half of the adult population not in paid work.

ALA welcomes the Government's investment of \$4.28 million over 4 years for the *Productive Ageing Through Community Engagement* program as recommended by the *Potential of Senior Australians: Turning Grey into Gold* report. It also strongly supports ongoing and increased funding of the Australian men's sheds movement through AMSA. However, the allocated budget for each of these programs is modest considering the size of the cohort and the value of the outcomes. ALA would like to see an expansion of these programs pending review.

We would also like to see a pilot program into Learning in the 4th Age – that is, learning for Australians in supported care environments. Overseas research suggests that learning activities

for older people in care homes can increase quality of life, as well as reduce health and social care costs (Aldridge 2009). Further, learning appears to slow the development of two brain lesions that are the hallmarks of Alzheimer's disease (University of California, 2007). As the research in 4th Age learning comes from overseas, the program should include a research component for the Australian context.

A Learning in the 4th Age program would be consistent with the policy aims of the Government's *Living Longer, Living Better* program.

Recommendation 5: The Government should expand funding for the Productive Ageing Through Community Engagement program from the current 200 sites to 400 sites across Australia.

Estimated cost: \$1 million

Recommendation 6: The Government should fund a pilot program for Learning in the 4th Age, i.e. Learning for Australians in supported care environments.

Estimated cost: \$2 million

Learning Centres in Remote Communities

Remoteness from University and TAFE campuses is a significant factor in the educational disparities between Australians living in regional and rural communities and those in urban centres. Research mapping the Accessibility / Remoteness Index of Australia with TAFE and University campuses identified 92 Australian communities with populations over 200 who live more than 80 kms from a TAFE or University campus. Further, that Indigenous Australians are 11 times less likely to be living in a community without geographic access to TAFE or Higher Education. (Haberkorn & Bamford, 2000) Since this research was conducted, a number of TAFE campuses in regional Victoria and Queensland have been marked for closure due to state government funding cuts, making this figure much larger.

The NBN is likely to usher in a range of new learning opportunities in these communities giving adults the opportunity to access learning online via Universities, TAFE's and other training providers. However, learners, particularly those with low skills will need on the ground support to engage with learning. At the same time learning providers will need local intelligence to be able to effectively reach adults in these communities. Community development will be needed to build a culture of learning and to stimulate demand amongst groups who won't automatically demand learning opportunities in a market based system. Non-formal and informal learning opportunities will be need to underpin formal study.

Victorian modelling has indicated a range of market and private non-market benefits attributable to the presence of even a very small Adult and Community Education provider in town, including increased incomes, increased labour market participation and more efficient household management. (Allan Consulting Group, 2008)

The provision of community learning access points in geographically isolated communities would improve take-up of the NBN and provide access points for VET and

Higher Education provision. ALA would like to see the Government make a long term goal of ensuring that a community learning centre exists in every Australian community more than 80 km from a University or TAFE campus, with the highest priority being for Indigenous communities. Community Learning Centres / Access Points could be housed within existing services such as neighbourhood houses, local government buildings or sporting and recreation clubs.

Recommendation 7: The Government should fund an initial 50 Community Learning Centres as access points for Higher Education in communities more than 80 km from a University or TAFE campus.

Estimated cost: \$5.5 million

Employer Training Subsidies

The *Apprenticeships for the 21st century*' report (2011) found that Australia is the only country that pays government incentives on a broad scale to employers as well as to apprentices and trainees. The report questioned the economic benefits of these incentives, which exceed \$1 billion per year. Further research by NCVET has suggested that these incentives have limited impact on employer hiring intentions. (Nechvoglod, Karmel & Saunders, 2009).

The argument commonly given for large-scale employer subsidies, even to highly profitable multi-national companies such as Rio Tinto or BHP is that individuals need their training to be conducted through the national training system in order for the individual worker's skills to be recognised through a qualification. Further, while there is an incentive for employers to train staff if they want to remain profitable in the long term, there is no incentive for an employer to provide nationally accredited training as national recognition doesn't directly contribute to productivity and effectively assists the employee in seeking work elsewhere.

We propose that a distinction be made in policy and funding terms between the development of skills and knowledge and the recognition of those skills. Further, ALA recommends that employers not be absolved of responsibility for funding training in areas that are essential to their own profitability.

An enhanced Recognition of Prior Learning system would allow individuals to gain maximum credit for their on the job training and would help to maintain Australia's already high levels of labour mobility. An independent Recognition of Prior Learning system would also allow for the integration of independent and disinterested career advice, linked to the myfuture.edu.au site.

Recommendation 8: The Government should recalibrate the subsidies given to Employers to hire apprentices and trainees to better take into account the return on investment to the employer of that training alongside an enhanced Recognition of Prior Learning system.

Estimated budget savings: \$150 million

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