



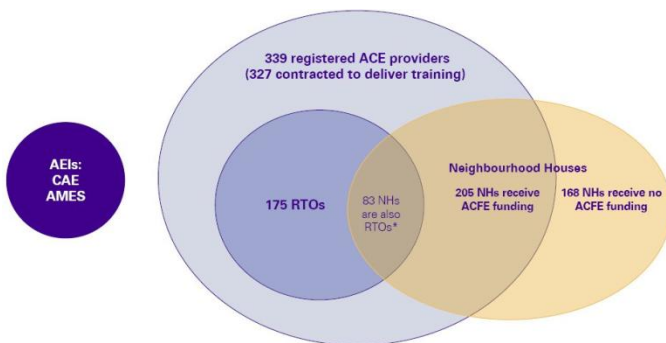
**Adult Community Education  
Victoria's Policy Position for  
the 2010 Victoria State  
Election**

## **ACE in Victoria – One Vision, One Voice**

## PREAMBLE

### ACEVic and its role

ACEVic is Victoria's peak employer body for Adult Community Education (ACE) providers in Victoria. Our members represent 199 of Victoria's ACE providers and many are both learning centres and neighbourhood houses. Included are Victoria's largest ACE providers, Diversitat, Adult Migrant Education Services (AMES) and Centre of Adult Education (CAE). Tertiary education in Victoria already is highly diversified, and it is clear that it will become more so.



*The contribution of ACE and Neighbourhood Houses to community development Department of Planning and Community Development Final Report – July 2010*

Collectively ACE providers continue to respond to the diversity of their local communities' needs by offering flexibility and commitment to delivering high quality and cost effective lifelong learning opportunities.

ACEVic actively engages its members in developing, supporting and advocating for policies and practices that underpin ACE organisations' commitment to locally owned and managed learning.

ACEVic's primary role is to support ACE Organisations by equipping Committees and key staff with:

- A united voice that promotes the value of community-managed learning.
- Collaborative networks and partnerships that provide mutual benefit to members and the boarder Victorian community; and
- Knowledge and understanding of, and skills for good governance.

This paper outlines ACEVic's key policy positions for the 2010 Victorian State election as endorsed by the ACEVic Executive Committee, 22 September 2010. They are:

- ACE providing Victorian learning that is client-focused and competitive.
- ACE, a provider of choice that delivers high quality cost effective education, training and lifelong learning.
- Valuing the significant contribution by ACE to social inclusion for disengaged and vulnerable Victorian learners.
- Diverse communities strengthened through adult community education.

### Arrangements

ACEVic works collaboratively with the national peak body, Adult Learners Australia (ALA), the Victorian Adult Community Further Education Board (ACFE), and the Victorian peak association for neighbourhood houses, Association of Neighbourhood Houses and Learning Centres (ANHLC) to ensure the interests of ACE as a whole are being met.

## ACEVIC'S KEY POLICY POSITIONS

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### ACE providing Victorian learning that is client-focused and competitive

- Cohesive Government policy and resource approach to vocational education and training regulation within the adult community education environment.
- Building socially and economically sustainable business practices.

### Overview

The terms 'knowledge economy' and 'lifelong learning' may have a rhetorical ring, however it is clear that overall public and private investment in education is increasing, and that it will continue to increase<sup>1</sup>. The divergence between policy rhetoric and the economic realities of adult community education means that this gap has the potential to be closed through greater recognition of ACE.

From 2011, funding that traditionally flowed to public registered training organisations will be contestable such that the funding will follow the student. Many ACE providers report more students than they are funded for. In the new policy environment, they will be funded for these students providing an opportunity for many to increase their revenue. The advent of the demand driven system has increased the layers of bureaucratic reporting, accountability, regulation and government control. This is creating significant issues for training delivery, and is impacting on the operations of organisations.

ACEVic endorses the need for regulation of the system, however a whole of government approach

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<sup>1</sup> Brian Caldwell and Jack Keating, 2004, Adding Value to Public Education: An Examination of the Possibilities for Public Private Partnerships

is required to resource the sector and to streamline reporting, accountability and regulation. However ACEVic is concerned as ACE appears to have some symbolic value for governments who have introduced a contestable demand driven system for VET yet is apparently marginal in public policy terms.

