



**Submission on terms of reference:**

## **VET Review**

January 2019

**Supported by:**



## About ALA

Adult Learning Australia (ALA) welcomes the opportunity to provide input into the Australian Government's VET Review.

ALA is the national peak body for adult and community education (ACE). We are a not-for-profit entity with both organisational and individual members in all states and territories who reflect the diversity of adult and community education.

The learner is the central focus of our attention. We believe that learning occurs through informal and non-formal means, as well as through the formal education and training systems.

In 2019, ALA celebrates its 59th anniversary.

---

### Adult Learning Australia

Office 1  
45 Moreland Street  
FOOTSCRAY VIC 3011

**Ph.:** 03 9362 8894

**Web:** [ala.asn.au](http://ala.asn.au)

**Email:** [info@ala.asn.au](mailto:info@ala.asn.au)

# Contents

About ALA.....	2
VET review.....	4
Objectives.....	4
Terms of reference .....	4
VET review questions .....	5
What is working well in the VET sector? .....	5
What are the key challenges in the VET sector? .....	8
What changes would you make to the VET sector?.....	11
How can VET help Australians prepare for the future workforce? .....	13
Other comments or recommendations .....	13
References.....	15

# VET review

## Objectives

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. The review is focused on practical steps the Australian Government could take to improve our VET sector, alongside a longer term road map for the future

## Terms of reference

1. The Review will have regard to VET funding, policy and regulatory settings and how they can be optimised to support both school leavers and workers to maximise the achievement of relevant skills and employment outcomes from the VET sector.
2. It will examine skills shortages in VET-related occupations, in particular any tension between VET outcomes and the needs of industries and employers, and what might be done to better align these.
3. It will consider expected changes in future work patterns and the impact of new technologies and how the VET sector can prepare Australians for those changes and the opportunities they will bring.
4. The Review may consider the flexibility of qualification structures, particularly for mid-career workers, and for industries seeking rapid deployment of new skills.
5. The Review may have regard to community perceptions of the effectiveness of the VET sector and the accessibility and utility of information about VET options and outcomes, both for employers and students, including information linking training options to employment outcomes.
6. It may review whether additional support is needed for vulnerable cohorts, including those currently unemployed and at risk of unemployment, or those with low literacy and numeracy skills.
7. The Review may seek out case studies of best practice in VET, and consider whether specific trials should be undertaken to test innovative approaches likely to deliver better outcomes.
8. The Review should have regard to the scope and outcomes from any previous or forthcoming reviews, consultation to date, and inputs made by industry and peak groups.

# VET review questions

## What is working well in the VET sector?

Adult and community education (ACE) is a discrete fourth sector of education in Australia that is not for profit and community based. ACE organisations include Neighbourhood Houses, Community Learning Centres, Community Resource Centres, Community Colleges, Indigenous Cooperatives and Adult Education Institutions such as the Centre for Adult Education and Workers Education Associations.

ACE programs build community capacity, enhance social cohesion and promote health and wellbeing. They foster skill development and provide vocationally focussed education and training programs and pathways. ACE organisations have a strong presence across Australia, particularly in rural and regional communities, where they offer a broad range of programs and services alone or in partnership with other agencies.

ACE enables inclusive learning by recognising that there is a broad spectrum of learners with individual needs and preferences. ACE learning programs are highly focussed and offered in a friendly, flexible and supportive environment.

The ACE sector is recognised for its ability to engage jobseekers in foundation and industry skills program as a 'soft point of entry' to vocational education and training (VET), often working with the jobseeker to address a broad range of barriers impacting on employability.

Research shows that ACE providers offer a platform for disengaged and/or disadvantaged adults to:

- transition back into learning
- develop basic skills for work
- improve language, literacy and numeracy (LLN)
- pathway into formal learning programs.

There are approximately 2500 ACE providers in Australia, all of which provide personal enrichment learning, with many participants from disadvantaged groups. Personal enrichment programs offer a gateway back into learning and support adults to participate in community life, achieving strong health and wellbeing outcomes.

Many ACE organisations also offer adult basic education in language, literacy, numeracy, digital literacy and foundation skills (both accredited and non-accredited). These programs offer pathways into work or further vocational learning.

