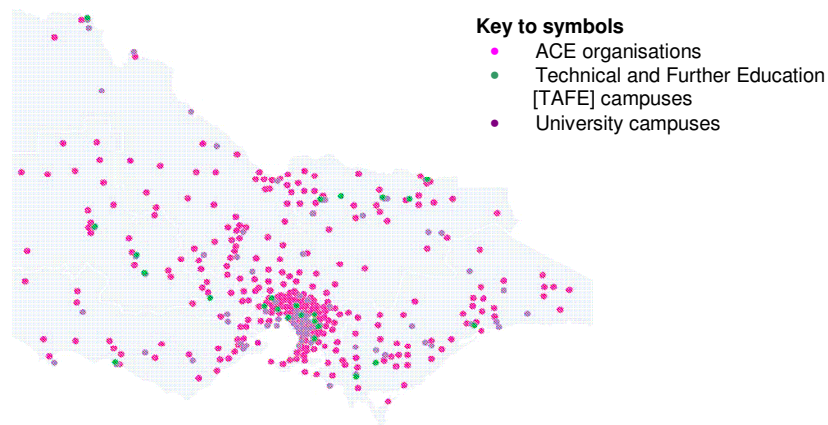




*Response to the*  
**Language, Literacy and Numeracy Program**  
**Discussion Paper**  
*by*  
**Adult and Community Education Victoria (ACEVic)**

ACEVic is the peak organisation for community managed not for profit providers of Adult & Community Education in Victoria. Most of its 200 member organisations deliver language, literacy and numeracy programs funded by the Victorian government. Twelve ACEVic members are involved in delivery of the Language, Literacy and Numeracy programs either on their own or in consortia. These providers are:

- Angliss Neighborhood House
- Carlton Neighbourhood Learning Centre
- Carringbush Adult Education Inc
- Djerriwarrh Employment Services
- Community West
- Diamond Valley Learning Centre
- Laverton Community Centre
- Joan Kirner House
- Olympic Adult Education
- Preston Reservoir Adult Community Education
- Werribee Community Centre
- Yarraville Community Centre



Victorian Adult Community Education (ACE) providers are widely recognized as experts in providing training to the most disadvantaged adults at the beginning of their learning journey. They provide around 20% of Victoria's Vocational Education and Training, focusing on entry-level training for the hardest to reach Victorians. We welcome the inclusion of so many ACE providers and learners in the LLNP program and the opportunity to comment on the discussion paper.

## What services should the Australian Government be purchasing?

### How effective is the Language, Literacy and Numeracy Program in preparing clients for daily life and employment?

The Language, Literacy and Numeracy program provides funding in a much-needed area and ACE providers have had some success with supporting learners to build their skills, become more independent and enter employment or further training. It complements Victorian government funded community support programs operating in Victorian ACE centres, and is able to leverage off them to provide strong outcomes for learners.

While many Victorian ACE providers receive state government funding for language and literacy education, the amount of hours available to each student and the amount of student places is small compared to LLNP and insufficient to support a rapid re-entry into paid work or further study of an unemployed person with low language, literacy and numeracy skills.

The LLNP is one of the few learning programs targeting migrant learners who have been displaced from the workforce due to the shift in Australia away from low skill jobs in the manufacturing industries, an issue of particular significance in Victoria. For example, many of the learners accessing the program at Victorian ACE centres went straight into the workforce on arrival in Australia and didn't take part in the AMEP program. Market readjustment has left them unemployed and without the skills that they need to access the paid workforce or the Priority Education Places Program. LLNP plays an important role for this group.

The results of the 2006 Adult Literacy and Life Skills (or ALLS) survey would suggest that there is significant room for improvement in the delivery of language, literacy and numeracy education in Australia, including in the LLNP. While we value the LLNP, our members believe that the current business model and the level of investment in the LLNP doesn't allow for the delivery of the skills outcomes required for Australia to address its productivity requirements. A revamp of the method of purchasing and administrative arrangements needs to occur in order for it to meet the skills challenges outlined in the discussion paper. Further investment needs to be made in the program.