### ACEVic's Policy Position

- As a vital partner with Government in this provision of opportunities for Victorians to gain qualifications and new skills, ACE providers continue to deliver high quality and cost effective adult community education, but are facing increasing challenges to their economic sustainability and long term viability.

**To ensure that this partnership continues to effectively serve the Victorian people, ACEVic requests that the next State Government formally acknowledges ACE as the third educational and learning sector by:**

- Clarifying policy and funding frameworks pertaining to ACE.
- Streamlining funding and regulatory frameworks and accountabilities.

ACE plays an important role in achieving the Victorian government's policy objectives relating to education, training, community strengthening, regional development and workplace participation.

Almost every adult Victorian can take part in an education course in their local ACE centre and approximately 500,000 people attend courses in the ACE sector each year.

Services provided by ACE organisations include:

- Pre-accredited training – 94%
- Accredited training – 59%
- Community development – 69%
- Employment services programs – 22%
- VCE/VCAL – 12%

**ACE, a provider of choice that delivers high quality cost effective education, training and lifelong learning.**

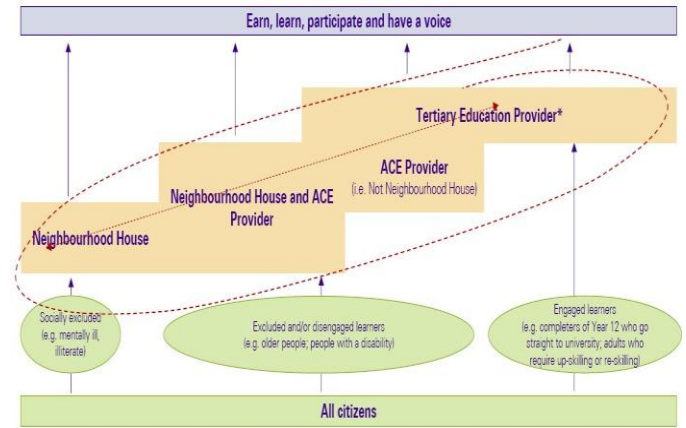
- Formalising recognition of ACE pathways into further learning

**Overview**

ACE as the third sector for post compulsory education training and life-long learning, is a critical component to the foundation of the Victorian education and training system. ACE has a range of principles that distinguish and separate the sector (also known as ACE Pedagogy (Source: ACFE Act 1991, Part 1, Section 3)). The guiding principles include a commitment to place-based community development, community management via local volunteer committees of management and the provision of learning opportunities for all adults in a manner and setting appropriate to their needs. Under the new arrangements, strong incentives to offer niche programs and markets across the state instead of catering to the needs of a whole local community become prevalent. This risks small, remote and rural communities being left without what we now know as “ACE provision”.

**ACEVic’s Policy Position**

- ACE in Victoria is the foundation of community and learning development.



*The contribution of ACE and Neighbourhood Houses to community development Department of Planning and Community Development Final Report – July 2010.*

**To ensure that ACE provision continues to effectively serve the Victorian people, ACEVic requests that the next State Government formally acknowledges ACE, as the third educational and learning sector by:**

- Recognising ACE as a critical component of post compulsory education and training sector.

### 3. Valuing ACE's significant contribution to social inclusion for re-engaging hard to reach Victorian's learners.

- Educational Equity for all Victorians.

#### Overview

The Victorian ACE sector contributes significantly to re-engaging disengaged learners through access to lifelong learning, and provides pathways into further learning, community participation and work. ACEVic is concerned that the 'contestable demand driven training market' is falling short as the economic and social impacts are often not sustainable and viable for the Not-For-Profit (NFP) sector in the long term. The capacity to deliver training whilst operating an economically sustainable business is not viable when organisations are not funded accordingly to meet the need for intensive case management. This creates a situation where NFP providers operate ad-hoc rather than by strategic planning and positioning their organisation. ACE providers want to be able to continue doing what they do best: engaging the disengaged. However in a more open market, without government acknowledgement of the additional costs of delivery to disadvantaged learners, it will be difficult to continue to meet this need whilst remaining financially viable.