Around 9% of all adults participating in government-funded accredited adult basic education programs do so at ACE Registered Training Organisations (RTOs).

‘People with a disability, Indigenous Australians, people from non-English speaking-backgrounds, the unemployed and people not in the labour force are more highly represented in accredited adult basic education at ACE VET providers than in accredited adult basic education in all other VET providers.’

(ALA, 2017)

ACE organisations play a significant role in VET for high proportions of learners who are disadvantaged, disengaged, unemployed, have a disability or did not complete Year 12 or equivalent.

NCVER VET enrolment data indicates that the community education sector provides around 9% of vocational education and training in Australia, achieving very successful outcomes. VET Student Outcome data (2018) shows that community education providers have the highest number of graduates that were unemployed before the training (44.4%) and transition more of these graduates into employment (50.9%), achieving better outcomes than TAFE (43%), university (45.7%) and just below private providers (51.9%). Noting that private providers work with the lowest number of unemployment people at 28.8%.

ACE also consistently outranks other VET provider types in terms of having the highest:

- levels of satisfaction with the quality of the training (88.2%); with the teaching (87.9%) and with the relevance of their training to their current job (81.6%)
- percentage of graduates willing to recommend the training (92.6%)

(NCVER, VET Student Outcomes, 2018)

According to NCVER data (2018), ACE training also outranks other VET provider types in terms of developing problem-solving skills and improving written communication, which are highly prized skills in modern workplaces.

These results indicate that ACE’s unique delivery model is particularly effective in terms of meeting the needs of learners from disadvantaged backgrounds or who have challenging life experiences.

ACE plays an important role in terms of social inclusion, workforce participation and productivity in communities across Australia. Relatively small amounts of government investment in the sector produce significant and positive outcomes for Australian governments. The sector is characterised by high levels of volunteerism, low overheads and strong community ‘ownership’.

In some communities, the ACE sector represents the only ‘on-the-ground’ providers of post-compulsory education, and is therefore critically important in terms of addressing access and equity beyond urban centres.

The sector is a significant community asset with the potential to be optimised to play a much greater role in supporting adults and workplaces with their

training needs; particularly disadvantaged adults in rural and regional locations.

### **Case studies**

The standards of the ACE sector represent best practice; particularly for vulnerable cohorts because they are innovative and learning focussed, integrating learning, support and work experience.

Here are some examples of best practice ACE from around Australia:

**Lifting with Linfox program** – which is a partnership between Kensington Neighbourhood House and Linfox that offer industry training and a pathway to better paid and more stable work.

<https://ala.asn.au/stories/lifting-with-linfox/>

**Women in trades and technologies program** – which teaches practical skills and encourages contact with potential employers at Thornbury Neighbourhood House.

<https://ala.asn.au/women-trading-places-3/>

**Youth Reconnect program** – which supports early school leavers in overcoming obstacles on the path to study, training or work at Wyndham Community Education Centre.

<https://ala.asn.au/stories/reconnecting-with-education/>

**Service Stars program** – which is a partnership between Kensington Neighbourhood House and Service Stars Community Jobs Alliance that supports people to find work in the hospitality industry.

<https://ala.asn.au/wp-content/uploads/2019/01/KNH-case-study.pdf>

**Trendz Hair & Beauty** – which offers pathway and accredited hairdressing and beauty programs at Port Macquarie Community College.

<https://www.skillslinktraining.com.au/courses/Trendz%20Hair%20and%20Beauty>

**Bounce program** – which focusses on employability skills, life skills, wellbeing, job readiness and empowerment for job seekers at ACE Community College. This program is mapped to the FSK20113 Certificate II in Skills for Work and Vocational Pathways:

<https://www.acecolleges.edu.au/launching-partnership-bounce-australia/>

## What are the key challenges in the VET sector?

Research shows that '[...]learners from disadvantaged backgrounds who enrol in VET are less likely to complete by comparison with their non-disadvantaged peers' (McVicar & Tabasso, 2016). However, despite the obvious success of its pathway and vocational programs for disadvantaged cohorts, ACE continues to be marginalised in terms of policy and resources.

