

**SUBMISSION TO THE PRODUCTIVITY COMMISSION IN RELATION TO THE ISSUES PAPER ON THE
SKILLS AND WORKFORCE DEVELOPMENT AGREEMENT**

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Introduction

This Submission has been prepared by the Alliance of First Nations' Independent Education and Training Providers (the Alliance) and is based on the Alliance Proposal presented to the Commonwealth Government on 13 August 2019. The Alliance currently consists of four entities:

- Tauondi Aboriginal College (founded 1973 and headquarters Adelaide South Australia)
- Co-operative for Aborigines Ltd trading as Tranby National Indigenous Adult Education and Training (founded 1957 headquarters Glebe NSW)
- NAISDA Ltd (founded 1976 headquarters Kariiong NSW)
- Institute for Aboriginal Development (Campus closed in Administration) (founded 1969 headquarters Alice Springs NT)

The Alliance is currently going through the process of finalising its Constitution and corporate form. Upon incorporation, the Alliance will seek membership of Coalition of Peaks with representation on the Joint Council of Closing the Gap as a peak body for National Indigenous owned Registered Training Organisations (IRTOs).

How are Indigenous owned Registered Training Organisations (IRTOs) different from other Registered Training Organisations (RTOs)?

National IRTOs provide culturally appropriate vocational education and training and historically have tended to specialise in the provision of specific subjects. No Alliance member accepts applications from non-Indigenous students. The Joyce Report at page 12 noted that in 2017 3% of VET students were Indigenous learners, roughly the same percentage compared to the non-Indigenous population. Thus, the numbers of Indigenous students compared to the non-Indigenous cohort attending mainstream vocational education providers is quite low.

The availability of IRTOs varies from State to State and the availability of courses suitable for Indigenous learners also varies from State to State. Where IRTOs exist in each State and Territory, it is not economically sensible or even feasible for all IRTOs to provide all relevant courses in every State and Territory. It is crucial for IRTOs are encouraged to provide specialised courses on a national basis to meet the needs and demands of a comparatively small (compared to the wider non-Indigenous student population) Indigenous student cohort.

IRTOs have higher rates of VET completion compared to Mainstreamed Indigenous Vocational Education and Training (VET)

Indigenous Owned RTOs provide culturally appropriate training and both Tauondi (Foundational Skills Certificate I – II and up to Certificate III) and Tranby (Certificate III and above) have higher completion rates for their specialised courses for Indigenous learners courses than the national average of non-Indigenous Owned RTOs. The average VET completion rate for Indigenous learners in non-Indigenous IRTOs is 25% (Tabatha Griffin 2014, *Disadvantaged learners and VET to higher education transitions*, Adelaide: NCVER).

Tauondi Course Completion Rates for 2019

Tauondi has a completion rate of 45% after deducting students who enrolled but did not commence or students who withdrew prior to completing the first unit.

Tranby Course Completion Rates for 2019

Of the Tranby students enrolled in 2019 that were due to complete their studies within the year, 62.5% graduated successfully (i.e. received their full qualification)

The Joyce Report acknowledges that IRTOs need specialised support as they are more efficient providers of specialised services for Indigenous learners than mainstream non-Indigenous providers seeking to provide the same services with significantly lower rates of success.

In comparison to IRTOs, TAFE and Universities have higher more stable levels of Government funding but deliver poorer outcomes.

Funding Problems with Indigenous owned RTOs

Each member of the Alliance faces different problems with accessing adequate, reliable funding and dealing with a myriad of grant options available at Commonwealth and State level. The Alliance acknowledges in broad terms the comments relating to the fragmented funding problems with the current system set out in the Chapter Improving Outcomes for Aboriginal and Torres Strait Islander Peoples and Disadvantaged Australians in the Expert Review of Australia's Vocational Education and Training System (the Joyce Report). The Alliance also notes the comments in the Joyce Report supporting the need for Indigenous Owned Registered Training Organisations if the Commonwealth wants to achieve better educational and employment outcomes for Indigenous Australians.

The Alliance is concerned that the current funding model appears to categorise IRTOs as private providers of Indigenous VET as opposed to the equivalent funding provided to Government owned and operated VET providers. IRTOs are in a difficult situation – Indigenous second chance learners do not have the financial capacity to be fee paying students and do not on successful completion provide significant donations to the IRTO. IRTOs do not have students who are financially capable of contributing to a tax deductible building fund. IRTOs have limited access to philanthropic funding. IRTOs operate on a not for profit basis and are registered charities – they are not for profit VET providers.

IRTOs are now financially unstable because in the change of the NAWSD funding arrangements. A number of IRTOs have closed because of the change in the funding arrangements the most notable being IAD in Alice Springs.

The Alliance is strongly of the view that National Indigenous VET outcomes would be significantly improved if National IRTOs were specifically recognised and funded by the Commonwealth in a similar funding manner to TAFE and Universities. Specified members of the Alliance would also like to commence reporting against Key Performance Indicators under Closing the Gap in the 2020 calendar year.

The ultimate goal of the Alliance is for the Commonwealth Government to provide a sustainable fully funded package to financially stabilise National IRTOs. The lack of accountability and fragmented Commonwealth and State VET funding programs are forcing the closure of the IRTOs.