ACEVic is concerned because ACE provision is being frustrated by the narrow terms in which VET competition policy is being constructed and by differences in the attitudes within funding policies for ACE. *The Securing your jobs your future- Skills Victoria* package does not explicitly address the area of social inclusion. ACEVic is perplexed as ACE is valued on one hand for its provision of an alternative flexible system, but is not funded to enable that flexibility and the need for intensive case management.

#### ACEVic's policy position

ACEVic supports social inclusion through improving access, participation and outcomes for people from disadvantaged groups.

- ACE providers across the state deliver key aspects of the Government's social inclusion and vocational education and training framework, especially to hard to reach and disadvantaged Victorians and formalise the recognition of ACE in approaches to funding.

#### ACEVic needs the next State Government to:

- Effectively resources ACE to improve access to and participation in the VET system by people from disadvantaged groups.

#### ACE Learners

Learners 16+ <b>without</b> Year 12.....	60%
Unemployed .....	86%
People returning to work .....	82%
Learners with a disability .....	69%
CALD learners .....	51%
Retirees .....	65%
Koori people.....	9%
Other (includes families, youth, parents, students and new arrivals) .....	6%

#### **4. Diverse communities strengthened through adult community education.**

- ACE in Victoria is the foundation of community strengthening and development.

##### **Overview**

The Victorian Government currently is caught between the increased demands in areas of health, and environmental policy (bush fire and shortly flood relief), and has been looking towards individuals and enterprises to increase their levels of investment in vocational education and training. These trends if left unmanaged are likely to exacerbate differences in unequal educational outcomes, and directly impact on the government's social inclusion framework.

The ACE sector has some remarkable examples of where learners' voices have not just been heard, but listened to, and where not only learners' lives but whole communities have been transformed.

##### **ACEVic's policy position**

- Positioning ACE as community providers, to deliver substantial social and economic returns to individuals, communities and industry through the power of education.

#### **To ensure that ACE provision strengthens Victorian communities, ACEVic requests that the next State Government.**

- Acknowledges and supports ACE in Victoria as the foundation of strengthening communities and learning development.

- Adult Community Education [ACE] providing Victorian learning that is client-focused and competitive.
- ACE, a provider of choice that delivers high quality cost effective education, training and lifelong learning.
- Valuing the significant contribution by ACE to social inclusion for disengaged and vulnerable Victorian learners.
- Diverse communities are strengthened through Adult Community Education [ACE].

