

## **About Us**

Adult Learning Australia is the peak body for Adult and Community Education (ACE) in Australia with both individual and organizational members in every state and territory of Australia. Our mission is to achieve equitable access to Lifelong and Lifewide Learning for All Australians.

By *lifelong* we mean learning across the lifespan including into the senior years. By *lifewide* we mean learning that assists adults to gain and keep employment, participate as citizens in our democracy, manage homes and families, and manage their health and wellbeing including aging positively.

## **Terms of Reference**

### **The development of skills in the Australian economy**

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.

The idea that it is possible to increase the proportion of adults with higher-level vocational qualifications, but at the same time remove the social capital, general education and lower level access and pathways steps provided by public TAFE institutions is a nonsense. Now is the time we should be strengthening not weakening TAFE and should be looking for more comprehensive and sophisticated indicators of educational quality rather than investing precious training dollars cracking down on roting that has been allowed to flourish through poor public policy.

The greatest “skills shortages” in Australian industries are generic skills. According to the 2006/7 ABS Adult Literacy and Lifeskills Survey around 46% of the adult population lack the literacy skills required to function effectively in a modern society and economy. A further 53% have insufficient numeracy skills. (ABS 2007) This is not including the many Indigenous adults living in remote communities who were not included in the ABS research but who we know are in desperate need of English language, literacy and numeracy support to engage with the Australian economy and break out of poverty.

The overwhelming body of research into adult literacy and numeracy suggests that these are social practices largely developed through purposeful engagement with other literate adults. The type of high quality VET education practiced in public TAFE institutions and in the not for profit ACE sector, by its very nature, is likely to build these essential generic skills.

So-called “soft skills,” (reading, writing, communication, team work etc) assessed and taught independently or embedded into a vocational context are the hallmark of public TAFE institutions and of the not for profit ACE sector. However the development of these skills is notoriously hard to measure, and as a result, can't be easily quantified, cut up, quality controlled and sold on an open market in a drive for efficiency. The Australian Workforce Productivity Agency (AWPA) recommended a number of strategies that would begin a more comprehensive quality control process, such as external validation of assessment, and recommended that introduction of entitlement systems not occur until such systems had been implemented. (AWPA 2011, pg 16) So far no state has implemented all of AWPA's quality control mechanisms but have moved to entitlement systems in their absence.

Early efforts at entitlement based funding in Victoria have led to rorting of funding, a proliferation of fast track qualifications (see Wheelahan 2012) and training that has been gutted of underpinning literacy, numeracy and other generic skills. (see Thompson 2012)

### **The development of opportunities for Australians to improve themselves and increase their life and employment prospects**

The social determinants of health are well known internationally. There is copious evidence that education connects people of all ages to others in the community and keeps them healthy and resilient, quite apart from providing increased options for paid work. International research as part of the UK *Foresight* project has recently highlighted the close link at all ages between mental capital and wellbeing. Having the opportunity to learn at any age is critically important as part of adapting to increasingly rapid change with age. It provides the soft skills and emotional intelligences like creativity, design capability and self-management that employers crave. Evidence shows that it saves money on depression, crime, substance abuse and acute health interventions. (Foresight Report, 2008)

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 a well funded public TAFE system is essential to support Australians to develop the skills and wellbeing to cope with such a volatile industrial environment and rapidly changing ICT environments at work and home.

ALA believes that community education, as offered through community colleges, neighbourhood houses, and learning centres, works hand in hand with public

TAFE institutions providing an effective pathway to formal qualifications. We believe this to be the ideal model for ensuring that all Australians have access to the broad, deep, comprehensive education that they need to be successful in the rapidly changing, high technology, globalized economy. For this reason AWPA recommended that the role of the public TAFE system and the role of the Adult and Community Education system in entitlement systems be defined by states. (AWPA 2011, pg 13) It is of note that those countries with the highest levels of literacy (Finland, Sweden, Germany) have strong public VET institutions with highly trained and qualified teachers as well as comprehensive community education systems.

**The delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment;**

Kangan's vision for TAFE in the mid 1970s was for a new system of technical *and* further education that would provide opportunities to publicly address long-standing evidence of inequity in Australia, by location, by age and by participant group. TAFE had been recognized internationally for its ability to recognize and address equity, provide diverse skills for business and industry and reach deeply and effectively into the community. It is disturbing in 2012, with evidence that neither of the other 'education' sectors (schools and higher education) are above second tier internationally (Jenson, 2012) and with serious problems with intergenerational educational inequity, government commitments to address issues of equity, literacy and withdrawal from the workforce through publicly funded TAFE are under attack. Meantime one half of adults in paid work in Australia have completed no formal qualification since leaving school, one third of Australian adults remain functionally illiterate, and Australians are dropping out of the workforce at unprecedented rates (Colebatch, 2012 pg 1-2).