## How could LLNP learn from other programs?

There are some lessons from the provision of Language and Literacy training in Victoria that could be applied to the LLNP nationally. Victorian ACE funding is administered by the Adult Community Further Education Division (ACFE) of the Department of Planning and Community Development (DPCD). Providers are also able to access language, literacy and numeracy places through the Priority Education and Training Program (PETP) administered by Skills Victoria. In both these instances, Victorian ACE providers are funded on a standard student contact hour basis. Particular priority learner groups are targeted through negotiation between the state bureaucracy and providers. The particular priority learner group mix varies across regions. Demographic data prepared by Skills Victoria informs these negotiations. However, local information gathering including relationships between ACE providers and local industries and employers is also included.

ACE achieves strong employment outcomes, while targeting the most difficult to reach Victorians. A recent three year longitudinal study of learners in Victorian ACE found the proportion of sampled participants employed full-time more than doubled from 13 percent in 2004 to 28 percent in 2006. The unemployment rate amongst the sample group declined by two thirds, from 24 per cent in 2004 to only 8 per cent in 2006. (*Walstab, Volkoff & Teese, University of Melbourne, 2004 – 2006 ACE Longitudinal Study*)

These are strong employment outcomes for any group in Australia but particularly significant when it is taken into account that a learner in ACE is less likely to have achieved year 10 or its equivalent than a learner in TAFE or private RTO's, is more likely to be Koori, more likely to live in a regional or remote community and almost twice as likely to have a disability. (*2004 AVETMISS data, NCVER*)

The ACE program in Victoria is also highly efficient, delivering 20% of the state's VET with around 10% of VET funding within a VET system that is itself highly efficient compared to those in other Australian states.

Not only could the LLNP learn from the Victorian ACE model, given its sophistication in relation to other state systems, we believe that the interests of entry level clients would be best served by the entire Victorian LLNP program being administered by the Victorian government via the ACFE division of DPCD.

## What strengths from other services could we incorporate into LLNP?

The ACE program in Victoria achieves these strong employment outcomes with difficult to engage groups with considerably less paperwork than the Language, Literacy and Numeracy program and a more stable funding base from which providers can build expertise over time. Some of the features that we believe would deliver similar strong outcomes in the LLNP program include:

- A more efficient administrative system.
- A stronger focus on training and less on constant assessment. In our experience, no one enrolls in an entry-level language literacy and numeracy program unless they genuinely need the service. Assessing students every 160 hours to determine continued participation robs teachers and providers of precious time for program development and delivery. The 160 hours is also an unreasonable time frame for learners with minimal skills.
- A commitment to socially excluded learners. The eligibility requirement that learners “have no potential barrier to successful participation in the Program” is unrealistic given the nature of learners with limited literacy. Rather than excluding people on the basis of barriers, the program should be supporting providers to work collaboratively with other agencies to minimise these barriers. As both education providers and not for profit community service organisations, ACE providers are in a unique position to support learners with complex and multiple barriers to participation. This combination has led to their success in reaching outcomes with difficult to reach learners in Victoria. As Guenther reports: “employment-disadvantaged people require a lot more intensive support to encourage them to overcome the multiple barriers they face when looking for work. A case management approach that deliberately includes skills development should be incorporated. This will require additional resources. However, the costs involved are potentially offset because the likelihood that these people will remain unemployed or underemployed for extended periods of time is reduced”
- Funding is based on successful participation in whole units of competency rather than attendance alone. The current LLNP funding model is problematic for providers as they are only paid for sessions attended. This does not cover the costs to the provider for running the class. Expecting an organisation to provide a service that the government may or may not pay for dependant on the behaviour of the student is out of step with most Australian business practices and makes it harder for providers to plan a quality program.
- Funding is based on a standard purchasing price, which provides

some stability of funding. Education and training providers are themselves facing skills shortages. Their capacity to attract and retain quality teachers and trainers is limited where competitive tendering systems like the LLNP ultimately award to the lowest priced tenderer encouraging a race to the bottom on teacher wages. While there may be some parts of the training system that can cope with a less stable and less skilled workforce, language and literacy provision to unemployed learners requires highly skilled professional teachers. These teachers are in demand from other sectors with stable funding bases from which to offer competitive salaries.

Some of our members deliver the AMEP. The AMEP considers bands related to expected pace of learning to categorise students. These are based on the age, past level of education and whether the student is familiar with roman script. This is a much less onerous system on providers than treating all participants as the same, which creates an impost on providers who take low skill learners as they have to constantly seek exemptions from the progress rules.