## BACKGROUND

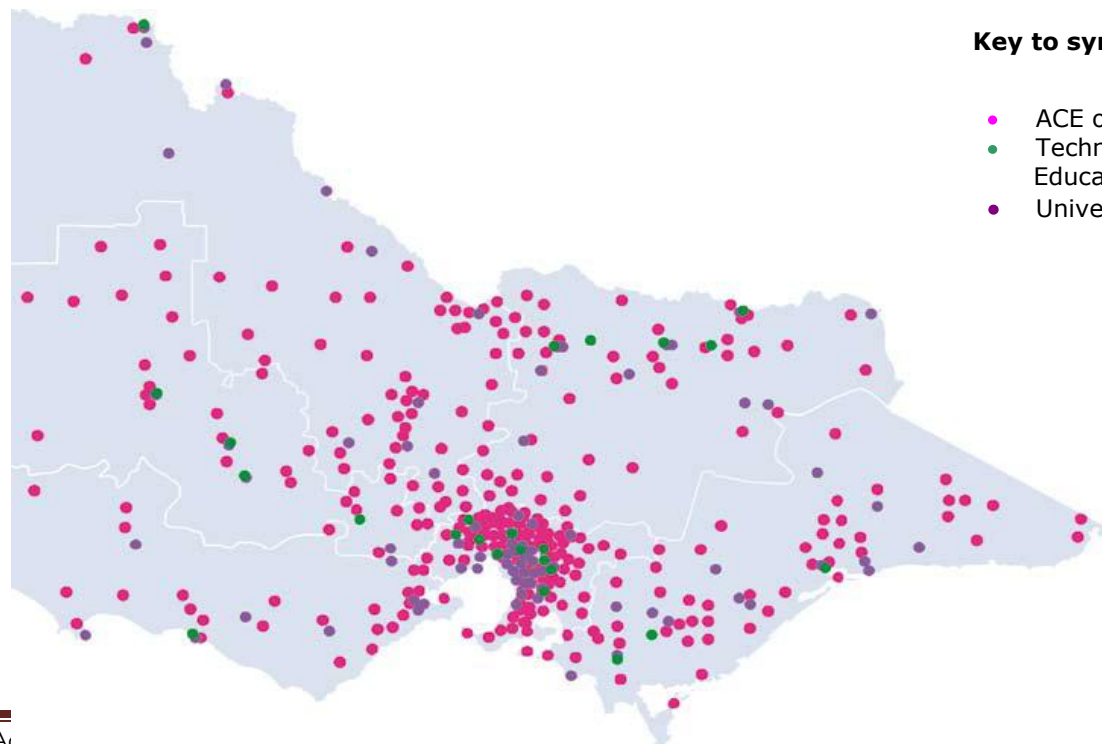
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ACE is adult community education. There are currently approximately 350 community-managed organisations which receive funding through the Adult Community and Further Education Division of the Department of Planning and Community Development to deliver accredited and pre-accredited adult education programs throughout Victoria. There are an estimated 150 more organisations who deliver ACE programs funded from other sources.

The ACE sector accounts for approximately 20% of VET delivery in Victoria, along with delivery of non-accredited generic employability skills, English language and literacy programs. These non-accredited programs provide an essential first step on a learning and community engagement journey. Some, but not all ACE providers also deliver fee for service wellness and special interest programs which contribute to the health, wellbeing, and social cohesion of their communities.

ACE providers have proven to be experts at targeting the hardest to reach Victorians. The bulk of ACE delivery is targeted at entry to the education and training system, making it an ideal first step for adults with minimal skills. In rural communities, ACE providers are often the only providers of adult learning in the area. The close connections between ACE providers and other community services allow them to support adult learners with complex social and emotional needs. ACE delivers both skills and community cohesion.

Each ACE provider is managed by a volunteer committee of management with an average of 10 volunteer members. These thousands of community-based volunteers across Victoria are responsible for the governance and financial viability of their community-based businesses. They are also the employers of paid employees across the state. ACEVic represents these employers in industrial negotiations and agreements.



### Key to symbols

- ACE organisations
- Technical and Further Education [TAFE] campuses
- University campuses

## VALUE OF ACE

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ACE delivers significant vocational and workforce participation outcomes for its participants<sup>2</sup>. A recent longitudinal study by Melbourne University researchers found that for those who participated in ACE programs across the three years of the study, unemployment reduced by 16% and full time employment increased by 15%. Unemployment was effectively halved for this group.

ACE directly contributes to five of the eleven High Level Outcomes for the Human Capital Stream of the Commonwealth of Australian Governments (COAG) Agreement on National Reform:

- Reduce the proportion of the working age population not participating in and / or under participating in paid employment due to illness, injury or disability.
- Increase the proportion of young people meeting basic literacy and numeracy standards, and improve overall levels of achievement.
- Increase the proportion of young people making a smooth transition from school to work or further study.
- Increase the proportion of adults who have the skills and qualifications needed to enjoy active and productive working lives.
- Improve overall workforce participation with a particular focus on target groups, in a manner consistent with the long-term interests of the individual and the economy, giving due regard to productivity.

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<sup>2</sup> ACE Longitudinal Study, 2004 – 2006, Centre for Post Compulsory Education and Lifelong Learning, University of Melbourne. Final Report, Executive Summary

The Productivity Commission has indicated that completion of the Human Capital goals of the COAG agreement could increase GDP by up to 11% after 25 years<sup>3</sup>.