In 2005, there were '770 community-based, not-for-profit RTOs across Australia delivering entry-level VET and language and literacy programs'. This equated to around 15% of Australia's VET students (ALA, 2015). The number of ACE RTOs delivering government-funded training dropped again by around 8% between 2016 and 2017 – from 381 to 353 respectively (NCVER, 2017), which means they have more than halved since 2005.

It is a significant policy failure to allow the successful ACE model to diminish in this way rather than capitalising on their acknowledged expertise to close completions gaps for disadvantaged cohorts.

Another impact of decreasing ACE RTOs is that some rural communities will have lost their only provider of pre-accredited pathway training and/or entry-level VET.

We know from consultation with our 1100 members across Australia and from our close contact with state ACE peaks, including Neighbourhood Houses Victoria (who represent half of Victoria's ACE RTOs) and Community Colleges Australia in NSW, that decreasing government subsidies for training and increasing costs are making it difficult for ACE RTOs to offer courses that target disadvantaged cohorts.

Compliance costs for ACE RTOs place an increasing burden on not-for-profit community organisations that are already bearing much of the load in terms of assisting socially and economically marginalised people to pathway into VET.

Other costs for ACE RTOs include the costs associated with offering a broad range of qualifications on scope in order to respond effectively to local community and business needs; particularly in rural and regional areas where class sizes may be small.

ACE's efficient operating model and commitment to affordable education, makes it extremely difficult to recoup the costs associated with providing high quality, individualised and well-supported pathway and VET learning experiences.

Outcomes for high needs learners are often undermined by the inflexibility of the VET system. 'Some may struggle with consistent attendance given their life circumstances; for example, they may be dealing with the impacts of insecure housing, mental health, cultural and family obligations, etc. Providers are sometimes forced to withdraw high needs learners due to the funding constraints rather than suspending and allowing them to resume their training when circumstances are more favourable' (NHVic & ALA, 2018).

Improving the literacy and numeracy skills of around half the adult population is another complex, long-term challenge that requires significant investment.

The Program for the International Assessment of Adult Competencies (PIAAC) survey, while showing some positive results for Australia, also found that around 1 in 7 Australians (14%) have very poor literacy skills, and 1 in 3 (30%) Australians have literacy skills, which are at a level that makes them vulnerable to unemployment and social exclusion in a modern knowledge-based economy (ABS, 2012).

Many adults with low level language, literacy and numeracy are attracted to ACE and its supportive model, but some have been issued with unsuitable high-level qualifications from unscrupulous RTOs, and this has impacted their access to government-funded qualifications. High needs learners need a VET system that is flexible, learner centred and can respond to their individual needs.

Literacy is developed through social participation and low levels of literacy are often intergenerational and linked with entrenched disadvantage.

‘Adults with low literacy are often the products of poor formal schooling, poverty, family dysfunction and a myriad of other issues that can impede their ability to learn. A better approach for adults with very low literacy is purposeful, locally determined, non-formal adult literacy programs that address the issue from a holistically perspective and embrace an intergenerational approach if required.’

(NHVic & ALA, 2018)

While embedding literacy in vocational programs is recognised as having pedagogical value, LLN experts also recognise that learners with very low-level skills benefit from stand-alone, face-to-face delivery methods, without any vocational contextualisation. However, policy support for this and funding for non-accredited, non-vocationally orientated LLN programs is very patchy across Australia.

The closure of the Workplace English Language and Literacy (WELL) program in 2014 created a vacuum for working Australians who do not have the LLN skills to function competently in their workplace roles.

The WELL program integrated LLN training with vocational training delivered in the workplace. ‘Its primary aim was to provide workers with the LLN skills they needed to meet their current and ongoing employment and training needs.’ It also ‘funded the development of strategically aligned LLN resources and projects, including training and assessment materials and professional development resources’ (ALA, 2018).

‘Through the WELL program, the Commonwealth Government acknowledged the significant link between strong LLN skills and workplace productivity’ (ALA, 2018). The program equipped ‘participants with vocational and LLN skills, increase their employability prospects and improve social and personal

skills. It was consistently evaluated as making a positive contribution to the workplace, especially in challenging and changing economic times' (ALA, 2018).

A new national workplace LLN program must improve upon the previous iteration to better support workers and industry in working towards a more sustainable and prosperous future (ALA, 2018).