The Commonwealth /State VET system is not designed for National IRTOs, and the current funding system is damaging the ongoing viability of these organisations. The damage being done by the current funding arrangements is not being picked up under the Closing the Gap reporting obligations. Reporting under Closing the Gap only covers schooling it does not include vocational education and training for Indigenous Australians.

No clear Government Strategy or Government Policy for Indigenous VET or IRTOs because there is no Indigenous VET target included in Closing the Gap

IRTos have been defunded under NAWSD in comparison to University and TAFE who receive full Government funding. IRTos historically provided specialised VET for Indigenous learners around Australia achieving economies of scale across its comparatively small cohort base (less than 3% of the population).

The Alliance has been unable to identify, from any Minister or public servant a Government strategy or policy in relation to IRTos. IRTos are not benchmarked against non-Indigenous RTos who provide VET for Indigenous learners.

No officer within the National Indigenous Australians Agency (NIAA) has responsibility for Indigenous VET – it falls under the Children and Schooling Program and there are no VET specific Closing the Gap targets. IRTos appear to be categorised as “private” RTos and VET funding is only available on a per student completion basis.

There is no benchmarking between Mainstream VET providers and IRTos so that means that funds are not allocated to the most successful RTos. On an anecdotal basis there seems to be a Government preference for full funding for Government owned mainstream less successful VET providers.

- INFORMATION REQUEST 1

The Commission welcomes views on our proposed approach to this study, and on any other reviews that are of relevance to this study.

Response to Information Request 1

Please see the Alliance Proposal attached

- INFORMATION REQUEST 2

The Commission seeks evidence on how well the National Agreement for Skills and Workforce Development's (NASWD) objectives for the vocational education and training (VET) sector have been met, and the reasons for those outcomes.

The Productivity Commission Issues paper on the Skills and Workforce Development Agreement November 2019 (the Issues Paper) sets out the Objectives of the National Agreement for Skills and Workforce Development's (NASWD) at page 5:

The NASWD sets out a broad objective for VET:

A VET system that delivers a productive and highly skilled workforce and which enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future; and supports the achievement of increased rates of workforce participation. (COAG 2012b, para. 18)

The Alliance's initial comments relate to the following two subsidiary objectives for the National training system set out in the Issues Paper page 5:

The agreement also indicates subsidiary objectives for the national training system, including that it:

- *is accessible to, and meets the needs of, people experiencing disengagement or disadvantage who may need additional support, including young people, Aboriginal and Torres Strait Islander people and people in certain locations*
- *has a stable funding base and promotes opportunities for shared investment by governments, businesses and individuals*

Response to Information Request 2.1

NAWSD severely limits Indigenous learner's access to specialised culturally appropriate training at interstate IRTOs.

A significant proportion of Commonwealth funding for Indigenous Owned and Operated Registered Training Organisations (IRTOs) has in recent years been re-routed through State and Territory Treasuries who will only fund students who reside in their State or Territory. This change particularly impacts Indigenous students (especially those residing in rural and remote areas) and has resulted in significant de-funding of National IRTOs and a loss of training opportunities. There are, in many cases, insufficient students to support an IRTO in every state and territory. The IRTOs until recently were predominantly funded by the Commonwealth and operated on a national basis providing culturally appropriate specialised courses to assist Indigenous learners to transition into the workforce or to higher education.

The National Agreement for Skills and Workforce Development at clause 27 limits the States and Territories responsibilities:

27. States and territories will:
 - a. determine resource allocation within their State/Territory;
 - b. oversee the expenditure of public funds for, and delivery of, training within states and territories; and

- c. ensure the effective operation of the training market.

It is limited to funding and training **within the State and Territory**, it does not address or recognise specialist National IRTOs drawing students who reside all over Australia. State and territory based parochialism is preventing Indigenous learners from accessing VET where specialised Indigenous programs are only available interstate.

Non-Indigenous VET providers such as TAFE and Universities are attempting to provide specialised IVET courses with a completion rate of approximately 25% this is significantly lower than non-Indigenous students and Indigenous learners attending IRTOs. The size of these institutions and the large numbers of students and the culture of TAFE and Universities creates difficulties for Indigenous learners from rural and remote communities. In many cases Indigenous learners have never been in an educational institution of that size and are confronted by cultural approaches significantly outside their previous experience.

NAWSD does not meet the needs of Indigenous learners in terms of accessibility of IRTOs and the assessment model. The State and Territory funding model is based on 'completion' within limited timeframes which is not suitable for Indigenous learners who require additional time to complete their learning journeys. Learners with low levels of literacy and numeracy and low self-confidence tend to require much longer periods of study and specialised support, in a culturally safe learning environment.

Response to Information Request 2.2

NAWSD has damaged the financial viability of the IRTOs resulting in IRTOs fall between the funding cracks in a number of ways.

TAFE colleges and Universities are fully funded - salaries, capital works and maintenance, course development and student funding are all covered by reliable Government funding.

Private RTOs have Government funding on a per student basis with some additional grant funding. Private not for profit RTOs set and charge student fees and are able to raise additional funds through building works funds and other donations. For profit RTOs charge student fees at a level to not only cover costs but to generate a profit.