The net present value of additional GSP attributable to ACE over the period 2007 to 2031 is estimated to be \$16 billion<sup>4</sup>.

ACE is a major contributor to the Victorian Government's goal of increasing the proportion of young people with year 12 or equivalent and the proportion of adults 25 – 64 taking part in VET<sup>5</sup>. In fact, ACE does much of the “heavy lifting” of these goals, by focusing on the hardest to reach Victorians. 60.5% of students in government funded ACE courses do not have a Year 12 qualification and 19.5% have less than year 9 level education<sup>6</sup>.

## POLICY ENVIRONMENT

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ACE funding is administered by the Adult Community and Further Education (ACFE) Division of the Department of Planning and Community Development, informed by the ACFE Board.

Minister for Education and Minister Skills and Workforce Development, Bronwyn Pike recently released a new policy statement on ACE: *A Stronger ACFE – Delivering Skills for Victoria*. ACE along with TAFE and private RTO's is impacted by Skills Reform Agenda as outlined in the *Securing Jobs for Your Future – Skills for Victoria* policy statement. The Education and Training Reform Act 2006 (ETRA) is being amended to strengthen regulation of the vocational education and training (VET) sector. The Education and Training Reform

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<sup>3</sup> Potential Benefits of the NRA, Productivity Commission, February 2007

<sup>4</sup> The Economic Benefit of Investment in Adult Community Education in Victoria February 2008, Report to the Department of Planning and Community Development and the Adult, Community and Further Education Board, The Allen Consulting Group

<sup>5</sup> Growing Victoria Together, A Vision for Victoria to 2010 and beyond, [www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

<sup>6</sup> Setting the Scene: Investigating Learning Outcomes with a View to the Future, Report to the ACFE Board Victoria, Feb 2007, Veronica Volkoff, Anne Walstab, Centre for Post Compulsory Education and Lifelong Learning, University of Melbourne

Amendment (Skills) Bill 2010 (the skills bill) proposes to continue to protect the interests of students enrolled at, or interested in applying to registered training organisations. In addition, the skills bill will widen the function of the Victorian Registration and Qualifications Authority (VRQA) to carry out new powers as the state's regulatory authority.

There are both opportunities and challenges arising from the new policy environment, many of which will substantially impact on the sector in 2011.

## OPPORTUNITIES FOR THE SECTOR

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- **Increased Support Funding:** \$10.8 million has been put aside by the State Government for new professional development and administrative initiatives to support the sector to thrive in the new more competitive environment.
- **Increased rate:** ACE Providers have always been funded at a rate well below other sectors. This came to a crisis between 2004 and 2009, when funding for ACE dropped in real terms by around 12% from an already low base. Under the new policy platform some of this ground has been made up with an increase to the ACE student contact hour of around 15% from 1 July 2009.
- **Parity with Private RTOs:** Under previous VET policies, the Student Contact Hour rate for identical VET provision in Victoria was the highest for TAFE, followed by private RTOs then AMES and CAE, with individual ACE providers well below all other sectors. Under the new policy, the disparity between ACE and Private RTOs was removed, leaving only a TAFE and a non-TAFE rate.
- **Indexation:** There has traditionally been no commitment from government to CPI increases for ACE providers, leading to the issues of chronic underfunding. The new policy

statement states that the non-TAFE student contact hour rate will be subject to indexation.

- **Access to TAFE funding:** From 2011 funding that traditionally flowed to TAFE will be contestable, such that the funding will follow the student. Many ACE providers report more students than they are funded for. In the new policy environment they will be funded for these students providing an opportunity for many to increase their revenue.