**The operation of a competitive training market; and**

History, reputation, collegiate relationships and community connections are all indicators of quality education and protections against misuse of public funding. However in a competitive training market, the public TAFE system is expected to compete with for profit providers who may have none of these features (although some do) and none of the associated costs. The logical conclusion is that TAFE will need to dispense with these important qualities built up over generations in order to meet the one benefit of marketization: efficiency.

The Victorian marketization experiment has made it impossible for many public TAFEs to run a wide range of critically important programs and campuses. Aside from the impact of removing around 2,000 highly skilled and experienced full time TAFE jobs, plus around 8000 other part time and sessional TAFE jobs, it has greatly reduced the capacity of TAFE to deliver the wide range of publicly funded programs that individuals, families, industries and communities desperately need but do not always have the propensity to pay for.

Fee increases in Victorian and NSW TAFE have been significant and make it hard to see how Kangan's vision of TAFE as a driver of intergenerational educational equity can continue to be born out.

The costs of compliance that have followed the introduction of an open training system are also worthy of comment. Both ASQA and VRQA have discussion papers out at the moment advocating dramatic fee increases for registration as a VET provider and to maintain this registration. In the for profit sector compliance costs represent a loss of profit. In the not for profit ACE and public TAFE sectors, as ACOSS has pointed out, compliance costs represent the loss of services to disadvantaged people. (ACOSS 2012)

• **\_those jurisdictions in which State Governments have announced funding decisions which may impact on their operation and viability.**

The impact of funding cuts to TAFE in NSW, Queensland and Victoria are well documented. Our particular concern is on the loss of campuses in regional areas, the loss of support services for low skilled and disadvantaged learners and the loss of entry-level pathway courses and classes. Given the high proportion of participants in these categories who access TAFE, we believe that it is incumbent on the states to specifically outline how the needs of low skilled and disadvantaged learners will be met under the regimes that they are introducing. There should also be assurances that changes to TAFE won't impact negatively on other important government initiatives such as the Closing the Gap strategy for Indigenous Australians.

We are concerned about those states, particularly Queensland, that don't have a publicly supported Adult and Community Education sector to soften the impact of regional campus closures. In states such as Victoria and NSW where a strong geographic footprint of ACE providers exist, if TAFE exits the region, there is at least some social and physical infrastructure left in the community to provide a point of online access to and potentially partner with metropolitan based TAFE and Higher Education providers.

A lesser-known side effective of marketization in Victoria has been its damaging effect on that state's Adult and Community Education sector. Victoria's ACE sector, now know as the Learn Local sector has traditionally played a significant role in post compulsory education and training through short and non-formal courses but also through entry level VET and language, literacy and numeracy education. ACE has played a particular role in small remote communities where "thin markets" make it challenging for large institutions like TAFE to operate and where no financial incentive exists to attract private RTO's. Often these remotely based providers are their community's access point to TAFE and Higher Ed through delivery partnerships.

The response to publicly reported rorting and low quality training in Victoria has been to increase the compliance barrier for RTO's to gain a contract with the Higher Education and Skills Group using compliance measures generally suited to the private sector such as ratio of savings to operations or the use of an ASIC

registered auditor (as opposed to a CPA operating within the guidelines of Consumer Affairs Victoria as is the standard for most community organisations). While this has had the welcome effect of driving out some low quality private providers, more than 10 not for profit ACE RTO's, some with decades long histories of providing high quality learning experiences in entry level adult education programs like the Certificate in General Ed or Community VCAL were not able to gain a contract with the Higher Education and Skills Group for 2013 for reasons that have little to do with educational quality. This represents one tenth of the ACE RTO's in the state. (Herbert, Speech to Legislative Assembly, Feb 2013)

Common sense would tell us that a not for profit provider, owned and managed by its local community, established for decades, with a long standing relationship with government is not the same risk to the system as a new entrant to the market with no such connections. However, Victoria's open VET market has so far showed no capacity to distinguish between the two.

Other states, such as South Australia, seem to have, at least, identified that the public TAFE system, the community based ACE sector and private for-profit providers have different and complimentary roles to play in the post compulsory education system. We would see this as a starting point for all other Australian governments.

## References

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