IRTOs in recent years have been treated like private RTOs with Government funding on a per student basis with some additional grant funding. NAWSD does not distinguish private RTOs from IRTOs. Indigenous learners serviced by IRTOs are in some of the most poverty stricken members of the Australian community. In Tauondi's case many of their students are older learners and attend Foundational courses to learn to read and write. NAWSD has meant that Government funding for salaries, capital works and maintenance, course development is no longer available on a regular basis. NAWSD does not take into account Indigenous learners, unlike most of their non-Indigenous counterparts, do not have the financial capacity to pay course fees or the cost of travel and accommodation to attend courses. Separate grant funding is not available on a regular basis and when it is available it is usually inadequate and never ongoing.

National IRTOs are now required to deal with the State or Territory officers as intermediaries who in turn negotiate with Commonwealth officers. This results in a lack of accountability, transparency and control in relation to Commonwealth funding and funding recipients.

The change in the Commonwealth funding model is resulting in previously successful National IRTOs struggling financially and in IAD's case going into administration. National IRTOs lack coherent, consistent and reliable funding across core funding areas in particular:

- a. Maintenance and renewals budgets for fixed and variable assets;
- b. Staffing costs;
- c. Funding for cross border students and adequate funding for local students;
- d. Student learner support services;
- e. Development, approval and registration of new courses;
- f. Mobile training courses and new campuses in regional areas.

National IRTOs must make multiple grant applications across a range of different grant and funding programs at a Commonwealth, State and Territory level. Grant funding is fragmented and sometimes leaves gaps or result in overlapping funding.

Multiple funding programs lead to high administration costs to meet grant funding compliance and reporting obligations, time spent satisfying regulators that National IRTOs are not "double-dipping" or time spent trying to fill funding gaps.

Closing the Gap does not pick up these problems as it does not require reporting for Indigenous VET.

INFORMATION REQUEST 3

The Commission seeks views on:

- 1. whether the objectives and policy directions for the VET sector set out in the NASWD are suitable for the future and why*
- 2. if currently-stated objectives and policy directions for the VET sector are suitable for the future, which should be given priority*
- 3. if currently-stated objectives and policy directions are not suitable for the future, how they should be changed and evidence in support of proposed changes.*

Response to Information Request 3.1

NAWSD Objectives and Policies not suitable for IRTOs.

There are four core problems facing IRTOs:

- NASWD for practical purposes limits State funding to Indigenous learners resident in the same State as the IRTO and no course specifically designed for Indigenous learners is available in all States and Territories;
- Funding for IRTOs is on a per student based on completion of the relevant course. Indigenous learners usually take longer to complete their course for cultural reasons, resulting in the IRTO in some States not being funded for the students who do not complete their course in the minimum time;
- IRTOs no longer receive reliable Commonwealth funding for staffing costs, asset maintenance and renewals, interstate students or course development;
- VET for Indigenous learners is not reported or covered in Closing the Gap and there are no dedicated staff to support IRTOs in the National Indigenous Advancement Agency (NIAA). NIAA has dedicated staff for Indigenous school learners but IRTOs and Indigenous learners requiring support for VET are of little or no policy interest as they are outside Closing the Gap.

Alliance members have been successfully Indigenous owned and operated organisations for decades, offering students from around Australia vocational education and training and in Tranby's case in Australian Qualifications Framework Certificate III and above. Tauondi focuses on Foundational skills, vocational training and Certificate I and II. The current fragmented State/Commonwealth funding arrangements and limits on the intake of students on a national basis put these successful Indigenous Owned and Operated cultural icons at financial risk.

IAD went into administration at the beginning of 2019 after providing Foundational Skills and VET for Indigenous learners in Central Australia since 1969. IAD was the only not-for-profit Indigenous owned RTO in Central Australia. The present version of NAWSD is highly parochial in nature and that together with the severe reductions in annual recurrent funding from NIAA, has forced the closure of IAD and threatens the financial viability of Tauondi and Tranby.

Response to Information Request 3.2

Please see response to 3.1 above. The Objectives of NAWSD are acceptable but the parochial nature of the application of the funding arrangements through NAWSD are destroying Indigenous owned RTOs at a time when the Joyce Report at page 109 recommends:

8.5 The Commonwealth to support the development of more quality Indigenous-owned-and-led Registered Training Organisations to provide more Indigenous learners with the option of foundation and vocational training in an Indigenous cultural setting.

8.6 The Commonwealth and the States and Territories to specifically measure levels of enrolment, progress and outcomes for Indigenous learners at relevant funded Registered Training Organisations as part of a new Commonwealth-State vocational education funding agreement.

Stephen Joyce did not seem to be aware of the funding problems faced by IRTOs when he made his recommendations or that IRTOs were funded on the basis that they were privately owned IRTOs without ongoing adequate funding.

Response to Information Request 3.3

The Alliance believes NAWSD Objectives and Policies Need to Change.

Commonwealth funding for National Indigenous Owned and Operated Registered Training Organisations has in recent years been re-routed through State and Territory Treasuries who relying on the NASWD limitations, will, for practical purposes, only fund students who reside in their State or Territory. This change has resulted in significant de-funding of National IRTOs and training opportunities for Indigenous learners.