Adult and community education is defined differently across Australia. In some states, it refers to a sector of not-for-profit, locally focussed providers who deliver non-formal learning programs alongside accredited VET programs. In other states, it refers to non-formal programs.

The 2008 Ministerial Declaration on ACE acknowledged this broad definition of ACE. It also emphasised the success of the not-for-profit ACE sector in engaging people who are '... poor, have disabilities, have low levels of literacy and numeracy, are from non-English speaking backgrounds, are geographically and socially isolated, and Indigenous Australians, especially for people from socially excluded or educationally disadvantaged backgrounds' (MCEETYA, 2008, p. 7)

All Australian governments are signatories to the 2008 Ministerial Declaration on ACE, however, the commitment of each to an ACE sector or to ACE delivery varies significantly. It has now been over ten years since the last Ministerial Declaration on ACE and this commitment needs to be renewed as a matter of urgency.

We are now in the new era of 'digital disruption' and this has implications as well as potential benefits for the future of training and work, as businesses adapt and change the way they deliver services (Productivity Commission, 2016). As a result of this, workplaces need to be prepared for an unknown and uncertain future.

A flexible, skilled, productive and efficient workforce that embraces lifelong learning is key to this.

Unfortunately competency based training (CBT) and more specifically training packages provide a limited, fragmented and disaggregated framework that is often out of sync with what's actually required in modern workplaces.

VET qualifications are currently aligned with generic industries rather than specific regional needs and often result in graduates with skills and knowledge that do not match current workplace requirements and without the critical thinking skills and resilience to deal effectively with changes in the workplace.

Training packages, with their emphasis on technical skill development in specific contexts rather than core transferrable skills, are not adequately meeting the challenges of our changing world. And while some steps have been taken to resolve this issue, the positioning of LLN as underpinning knowledge rather than essential skills significantly reduced their status.

According to the Productivity Commission:

'[T]raining packages are too specific to current job requirements. They need to be broadened to ensure they also equip people with sufficient skills to adapt to changes in the workplace. Being 'work-ready' does not need to be job-specific (Moodie 2015). Instead, training packages could focus on core skills that are needed in most workplaces (literacy, numeracy, digital and communication skills) with the addition of technical skills for the sector, as well as for a particular job (Beddie, Hargreaves & Atkinson 2017).'

(Productivity Commission, 2018)

There are also lessons to be learnt in Australia from the UK who rejected Australia's CBT model due to 'its atomistic view of education ... and tickbox approach'. The assessment panel also rejected the proliferation of private provision seeing 'a strong case for public funding for education and training to be restricted to institutions where surpluses are reinvested into the country's education infrastructure' (Moodie, 2016).

The long-term success of VET depends on a diverse and resilient sector, which caters to a range of learners – and ACE must be recognised and resourced as a fundamental part of the sector.

## **What changes would you make to the VET sector?**

Adult Learning Australia extends an offer to provide expert advice to the review panel on lifelong and adult learning, disadvantaged adult learners and Adult and Community Education (ACE) in Australia.

ALA also makes the following recommendations regarding the review's terms of reference.

In order for the VET system to remain relevant and sustainable into the future ACE RTOs must be maintained to a minimum of 10–15% of the total VET market to ensure the VET system is viable and works for everyone seeking vocational education and training.

To achieve this, the review should consider:

- the contribution of non-accredited pathway and bridging programs such as ACE adult basic education programs, language, literacy and numeracy (LLN) programs and digital literacy programs to VET
- the needs of disadvantaged cohorts, including those with low LLN, low formal education attainment, older learners, learners with disabilities and people from Indigenous or other cultural backgrounds
- specific and complementary roles for ACE providers, the public TAFE system and for profit providers
- a systematic approach and partnerships between ACE and TAFE in order to reduce barriers to education and training, and promote a culture of lifelong and lifewide learning

