



Adult and Community Education Victoria's Response to Securing Jobs for Your Future-Skills for Victoria

Securing Jobs for Your Future-Skills for Victoria represents a major departure from the ways that the Victorian Government has funded ACE in the past. This paper summarizes ACEVic's position on the package.

ACEVic believes that there are a range of opportunities for ACE in the new Skills for Victoria package and a range of areas where we need to engage with government further to ensure the sustainability of the sector. We believe that Minister Allan has heard our concerns about the value of the sector and its vulnerability and has worked extremely hard within government to secure funding for us as part of the Skills for Victoria package. For that, we sincerely thank her.

However, this is a radical shake up of the system and the devil, as always, is going to be in the detail. As a sector, we need to keep up the dialogue with government to ensure that we realize the full intentions of the package for our sector.

Wins

1. **\$10.8 million in new initiatives to support the sector.** Some of this funding is for extension of existing programs and some for new. It is positive that the Brumby government has recognized that ACE provision doesn't exist in isolation from ACE providers and is willing to support providers to thrive in the new more competitive environment.
2. **Quarantining of pre-accredited delivery.** ACEVic argued that this provision because of its size, its integration into the activities of a range of smaller providers and its uniqueness to the ACE sector should be quarantined from contestability. This has occurred in the package with a promise of future investment in preaccredited learning in 2011- 2012.
3. **Exemptions from the new eligibility criteria for Foundation Studies.** The new package limits funding for adults over 20 to a qualification above the level they currently hold. ACEVic argued that there were many people with qualifications who still lacked literacy, numeracy and foundation level skills. These courses were exempted from the new eligibility criteria. Given how much of our activity is in these areas, this is a big win.
4. **New Student Contact Hour Rates.** The SCH rates have increased to give us parity with other non-TAFE providers. This is a major shift from the current system, where we are the lowest paid providers in the system, coming in below Private Providers, the CAE and AMES. This will assist us to cope with the new



contestability arrangements and will align our interests with a broader group of participants.

5. **Indexation.** As even the Herald Sun readers now know – our funding hasn't kept up with CPI for the last four years!! The package indicates that the non-TAFE student contact hour rate will be “subject to indexation”. This is not just a win, it is a big sigh of relief!
6. **Access to a larger source of funding for programs.** Contestability means that the funding follows the student. This will be good news for those providers with programs that attract more students than they have funding for. Given how many providers over deliver, this is an opportunity for many to increase their funding.

Possible Threats and Areas for Further Dialogue with Government

1. **Contestability swings both ways.** While we have access to funding that was quarantined for TAFE and Private Providers, they have access to funding that was previously quarantined for ACE. It all depends on whether you can attract the student. ACEVic argued that community providers are confident that they can attract students where there is a level playing field and everyone plays fair!

While there are many private providers who work ethically and cooperatively with ACE providers, some members have reported unethical and unscrupulous activity by private training providers in receipt of federal funding that doesn't appear to be in the best interests of learners, particularly vulnerable learner groups. The Skills for Victoria package promises an “enhanced audit regime” to prevent cowboys flooding the system. We need to monitor this closely as it is rolled out and be willing to report what the bureaucrats call “unintended consequences of reform.”

2. **When \$7.99 is really \$7.19** Welcome to the wonderful world of weighted training hours!! Skills Victoria applies a weighted training hour model to courses it purchases from TAFE and Private Providers. It bases its calculations on the perceived costs of training. So for example, an industry area like plumbing, which requires expensive equipment and small class sizes, is weighted at a higher rate than an industry area like business services, where infrastructure costs are low and you can fit many more students in a class. Unfortunately many of the programs traditionally delivered by ACE, in particular, Foundation Studies are weighted at less than one ($0.9 \times \$7.99 = \7.19)

There are two major problems with this. Firstly, in TAFE, where you have a range of program types, it generally evens out to a rating of one. In ACE where programs are gathered in a few industry areas, it doesn't even out. In other words, we have all swings and no roundabouts. The other bigger problem is that the weighting for foundation programs is based on the false assumption that the



cost of these programs is lower than other program types. While you might be able to fit a large number of students into some ESL classes, adult literacy and generic employability skills by their very nature require low class numbers. Adult literacy programs, in particular, are very expensive to run. We believe that a weighting of 1 would take into account the lower costs of some ESL programs and the higher costs of adult literacy programs.

3. **Costs of Catering to Disadvantaged Learners.** Many government programs take into account the higher costs of targeting disadvantaged people and those with barriers to participation eg. Job Network funding or schools funding. The Skills for Victoria package doesn't seem to 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 and to also remain financially viable.