The parochial NASWD funding approach has severely impacted a number of Alliance members as they have traditionally provided training for Indigenous students from around Australia. Many culturally specific Diploma and Certificate level courses are entirely owned by National IRTOs and are not offered by any other training providers in Australia. (For example- 10578NAT Diploma of Applied Aboriginal Studies and 10408NAT Diploma of Aboriginal and Torres Strait Islander Legal Advocacy.)

National IRTOs provide culturally appropriate vocational education and training and historically tended to specialise in the provision of specific subjects. No Alliance member accepts applications from non-Indigenous students. Thus, the numbers of Indigenous students compared to the non-Indigenous cohort attending mainstream vocational education providers is quite low.

The Alliance is of the view, that if Australia is ever to meet the Partnership Objectives of Closing the Gap 2019-2029 National IRTOs must be separated from mainstream NAWSD and funded with a view to developing current and future specialist National IRTOs with dedicated long-term reliable Commonwealth funding. The Alliance believes that a division of the new National Skills Commission could be introduced with a specific focus on improving Indigenous VET and employment outcomes.

NAWSD results in highly unstable and inadequate funding for Indigenous Owned RTOs.

NAWSD funding limitations have created a lack of consistent, reliable Government funding for National IRTOs and has placed the entities under significant financial pressure. The Institute of Aboriginal Development (IAD) the only National IRTO in Alice Springs, is now in administration and

the campus has closed. IAD is no longer able to provide vocational education and training opportunities for the Central Australian Indigenous community members due to changes to the Commonwealth and Territory funding arrangements. IAD has been Indigenous-owned since 1969.

Tranby (providing Certificate III and transition to higher education) and Tauondi (providing Foundational Skills, apprenticeships and Certificate I-III) have also been financially destabilised due to reliable funding no longer being provided for staffing costs, asset maintenance and renewals, interstate students and course development.

Indigenous Advancement Strategy (IAS) grant funding from the Commonwealth and administered by NIAA does not cover costs. NIAA responses to grant funding applications continue to be what could be politely termed “problematic” see: ANAO Report No.35 2016–17 Indigenous Advancement Strategy, which is currently the subject of a Productivity Commission Report currently being drafted entitled “The Indigenous Evaluation Strategy”. We stress that many of the issues raised were identified by the Auditor General in the 2016-2017 ANAO Report and the situation has not changed. The Alliance is concerned that the requirements for more consultation has led to a situation where NIAA consultation involves simply ticking the box without any genuine attempts at constructive engagement with IRTOs.

There is no clear Government strategy for financially stabilising IRTOs after the destructive impact of the funding cuts arising from NAWSD and the IAS. There appears to be no Government funded strategy, policy or goal that we can identify of providing better educational outcomes for post school age Indigenous learners. The Joyce Report recommended supporting Indigenous owned RTOs who have higher retention and completion rates than non-Indigenous TAFE and University providers. The Alliance members need to be able to draw Indigenous learners from all over Australia to reach economies of scale whilst providing culturally appropriate spaces and education for their students. The Alliance aims to provide Indigenous learners with skills to transition to the workforce or to mainstream higher education.

INFORMATION REQUEST 4

4.1 What evidence (other than that included in the Report on Government Services and Performance Dashboard) is available to assess performance against outcomes and targets in the NASWD?

4.2 What has affected the achievement of outcomes and targets to date, and how?

4.3 Do current indicators and targets provide the right information to assess performance?
For example:

- are the indicators and targets fit for purpose — are they reasonable and attainable; do they adequately reflect contemporary policy settings?
- how well do the outcomes, performance indicators and targets link to each other and the objective?

4.4 How are performance data interpreted and used?

4.5 Are there other areas of performance that should be measured and, if so, why? What types of indicators should be adopted for these areas?

4.6 What should a future performance framework look like and include?

Response to Information Request 4.1

IRTOs perform better in achieving outcomes for Indigenous learners than mainstream non-Indigenous VET providers. There is however no publicly available data collection that compares the success rate of the different providers.

Alliance members have had their funding reduced as a result of NAWSD policies of funding for students in their home state only and in addition mainstream Government owned providers being fully funded whilst IRTOs are funded as private providers without income from students who pay their own fees.

The average VET completion rate for Indigenous learners in non-Indigenous IRTOs is 25% (Tabatha Griffin 2014, *Disadvantaged learners and VET to higher education transitions*, Adelaide: NCVET).

Tauondi Course Completion Rates for 2019

Tauondi has a completion rate of 45% for Foundation Skills and Certificate I-III after deducting students who enrolled but did not commence or students who withdrew prior to completing the first unit.

Tranby Course Completion Rates for 2019

Of the Tranby students enrolled in 2019 that were due to complete their studies within the year, 62.5% graduated successfully (i.e. received their full qualification)

The average VET completion rate for Indigenous learners in non-Indigenous IRTOs is 25% (Tabatha Griffin 2014, *Disadvantaged learners and VET to higher education transitions*, Adelaide: NCVET).

Response to Information Request 4.2

The Alliance believes that if IRTOs were fully funded in accordance with the Proposal attached that IRTOs could drive a significant improvement in the success of Indigenous learners in achieving better employment and life outcomes. The Joyce Report also recommended supporting IRTOs for Indigenous learners. IRTO success rates support this approach.

Response to Information Request 4.3

No, as previously stated IRTOs are not publicly benchmarked against mainstream non-Indigenous RTOs servicing Indigenous learners.