### What kind of flexibilities should be incorporated into Program delivery and why?

Students with low levels of literacy and numeracy are also likely to bring with them issues of poverty, poor housing, poor health and family breakdown, which impacts on their attendance and achievements. In a period of low unemployment, skills shortages and, in some areas, labour shortages, the model needs to adjust to provide less punitive measures and more support for socially excluded learners. Some of these adjustments should include:

- The introduction of a band system similar to the AMEP with hours per round extended to match, so that the provider does not have to constantly appeal for learning outcome progression exemptions in each round.
- Reducing the number of learning outcomes to be obtained in each round to progress to the next round
- Extending the length of each round to a minimum of 200 hours.
- Reducing the penalties for non-attendance so that learners are not so easily exited from the program.

### What structure for program delivery would best meet clients' needs and ensure successful outcomes, particularly for disadvantaged clients (eg Indigenous Australians) and clients with multiple barriers to learning?

The Victorian ACE model of learning has a proven record in successful outcomes for disadvantaged clients. We believe that these essential

ingredients of Victorian ACE could be adopted for inclusion in the LLNP either as pre-requisites and / or quality indicators. The features of this model include:

- Small class sizes,
- Opportunities for individual learning,
- Transference of social capital amongst a broad cross section of community members engaging in the life of the centre,
- Skill development through participatory democracy i.e. ACE providers are governed and managed by volunteer community based committees of management. Most offer the opportunity to be a member of the centre and adopt a range of collective decision-making processes, which all learners can engage in.
- Welcoming environments. ACE centres exist for no other purpose than to serve the community. They offer acceptance and friendship to disadvantaged learners.
- Close organisational relationships with other not for profit providers of social and welfare supports, often co-located.

Research by Sanguinetti, et al, 2004, into “ACE pedagogy” found the following:

“This report demonstrates the many ways in which ACE practitioners are able to engage marginalised ‘second chance’ learners of all ages and ethnicities in explicit learning while attending to implicit processes of their personal, intellectual and social development. However, ACE pedagogy is as much the product of the shared culture and values, enabling management, community orientation and community linkages that characterize ACE learning centres.”(Sanguinetti et al, 2004, *The ACE Experience, Pedagogies for Life and Experience*)

### What innovations could be implemented to encourage participation of Indigenous clients in remote areas?

Victorian ACE has been more successful than TAFE and private RTO’s in Victoria in engaging Koori learners (2004 AVETMISS data, NCVET). Some of the innovations that have lead to this success include:

- Negotiation of “priority learner group” targets for providers, taking into account demographic data and local knowledge of industry and employers.
- Funding of “Community Learning Partnerships” which recognise the importance of engaging a group of organisations to provide a seamless, holistic service to difficult to reach groups.
- Use of “pre-accredited” or unit only courses as a first step to engagement in the VET system.
- Support for informal learning opportunities alongside formal

learning, for example, through the provision of the Men's Sheds program within ACE providers.

### How could specialised services such as Advanced Vocationally Oriented Courses (AVOC) and Complimentary Training (CT) be improved?

Despite targeting disadvantaged groups, there has not been high take – up amongst our membership of the complimentary training program. The size of the regions covered by the tenders, combined with the challenges of gathering a large group of clients at the same time and with the same learning needs, works against successful completion of the program. Paying a bonus amount for priority learner groups integrated into the mainstream LLNP program is a much more effective way of ensuring the participation of difficult to reach groups.

Advanced Vocationally Oriented Courses require the support of a range of industry and education players to develop and implement programs around a particular industry need. The current funding model for LLNP doesn't cover the costs of the development of these complex partnership programs. Funding along the lines of the Victorian Community Learning Partnerships program in Victoria would be a good way to encourage the development of AVOC's.

### How can the linkages between LLNP providers and referring agencies (Centrelink and Employment Services Providers, including Job Network Members (JNMs) be improved (noting that there has been a review of Employment Services Arrangements, as part of an open tender process occurring later this year)?