## CHALLENGES FOR THE SECTOR

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- **Changing Industrial Environment:** While the funding increase for ACE in the most recent Victorian budget was extremely welcome, unless the student contact hour is the same across the sectors for identical courses under identical quality frameworks ACE will continue to be disadvantaged. Many ACE providers across the state report extreme difficulty in recruiting teachers, when the disparity in wages is so high. The primary cost of ACE and VET delivery is teacher wages, and in 2010 there are significant changes within the industrial relations environment. As at 1 January 2010, the first phase of the 2010 New Modern Awards and transition arrangements commenced, followed by the National Wage Increase of \$26 per week as from 1 July 2010, as well as an impending pay equity case. In addition the sector is negotiating a 5% salary increase as part of the sector's NHLC & ACEVic Collective Agreement approach to retain and attract high quality staff.
- **Re-engaging hard to reach and disadvantaged learners:** Many government programs take into account the higher costs of targeting disadvantaged people and those with barriers to participation e.g. Job Network funding or schools funding. The Skills for Victoria package does not do this explicitly. ACE providers want to be able to continue doing what they do best: engaging the disengaged, however, in a

more open market, without acknowledgement of the additional costs of delivery to disadvantaged learners, it will be difficult to continue to meet this need whilst remaining financially viable.

- The most prominent example relates to people with a disability. ACE providers currently attract twice as many people with a disability (compared to the able bodied student population) as either TAFE or Private RTOs (Source: 2004 AVETMISS Data). ACE providers are absolutely committed to meeting the needs of these learners, however the system must recognise and resource the additional costs of delivery to these learners.
- **ACE as the Third Sector:** For funding purposes, ACE appears in the new system alongside private RTOs. However, there are a range of principles that distinguish ACE from these providers under the ACE Act (also known as ACE Pedagogy (Source: ACE Act 1991, Part 1, Section 3)). These include a commitment to place-based community development, community management via local volunteer committees of management and the provision of learning opportunities for all adults in a manner and setting appropriate to their needs. Under the new arrangements, strong incentives to offer niche programs and markets across the state instead of remote, and rural communities being left without what we now know as “ACE provision”.
- **Eligibility Criteria:** Publicly funded training is now only available to learners for qualifications above the level that they already hold (with the exception of Foundation studies and pre-accredited programs and young people below 20). In other words, if you have been trained once and you change career and start training again, the government expects that you will be in a position to pay for this new training yourself. Exemptions exist in the package for those who are “disadvantaged in the labour market”, however, this is particularly important for

secondary students and for people with disabilities. Secondary students who complete Cert I & II through VET in Schools or are completing the Victorian Certificate of Applied Learning can only access a limited range of Cert I & II - courses provided by the schools. This often results in the students making choices based on peer influences rather than on vocational intent. These students will be ineligible for access to Government funded Cert I & II once they turn 20. For those that disengage from education and training on leaving school, this imposes a significant barrier to their future training opportunities. In addition, people who do not have pre-existing disabilities and have a high level qualification and who are then required to undertake education and training at a lower level to re-enter the workforce will be ineligible for access to Government funded training.

- **Economies of Scale considerations:** ACE providers in remote towns with small populations already struggle to put classes together in thin markets. These providers are an integral part of the social and economic fabric of these towns and are already doing it tough as a result of the drought. They are often the only post school education providers in the area. Many of these providers indicate that they can't see how they can continue putting classes together without exemptions from the eligibility criteria. The final definition of what constitutes “disadvantage in the labour market” will be particularly important to these providers.

## RECOMMENDATION TO ACTION

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### Knowledge Economy and Lifelong Learning. ACE is about learning for the whole community.

The terms 'knowledge economy' and 'lifelong learning' may have a rhetorical ring, however it is clear that overall public and private investment in education is increasing, and that it will continue to increase. It also is important to recognise growing regional diversity in patterns of educational participation and needs. This diversity is acknowledged by government. Adult Community Education (ACE) also recognises this diversity and local communities' needs for flexibility, and is committed to delivering high quality and cost effective lifelong learning opportunities to those communities.

ACE can provide very real social and economic value for governments within a contestable demand driven system. The sector demonstrates best practice as learner and client-focused however for ACE to continue to achieve government priorities, it must be central to government policy and resources allocation in order for us to work with and support the next Victorian government in meeting the needs of Victorian individuals and communities.

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