IRTOs do not have access to sufficient funding because of the changes to Indigenous VET funding and IRTOs across Australia are closing due to Government funding cuts.

There are no identifiable targets for Indigenous VET and there are no VET targets in Closing the Gap. IRTOs have been disproportionately damaged by the changes in funding – particularly with NIAA who has no publicly available policy on supporting Indigenous VET and Department of Education and Training has been prevented from addressing the issue in the last few months because it is treated as an Indigenous issue.

Response to Information Request 4.4

Not applicable

Response to Information Request 4.5

See comments above on the need for benchmarking amongst providers of VET for Indigenous learners. Funding should be on a consistent national basis taking into account the availability of the courses and the size of the Indigenous student cohort.

The Alliance is also of the view that Indigenous learners should be tracked after achieving a Statement of Attainment for individual units or course completion. There is no publicly available information on rates of employment after course completion or obtaining a Statement of Attainment. There is no data available specific to Indigenous learners after leaving their RTO in relation to changes compared to the broader Indigenous population in terms of health, drug and alcohol dependency, domestic violence and criminal convictions. This is all important information as to where best to focus scarce Government funding. See also comments below on the need to have a separate priority skills list for Indigenous learners.

INFORMATION REQUEST 5

5.1 How well does the NASWD describe the roles and responsibilities of governments in skills and workforce development? Could this be improved?

5.2 How well have the Australian, State and Territory governments fulfilled the agreed reform directions and their roles and responsibilities?

5.3 How could governments better work together, for example, to improve the efficiency of tasks, or support accountability for outcomes?

Response to Information Request 5.1

No comment

Response to Information Request 5.2

The Alliance only proposes to comment on VET outcomes for Indigenous Australians.

NASWD does not address the issue of National IRTOs with Indigenous students that have historically been drawn from all over Australia.

The draft of Closing the Gap 2019-2029 stipulates the training and employment priorities in Education and Economic Development. Although these areas are the priorities including the previous Closing the Gap commitment by the Commonwealth, Indigenous training and employment services by the National IRTOs were not well-represented, thus limited support and outcomes.

Education target:

- 47% of Aboriginal and Torres Strait Islander (aged 20-64 years) have completed Certificate III or above, including higher education, by 2028

Economic Development target:

- “65% of Aboriginal and Torres Strait Islander youth (15-24 years) are in employment, education or training by 2028”
- “60% of Aboriginal and Torres Strait Islander people aged 25-64 years are employed by 2028.”

These targets that clearly relate to Indigenous learners have not been met because Indigenous VET is not specifically included in Closing the Gap. Clear strategies have not been developed by NIAA or the Commonwealth Department of Education and Training that address the need to address improving Indigenous VET outcomes. The KPIs for NIAA do not include improvements in Indigenous VET or supporting successful IRTOs. The focus at NIAA has been on preschool and school age children with second chance Indigenous learners included with school children but not forming part of NIAAs KPIs.

The Joyce Report briefly indicated an awareness that Indigenous learners cannot simply be mainstreamed into the TAFE or University system. The Alliance developed a Proposal (attached) to explain and address the problems faced by IRTOs in more detail.

The long term economic costs to the Australian economy of failure to provide targeted Foundational Skills for post school Indigenous learners are high and ongoing. Indigenous learners from remote and regional Australia need culturally appropriate support to obtain Foundational skills and hopefully move on to Certificate III. Second chance Indigenous learners require a supportive environment to allow them to transition to mainstream educational providers, gain skilled employment or take on the role of leaders in their local communities. Tranby graduates around Australia run Indigenous organisations managing often millions of dollars in Government funding.

Commonwealth and States' emphasis on cost cutting was done at the expense of IRTOs and Indigenous learners. Joyce recognised that the largely unsuccessful attempts at mainstreaming entry level Indigenous learners into cheaper TAFE and University courses are inefficient and have an ongoing higher economic cost over time. Targets are not being met in improving the literacy and numeracy levels of post secondary school Indigenous learners. Employment targets for Aboriginal and Torres Strait Islanders are not being met as they struggle with training courses with culturally inappropriate timeframes for completion, because the timeframes for completion are based on non-Indigenous learners. Indigenous learners with special needs can transition to mainstream employment but as Joyce explains they need IRTOs in the first instance to support their entry into post secondary education.

Response to Information Request 5.3

How could governments better work together, for example, to improve the efficiency of tasks, or support accountability for outcomes?

State and Territory Governments do not currently work together to facilitate Indigenous learners accessing specialised Indigenous training courses that are only available in another State and Territory. Indigenous learners only make up 3% of VET students. In many cases Indigenous learners attend IRTOs to develop literacy and numeracy skills. They recognise that they personally require specialised culturally appropriate learning support and longer timeframes to complete their courses. Indigenous learners are also often from remote and regional areas and require a culturally supportive environment and learning spaces to optimise their chances of successful course completion.

IRTOs allow Indigenous learners to transition to a more structured learning environment that improves their employment prospects or transition to higher learning.

Current data held by Government is not sufficiently granular to identify post VET outcomes for Indigenous learners who complete or partially complete courses with their IRTOs.