The outsourcing of both the Job Network Program and the LLNP has meant that some organisations are both JNM's and in receipt of LLNP funding. This situation has created internal "supply chains" within a small number of organisations, which may or may not operate in the best interests of the learner. Our members report examples of learners being removed from Victorian funded programs at local ACE providers where they have built a social support network and made the first tentative steps on a learning journey, in order to fill LLNP places in their JNM. In these instances, learners are unaware of their rights and are unlikely to benefit from the dislocation.

For many learners with limited skills who have been outside of the education system for some time, 20 hours of class per week can be challenging at first. Many JNM's insist on a 20-hour a week LLNP placement, when a lesser amount to begin with would maximise success

for the learner.

While our members generally report positive working relationships with Centrelink and Employment Service providers including JNM's, staff rotation practices at Centrelink often make it difficult to maintain contact and information exchange over a period of time. Some members report that Centrelink staff and JNM staff have inadequate knowledge of LLNP and its processes.

Our members report that the LLNPIS II system has interface problems with the systems used by Centrelink and Job Network agencies causing problems for the students – specifically, it can appear on their system that the student is no longer attending the program where on the providers system, they are enrolled in the next block.

We would like to see the following:

- That Centrelink play a stronger role in referring adults to LLNP programs, rather than leaving this to JNMs.
- JNM contracts need to more strongly specify that they must honour a learner's choice to attend the learning program that best meets their needs.
- JNM's should be required to provide learners with information about all the programs in their local area.
- The LLNP program closest to the clients home should be the default referral option unless the client specifically makes a different choice.
- JNM's need to be encouraged to more often consider packages of activities that include volunteer participation in community organisations, non-formal learning through, for example study circles and men's shed programs alongside formal studies in the LLNP.
- Additional investment in the LLNPIS
- Additional training of staff in Centrelink and JNMs about the LLNP and its processes.

## How should the services be purchased and measured?

Is the LLNP the most cost-effective way of skilling people with low language, literacy and numeracy skills? How could it be made more effective?

There is no “quick fix” for entrenched educational disadvantage and in periods of low unemployment, those who are left unemployed are likely to be people who have and continue to suffer educational disadvantage. Where inputs alone are measured, the LLNP could be considered a cost-effective way of skilling people with low language, literacy and numeracy skills. However, in recent years, the Business Council of Australia, amongst others have pointed to the failure of the full suite of Commonwealth education and training programs to engage challenging client groups in work. (*Engaging our Potential: The economic and social necessity of increasing workforce participation, 2007, Business Council of Australia*)

The multiple barriers to participation of this co-hort require cooperation across agencies and organizations and additional investment by government. Price based competition delivers neither of these. The true cost to the Australian economy of the failure to engage long term unemployed adults in learning or work is yet to be fully realized, but is likely to be high. In an address to the not for profit sector, Senator Ursula Stevens, the Federal Parliamentary Secretary for Social Inclusion commented thus:

“We also recognise that competitive tendering ...has impacted on the not-for-profit's sector's capacity to innovate, share information and ideas and respond to emerging issues.” (Address to the CPA Annual Not-For-Profit Conference, May 2008)

While ACE organisations support competition over capacity to attract students and deliver learner outcomes, we concur with Senator Stevens that price-based competition for VET delivery impacts negatively on the capacity of ACE providers to share information and ideas and respond to emerging issues.

Aside from access and equity considerations, there are strong economic arguments for gearing public investment towards learners with lower skills. Research into adult literacy indicates a strong return on investment for expenditure on adults with the lowest skill levels. For example, in a 2004 study by Coulombe, Tremblay and Marchand, across a range of OECD countries, International Adult Literacy Survey data was used to demonstrate that investment in increasing the literacy skills of adults has a “direct and positive impact on labour productivity and in GDP per capita. It highlighted that the **greatest impact** was gained by investing in improving the skills at the lower levels”.

(Coulombe, Tramblay & Marchand, 2004, our emphasis added)

## How could the current measurement of education outcomes and client achievement be improved?

We would like to see a stronger recognition of the important role of generic employability skills and attitudes including “learning to learn” competencies amongst low skill learners. These skills and abilities both proceed and accompany language, literacy and numeracy development and ensure the sustainability and practical application of LLN skills.