- the role of ACE organisations as significant community assets that have the potential to be optimised to play a much greater role in supporting disadvantaged adults across Australia into VET programs; particularly in rural and regional locations
- the complex interactions between all post-secondary education contexts and environments rather than viewing learning as a simple linear process from school to TAFE or university then work
- the links between VET and work
- the capacity of ACE providers to deliver intensive adult learning programs or micro-credentials that better meet the needs of the workforce and the competing demands of people's lifestyles
- the option of a fundamental shift away from a limited competency-based training model to broader more efficient vocational streams in line with recommendations from the Productivity Commission and the UK's plans for technical/vocational education
- a process that incorporates its findings into a broader lifelong learning policy that promotes the economic value and wider contribution of learning to a civilised society
- increased flexibility in the VET landscape to better accommodate non-linear learning and employment pathways and careers
- resourcing to support disadvantaged learners to address or mitigate those things that threaten to or undermine their vocational outcomes based on successful existing models used by ACE providers
- strengthen local planning and community level responses to local learning needs
- ways to better support ACE providers with VET compliance and subsidise high quality professional development designed by the sector for ACE educators that focusses on teaching and learning practice to improve outcomes for high needs cohorts
- solutions that enable greater coordination and collaboration between TAFE, ACE and industry
- the role played by ACE providers in attracting and supporting key equity groups through the provision of community service obligation funding
- providing pathways and foundation skills funding primarily to ACE and TAFE providers
- re-introducing a workplace LLN program
- funding a community learning centre in every regional, rural and remote Australian town without access to a TAFE or University campus
- funding youth learning programs that encourage aspiration and agency
- strategies that link people with community-based, flexible and high quality education, training and pathways to employment
- infrastructure funding for local sites of adult learning practice in Indigenous communities such as youth media centres, neighbourhood houses or community learning centres
- funding ACE formal and non-formal education and training programs for offenders on community based orders.

## **How can VET help Australians prepare for the future workforce?**

The advancement of technology and automation across the economy has created major challenges for employers, employees and potential employees. We are now in the new era of 'digital disruption' and this has implications as well as potential benefits for the future of work, as businesses adapt and change the way they deliver services (Productivity Commission, 2016). In order to remain viable, businesses must innovate to access new opportunities and to grow.

A flexible, skilled, productive and efficient workforce that embraces lifelong learning is key to this.

Business needs to embrace technology to become more productive, but it is also important to take the necessary steps to prevent the most vulnerable workers from sliding into unemployment.

Entry-level employees now require more advanced digital skills in content creation and editing, storage and online collaboration. Also, the use of mobile devices and technology is now widespread in business.

Business wants entry-level employees with the ability to create and deploy digital content effectively. They also need skills in evaluating, managing and storing large quantities of digital information so that it is safe, accessible and shareable.

Digital literacy in the modern workplace, even at an entry level, is about interpreting, creating and strategically using digital information in a wide variety of ways.

ACE organisations are already delivering basic non/pre-accredited and accredited digital literacy programs; however, these programs could be extended to include new technological and web-based skills and competencies identified by industry as desirable.

ACE providers are acknowledged as agile education and training organisations that can participate in a co-design process with employees and employers to ensure their workforce training needs are met. And given their reach throughout Australia, ACE providers are well placed to deliver strong outcomes for business that support workplace skill development and skills gap training.

However, the sector would benefit from the support of innovative professional development to build the web literacy skills of adult educators so they can support low skilled and entry-level staff to enter or remain in the workforce.

## **Other comments or recommendations**

Community education RTOs deserve much greater recognition by governments and the sector at large for its contribution to the overall success

of the VET system and for the value add in terms of a holistic and more open approach to learners in local communities.

Further research is required into the socio-economic benefits of ACE in education, training and skill development in Australia, for learners and the knock on effect it has for their families and the wider community.