The Alliance is deeply concerned that poor quality data about Indigenous learners means Government focuses on the creation of TAFE and University courses for Indigenous learners that are quick to “complete” and cheap to produce. IRTO's focus is on good, quality outcomes that may require slightly longer completion times in an environment that is more conducive to Indigenous learners successfully completing their course. Good quality culturally supportive learning environments provided by IRTOs translate into more economically productive Indigenous Australians able to find gainful employment to support themselves and their family.

The overall goals for IRTOs for their student cohort are:

- A reduction in long term welfare dependency;
- reliable employment;

- higher incomes;
- improved socio-economic outcomes;

resulting in stronger self-esteem and better long term health outcomes.

INFORMATION REQUEST 6

6.1 *How well have the intergovernmental arrangements instituted under the NASWD worked?*

6.2 *Is an intergovernmental agreement still required, or the best instrument, to promote collaboration on policy directions and reform, and accountability for outcomes?*

- *If not, what alternative mechanism(s) would be suitable?*
- *If so, how should its overall form and structure differ from the existing agreement?*

Response to Information Request 6.1

State Parochialism is embedded in NAWSD.

The Alliance experience with NAWSD is that it has damaged IRTOs by aiming to limit the availability of Indigenous learners to their own State or Territory of residency.

IRTOS either do not exist or do not provide all Indigenous specific courses in all States and Territories. NAWSD actively aims to prevent Indigenous learners from being enrolled in Indigenous specific courses outside their own State or Territory.

If an IRTO wishes to offer a course outside their own State they must apply to each relevant State or Territory for accreditation of that course. This is in addition to the accreditation they have already obtained in their own home State. This is time consuming and costly for IRTOs who have had their Government funding cut to significantly below cost recovery. IRTOS have no general funding available for course development and no funds to undertake a State by State course approval process.

It is important to understand that Indigenous learners only make up 3% of VET students and the numbers of Indigenous learners are insufficient to support a specialised Indigenous specific course in each State. There are simply not the economies of scale to do so.

More importantly Indigenous learners are then required to apply to their home State for grant funding to travel interstate to attend Indigenous courses that are only available outside their home State.

Example:

NSW State Training Services is unable and unwilling to fund Tranby's students from interstate. Each State and Territory has similar restrictions in that they will only fund students who are residents of that State or Territory. The availability of National IRTOs varies from State to State and the availability of courses suitable for Indigenous learners also varies from State to State. Where National IRTOs exist in each State and Territory, it is not economically sensible or even feasible for all National IRTOs to provide all relevant courses in every State and Territory. It is crucial for National IRTOs to provide specialised courses to meet the needs and demands of a comparatively small (compared to the wider non-Indigenous student population) Indigenous student cohort.

Tranby at one point had a waiting list of over 165 interstate students wanting to study Indigenous specific courses only available at Tranby in the upcoming academic year. Tranby was forced to

reject these applications because NSW State Training Services had imposed conditions on funding received from the Commonwealth that did not permit funding for interstate students. The existing Commonwealth funding package for Indigenous VET students has no functional cost effective mechanism in place to support these interstate students and sadly, they are ultimately excluded from the VET sector.

Lack of transparency with the States and Territories when acting as intermediaries with Commonwealth funding.

IRTOs are now required to deal with the State or Territory officers as intermediaries who in turn negotiate with Commonwealth officers. This results in a lack of accountability, transparency, and control in relation to Commonwealth funding and funding recipients.

Alliance member's experience is that it is not known whether or not State Government officials pass on problems that IRTOs are having to the Commonwealth/State funding arrangements as there is no real incentive for State Government officials to do so. There are also no reporting obligations under this funding package to report outcomes under Closing the Gap. There is, therefore, a complete disconnect between the funding provider (the Commonwealth) and the IRTOs.

In South Australia, many Indigenous-specific programs are merged into mainstream programs, with a focus on apprenticeship and traineeship. If Tauondi obtains funding under the proposed new National IRTO program funded in the calendar year 2020 to deliver Certificate I and II level training as engagement programs, the Alliance is strongly of the view that the completion rate amongst Indigenous students would significantly improve.

The Alliance is concerned there is a lack of accountability, transparency and control arising from the funding process under the NAWSD.

Several Alliance members have had funding proposals refused without explanation or feedback. As a result, Alliance members are disempowered in the Commonwealth/State highly fragmented funding process and these funding problems result in poor outcomes. These poor outcomes are not being drawn to the attention of the Commonwealth under the Closing the Gap reporting guidelines.

The highly fragmented grant system results in poor VET outcomes for Indigenous students.

In 2016, the NSW State Training Services Aboriginal Training Program was defunded and closed by the NSW Department of Industry. The Alliance is concerned at some States' lack of genuine commitment to funding impactful and life-changing Indigenous vocational education and training services.

[Response to Information Request 6.2](#)

The Alliance recommends that the Productivity Commission support the recommendations of the Joyce Report: Chapter 8 Greater Access for Disadvantaged Australians. The Alliance however wishes to impose a strong caveat on their support of the Joyce recommendations that unlike New Zealand, the numbers of Indigenous learners in comparison to the non Indigenous population are small and spread over a huge geographic area. In the Alliance's view the establishment of Indigenous owned

RTOs in regional areas would not have sufficient students to be viable in terms of student numbers and transport and accommodation costs and costs per student would be excessive.