We believe that this focus on broad generic skills and attitudes is supported by industry. For example a recent survey by the Australian Industry Group, reports “Firms recognise the need for a mix of generic or ‘soft’ skills for innovation. Problem-solving is rated the most important ‘soft’ skill (31.7%); followed by communication (25.8%); adapting to change (23.5%); and teamwork (18.9%). (*Skilling for Innovation, National CEO Survey, 2008, Australian Industry Group and Deloitte*)

We believe that the number of learning outcomes to be obtained in each round to progress to the next round is excessive and the length of each round is too short. These don’t match the realities of the needs of learners with low skills and complex barriers to participation. Also that the balance between assessment and delivery is out of balance. Entry level learners in particular need less assessment and more delivery.

## What are the facets of the Program that could enhance and what are the ones that could inhibit Providers from meeting the Program benchmarks (i.e. Key Performance Indicators)?

The provision of JET funded childcare together with the LLNP in centres is an important combination. This leads to the participation of parents who would not otherwise participate in learning and maximises the chances of providers meeting KPI’s.

Teething problems and delays with the LLNPIS have added additional delays and frustrations. If changes are made with the new contract, resources need to be allocated to ensure smooth transition to enable providers to meet benchmarks. A contract start up allocation should be paid to all providers to enable them to train staff in the new system.

The LLNPIS II also lacks the functionality of other learner management programs, for example the ARMS used for the AMEP, allows the user to produce class attendance sheets etc whereas LLNPIS II does not. LLNPIS II also struggles to interface effectively with Centrelink

systems so that students can move between programs, if for example, they attend and then fail a Priority Education Places program and wish to return to their original LLNP, without having to apply in person at Centrelink for readmittance.

### Do the current payment structures to LLNP service providers drive improved outcomes? If not what improvements could be made to gain improvements?

In most provision of government services it is recognized that disadvantaged groups are more expensive to provide services for than the mainstream, because agencies and organisations have to provide additional supports to compensate for the many barriers to participation. ACE providers, for instance, take a holistic, case management approach to each student. They provide smaller class sizes. Many provide community-based childcare onsite. They spend considerable time building partnerships with other community-based providers of social services to leverage additional support for clients. These activities drive strong outcomes in language and literacy provision by Victorian ACE providers but they cost money and need to be recognized in any new funding model.

The results of the 2006 Adult Literacy and Life Skills (or ALLS) survey and the findings of the Business Council of Australia round table on increasing workforce participation, would suggest that Australia's experiment with using price based competition to solve our most difficult social and economic challenges has not worked. This is an example of market failure requiring stronger intervention and regulation by government. Genuine and sustainable outcomes in skills development, can only be achieved through a longer term and more sophisticated assessment of return on investment, rather than the pursuit of short term efficiencies, particularly when providing services for the most socially excluded Australians.

### Should providers be financially rewarded if their clients gain employment? If so, how could it be measured?

As Guenther and others suggest, disadvantaged adults require support and cooperation amongst a range of agencies and community groups to reengage in the paid workforce and, more importantly, to stay in the paid workforce. Attributing their success to any one of these players wouldn't accurately reflect the provider's engagement in best practice, particularly for low skill adults.

Anecdotal evidence amongst our membership suggests that the use of bonus payments for Job Network Providers, while a useful incentive for

placing highly skilled workers, can lead to a “churn factor”, for low skilled clients, where people are pressured into short term work for which they are not ready, and at which they subsequently fail. This process can erode any progress achieved by the individual in the LLNP as well as undermining the confidence of employers in taking on employees from educationally disadvantaged backgrounds.

Gaining initial employment is only one measure of success. Going on to further study, participating more fully in community life and the volunteer workforce, minimizing use of a range of social and welfare services, building up a social support network from which to more successfully remain in paid work once you are there, are also successful outcomes, which have strong long-term impacts on productivity. It would be difficult to envisage a bonus system that rewarded this broad range of outcomes.

### How can the reporting and administrative procedures be simplified or made more efficient so trainers can spend more time on training excellence?

- Better use of the features of the LLNPIS to remove the need for paper based student files.
- Less constant assessment
- Reducing the number of learning outcomes to be obtained in each round to progress to the next round
- Extend the length of each round to a minimum of 200 hours
- Introducing a band system similar to the AMEP so that the provider does not have to constantly appeal for learning outcome progression exemptions in each round for learners with low skills.

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