The most prominent example is 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 RTO's (*Source: 2004 AVETMISS Data*) ACE providers are absolutely committed to meeting the needs of these learners, however, we need to make sure the system allows us to do this by recognizing the additional costs of delivery to these learners.

4. **The New Eligibility Criteria.** The package indicates that in the future, publicly funded training will be available to learners for qualifications above the level that they already hold. 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, the detail of the exemptions is not clear, and how it will operate is not yet clear. We need to monitor the new eligibility criteria to ensure that learners who have out of date qualifications, or live in areas where there are no jobs in the industries where they completed their original training, are not left out in the final details of the package.

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. We need to make sure that tighter eligibility criteria doesn't threaten the viability of these valuable community programs in areas that need them the most. The final definition of what constitutes "disadvantage in the labour market" will be particularly important to these providers.

5. **Learning for those who can't or won't work.** Skills for Victoria is based on skills for work, and as such there is no recognition of the needs of learners who can't work or won't work, and are too poor to pay for their own learning. The lack of a skilled job is the single strongest determiner of poverty in this country



and the government is right to focus attention and resources on skilling Victorians for work. However, the ACE sector still needs to advocate for those people who are too old to work, too sick to work, are in areas of industrial decline (particularly in remote Victoria) or whose confidence is so diminished that they don't see paid work as attainable. Learning is essential for these people, whether their aim is to end up in the paid workforce or not.

6. **Uniqueness of ACE.** For funding purposes, ACE appears in the package alongside private RTO's. However there are a range of principles that distinguish ACE from these providers under the ACFE Act. 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; also known as ACE Pedagogy (*Source: ACFE Act 1991, Part 1, Section 3*) Not for Profit is just one facet of being an ACE provider. There are some business practices that align themselves with these ACE principles and others that don't. For example, operating in another community in competition rather than partnership with its local ACE provider, undermines place based community development and damages the "ACE Brand". Focusing on niche programs and markets across the state instead of catering to the needs of a whole local community, will be an easier way to make money in the new environment, but risks local communities being left without what we now know as "ACE provision".

ACEVic would like to see ACE principles and values reaffirmed in the upcoming Ministerial Statement on ACE. We believe that this is essential to maintaining the integrity of the ACE sector in order to continue to deliver outcomes for disadvantaged learners and to build communities. We also think that government-funded programs designed to support the sustainability of ACE, should only be available to those ACE providers who remain committed to place based community development.

Where to now?

1. **Celebrate.** It's important to acknowledge a win when you get one. ACEVic has released a press release thanking the Government for the increase in funding and its acknowledgement of ACE in the Skills for Victoria package. On Thursday, 4th of September, Minister Jacinta Allan launched the new funding initiatives for the ACE sector at the Glenroy Neighbourhood Learning Centre in the northern suburbs of Melbourne. It was a great opportunity for Glenroy NLC Manager and ACEVic Executive member, Jude Newcombe to thank Minister Allan for her efforts on the sector's behalf. It was also a great chance for Minister Allan to meet students and to once again hear about how ACE transforms lives and transforms communities.



Pictured: Amira Dankha, Minister Allan and Roueida Cameron

If you are one of the many providers who wrote letters and visited MP's as part of our ACE Deliver: Campaign for Sustainable Funding, pat yourself on the back. They had a significant impact on the outcome.

2. **Working in Partnership to Raise Equity Questions** ACEVic is currently working with ANHLC and other equity stakeholders to take up the questions and areas of concern outlined above with government. We will keep members informed of our progress as we go.
3. **ACE Ministerial Statement** In the coming months, ACEVic will be consulting with its members about the ACE Principles and Values that they would like to see reflected in the Ministerial Statement on ACE and will feed these in to Minister Allan's office for her consideration.
4. **Review of the Weighted Training Hour system.** The weighted training hour system is due to be reviewed by the Victorian Skills Commission. The ACFE Board is represented on the VSC. ACEVic will write to the Chair of the ACFE Board and the Chair of the VSC to take up our case about the real costs of adult literacy programs and the importance of small class sizes to adult literacy pedagogy.
5. **Pursuing a broader ACE Agenda.** The ACE sector has its own goals and agendas. Some of these intersect neatly with the Victorian government's priorities and some don't. We believe that many of the activities that occur in ACE providers, deliver strong returns for government, but don't fit into the Skills for Victoria package. We will be working with other peak organisations and agencies to take up these discussions with different arms of the state government as well as federal and local governments.