The Alliance recommends that there be a single source of co-ordinated Commonwealth funding for IRTOs that operate on a national basis. The National IRTOs wish to be excluded from the NAWSD and the Alliance is of the view that the Commonwealth has the powers to do this under the Commonwealth Constitution section 51 (xxvi).

Alliance Proposal for Short Term Goals Commencing 2020

Alliance members and potentially other National IRTOs suffer from having an inefficient fragmented funding system that results in overlapping grants or gaps in funding. This is complicated by funding for National IRTOs having Commonwealth VET funding routed through the States and Territories who have little or no interest in meeting the goals of Closing the Gap in the provision of Indigenous VET.

The Alliance goal is therefore to establish two Pilot programs to assist in the transition over 2020 from the fragmented system of Commonwealth, State and Territory funding to a single unified system of core funding and reporting for Budget Fundamentals to be provided under a new National IRTO funding program. The proposed Alliance Program could initially provide input to the National Skills Commission to address the specialised needs of Indigenous learners. Eventually the National Skills Commission would ideally include specialised division to improve the outcomes for Indigenous VET and employment.

The aim of the Alliance Proposal is for the Commonwealth to provide Single Core funding for National IRTOs that provide or aim to provide VET services to Indigenous students around Australia. The two pilot organisations cover Certificate I, II and III (Apprenticeships) – Tauondi, Certificates III and IV and Diploma courses- Tranby. The Single Core funding source must be focused on providing socio-economically appropriate and culturally suitable VET training for Indigenous students. The goal is to establish a series of National IRTOs as Centres of Excellence. The Joyce Report acknowledged at page 109 the current system of mainstream VET funding recognises little or no allowance for specific problems faced by Indigenous students. The Alliance submits that the National Skills Commission should specifically address the problems faced by Indigenous learners linked back to the targets under Closing the Gap.

This goal of a single source of core funding reduces problems of gaps and overlaps in the current Commonwealth/State grant-based funding model. The Alliance proposal for a Single Core funding model under a new National IRTO funding program reduces the risk of National IRTOs financially failing because of incoherent funding approaches creating gaps and overlaps that Government is unaware of until it creates a crisis.

The Joyce Report noted at page 110 there were over 100 grants available to Indigenous owned RTOs and it is no surprise given the complexity of the funding system that outcomes continue to deteriorate. A Single Core source of funding specific to the needs of Indigenous VET students and National IRTOs will, we believe, also reduce the cost to Government of calling for grant applications for over 100 grants assessing those applications and then enforcing compliance. In short, our Proposal aims to cut the Gordian Knot.

Alliance members wish to upgrade their services so that each member entity of the Alliance becomes a Centre of Excellence for National Indigenous VET. There are comparatively few students requiring National Indigenous specific VET, compared to the mainstream Australian student population, therefore, it involves only a relatively small number of providers. However, a

comparatively small change could transform the National Indigenous VET sector from a failed attempt to mainstream service provision to making Australia an international leader in the provision of VET services at a National level to Indigenous Australians.

We note that the World Indigenous Peoples' Conference on Education (WIPCE) is being held in Adelaide hosted by Tauondi in November 2020. Alliance members would like to be able to showcase the new Pilot projects to show the success of the new funding system rather than noting the failure of the current system. This is only possible if the short-term Pilot funding model proposed by the Alliance is put in place by the calendar year 2020.

The new model to be implemented in the 2020 academic calendar year is aimed at cutting the waiting lists for national Indigenous education and transitioning existing National IRTOs to a Single Core funding model by 2021.

The Alliance also believes this changed funding approach will improve outcomes and productivity in the national Indigenous VET sector by increasing the number of Indigenous students successfully completing VET, taking into account that the time for completion may be longer than with non-Indigenous students, closing the gap between Indigenous and non-Indigenous learners.

A simplified Single Core funding process will also facilitate funding the introduction of additional courses and traineeships as time and money is not focused on endless rounds of grant applications and compliance and reporting requirements.

Alliance members are interested in engaging Indigenous communities in thoughtful discussions to identify which new courses would present the best value for communities rather than introducing courses that are already provided by other VET providers or courses preferred by Government that may be of limited interest or use to Indigenous communities. The number of courses available are by necessity limited, so it is important that Elders have input into which courses are being developed and run.

National IRTOs wish to work with dedicated Commonwealth officers to devise a new simplified core funding model to be implemented in the May 2020 Budget for:

- a. Maintenance and renewals budgets for fixed and variable assets;
- b. Staffing costs;
- c. Funding for cross border students and adequate funding for local students;
- d. Student learner support services;
- e. Development, approval, and registration of new courses;
- f. Mobile training courses and new campuses in regional areas.

Asset maintenance and renewals would be subject to an engineering and financial assessment in early 2020 to allow a baseline budget to be set for each National IRTO with annual increases for the following 5 years. In the 5th year, the assets would be reviewed and the financial situation re-assessed setting a new baseline Budget for the following 5 years until the conclusion of the Closing the Gap program.

The Budget developed in 2020 would provide for student support, growth, new courses and remote outreach (subject to financial feasibility) over the subsequent 5 years reporting against key performance indicators set under the Closing the Gap program.