## References

- Adult Learning Australia. (2013). The role adult and community education in regional and rural Australia. Retrieved by: [https://ala.asn.au/wp-content/uploads/2011/02/regional-research-report\\_WEB.pdf](https://ala.asn.au/wp-content/uploads/2011/02/regional-research-report_WEB.pdf)
- Adult Learning Australia. (2014). Submission Inquiry Into Private VET Funding. Retrieved by: <https://ala.asn.au/wp-content/uploads/2011/02/ALA-2-Submission-Inquiry-Into-Private-VET-funding.pdf>
- Adult Learning Australia. (2017). Australian ACE environmental scan 2017 update: Scope and scale of adult and community education across Australia. Retrieved from: [https://ala.asn.au/wp-content/uploads/2017/10/Australian-ACE-Report-2017\\_WEB.pdf](https://ala.asn.au/wp-content/uploads/2017/10/Australian-ACE-Report-2017_WEB.pdf)
- Adult Learning Australia. (2018). Re-imagining the WELL program. Retrieved from: <https://ala.asn.au/wp-content/uploads/2018/07/WELL-final.pdf>
- ABS. (2012). 4228.0 – Programme for the International Assessment of Adult Competencies, Australia, 2011–2012: Preliminary findings. Retrieved from: <http://www.abs.gov.au/ausstats/abs@.nsf/lookup/4228.0main+features992011-2012>
- Govt UK. (2018). Post-16 Skills Plan. Retrieved from: <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>
- McVicar, D. & Tabasso, D. (2016). The impact of disadvantage on VET completion and employment gaps. Retrieved from: <https://www.ncver.edu.au/data/assets/file/0027/44739/impact-of-disadvantage-2818.pdf>
- Ministerial Council for Vocational and Technical Education. (2008). Ministerial Declaration on ACE. Retrieved from: [https://ala.asn.au/wp-content/uploads/2010/10/ACE\\_Declaration-2008.compressed.pdf](https://ala.asn.au/wp-content/uploads/2010/10/ACE_Declaration-2008.compressed.pdf)
- Moodie, G. (2016). What Australia Can Learn From England's Plan For Vocational Education. Retrieved from: <https://theconversation.com/what-australia-can-learn-from-englands-plan-for-vocational-education-62418>
- NCVER. (2017). Government-funded students and courses 2017. Retrieved by: <https://www.ncver.edu.au/research-and-statistics/data/infographics/government-funded-students-and-courses-2017-infographic>
- NCVER. (2018). VET Student Outcomes 2018. Retrieved from: [https://www.ncver.edu.au/data/assets/pdf\\_file/0037/4284649/VET-student-outcomes-2018.pdf](https://www.ncver.edu.au/data/assets/pdf_file/0037/4284649/VET-student-outcomes-2018.pdf)

Neighbourhood Houses Vic & Adult Learning Australia. (2018). Response to Future Opportunities for Adult Learners in Victoria pathways to participation and jobs discussion paper. Retrieved from: <https://ala.asn.au/wp-content/uploads/2018/08/FOAL-Response-Final.pdf>

Productivity Commission. (2018). Shifting the dial: 5 year productivity review. Retrieved from: <https://www.pc.gov.au/inquiries/completed/productivity-review/report/3-future-skills-work>

Wheelahan, L. Moodle, G. & Buchanan, J. (2012). Revitalising the 'vocational' in flows of learning and labour. NVCER. Retrieved from [https://www.ncver.edu.au/\\_data/assets/file/0015/3228/2535.pdf](https://www.ncver.edu.au/_data/assets/file/0015/3228/2535.pdf)



24 January 2019

To whom it may concern

Re: The Vocational Education and Training Review

Established in the early 1970s, Neighbourhood Houses Victoria is the peak body for the neighbourhood house and learning centres sector in Victoria, representing a membership of close to 400 entities.

We provide strategic leadership, effective state-wide advocacy, quality research, and timely advice on relevant policy and legislative developments.

Our membership comprises around 200 funded Adult Community Education providers known as Learn Local providers in Victoria including half of the state's Learn Local RTOs.

Neighbourhood Houses Victoria works closely with Adult Learning Australia, regularly sharing policy perspectives and data analysis.

Neighbourhood Houses Victoria wholeheartedly endorses this submission from Adult Learning Australia and concurs fully with its recommendations.

Kind regards,

A handwritten signature in black ink that reads 'Nicole Battle'.

**Nicole Battle**  
**CEO**  
**Neighbourhood Houses Victoria**

**Neighbourhood Houses Victoria Inc**

---

Shop B41, Level 4, 744 Bourke Street, Docklands VIC 3008  
(03) 9602 1228 | [info@nhvic.org.au](mailto:info@nhvic.org.au) | [nhvic.org.au](http://nhvic.org.au) | #nhvic  
ACN A0001368L ABN 30 174 498 896