Mobile Training and new Regional Campuses

If the Alliance Proposal is approved for commencement in the 2020 calendar year, Alliance members who are interested in providing on Country mobile training will undertake a feasibility study of mobile training in time for inclusion in the May 2020 Budget.

Issues around the foundation skills, limited availability of Certificate I and II level training, non-accredited training, cultural appropriateness within VET training occurs in many Indigenous communities. All Alliance members have unique, flexible, and culturally appropriate training delivery methods which assist Indigenous students to build firm foundation skills for their future personal and professional pathways. The Alliance members can increase their presence in various locations beyond their campus to increase the service accessibility for Indigenous students. These satellite training campuses can include the CBD, metropolitan suburbs, rural and remote areas.

If the Pilot Alliance Proposal is successful for commencement in 2020, a feasibility study for the development of a small number of regional campuses could be undertaken in 2020 and recommendations provided to the National Skills Commission assuming it is established in the May 2020 Budget. Alliance members considering opening regional campuses may include funding for feasibility studies for regional campuses as part of the 5-year budget forward funding arrangements for National IRTOs in the May 2020 Budget.

Alliance Proposal for Long Term Goals

That the National IRTOs develop in conjunction with the Commonwealth a grant mechanism to provide Single Core funding for Alliance members for:

- a. Maintenance and renewals budgets for fixed and variable assets;
- b. Staffing costs;
- c. Funding for cross border students and adequate funding for local students;
- d. Student learner support services;
- e. Development, approval, and registration of new courses;
- f. Mobile training courses and new campuses in regional areas.

INFORMATION REQUEST 7

7.1 Does the current division of joint and jurisdiction-specific policy approaches (and approach to managing the associated tensions) produce the best outcomes?

7.2 Is the current market structure efficient, and is it well-placed to meet Australia's current and future skills and training needs?

Response to Information Request 7.1

No. The current division of joint and jurisdiction-specific policy approaches (and approach to managing the associated tensions) does not produce the best outcomes for Indigenous learners.

The joint approach has resulted in IRTOs and their Indigenous learners falling between the gaps between the Commonwealth and State jurisdictions, and between Government owned and private VET providers. There is no co-ordinated approach to ensure that IRTOs are properly funded and since the introduction of NAWSD the IRTOs have been systematically de-funded resulting in the closure of IRTOs in WA and NT.

There is no single national Indigenous VET oversight body to ensure that IRTOs are financially viable and properly funded to provide specialised support to Indigenous learners. One of the greatest single productivity gains could be made if "second chance" Indigenous learners could be supported with culturally appropriate Indigenous Foundational courses and Certificate I-III programs to help them transition off Centrelink and into the paid workforce.

The cost to the Budget of the Alliance Proposal dated August 2019 (attached) is not high compared to the cost to the economy of the current level of system failure. Alliance members have been repeatedly told by members of Minister Wyatt's staff that there are no funds available through the Indigenous Advancement Strategy (IAS) and it is our understanding that Minister Wyatt and NIAA did not request additional funding. The written response to the Proposal from NIAA was to apply for IAS funding at the same time the Alliance were told that no funding was available and none would be requested. NIAA has no dedicated officers for Indigenous VET only Indigenous school children. IRTOs and Indigenous VET does not specifically report under Closing the Gap.

The Alliance understands that the Proposal and request for funding (attached) was favourably considered by Minister's Cash and Irons and members of Treasury. The Alliance is of the view that IRTOs and second chance Indigenous learners should primarily be the responsibility of the portfolios covering Vocational Education and Training without a right of funding veto from NIAA. Indigenous VET is not covered by Closing the Gap and appears to be a higher priority in the portfolios responsible for Vocational Education and Training.

Response to Information Request 7.2

The current market structure is inefficient and does not meet current and future skills and training needs of second chance Indigenous learners.

Alliance members and potentially other National IRTOs suffer from having an inefficient fragmented funding system that results in overlapping grants or gaps in funding. This is complicated by funding for National IRTOs having Commonwealth VET funding routed through the States and Territories who have little or no interest in the provision of Indigenous VET by IRTOs.

The Joyce Report noted at page 110 there were over 100 grants available to Indigenous owned RTOs and it is no surprise given the complexity of the funding system that outcomes continue to deteriorate. A Single Core source of funding specific to the needs of Indigenous VET students and National IRTOs will, we believe, also reduce the cost to Government of calling for grant applications for over 100 grants assessing those applications and then enforcing compliance. In short, our Proposal (attached) aims to cut the Gordian Knot.

National IRTOs have become heavily reliant on IAS funding applications to provide core operational funding. The administration of IAS was the subject of damning criticism in the findings of the Auditor-General ANAO Report No.35 2016–17 Performance Indigenous Advancement Strategy. The current round of IAS funding concludes in March 2020 and there is significant uncertainty surrounding the likely impact on the IAS of the recommendations of the Productivity Commission.

Alliance members are concerned that no-one in the Commonwealth government currently assumes responsibility for the Indigenous VET sector, but everyone expresses concerns about the increasingly poor Indigenous VET outcomes. A number of Alliance members receive core funding from the Children and Schooling program, and as the name highlights, they are not schools and Alliance members do not educate children. Funding from States and Territories is similarly unreliable with a focus on reducing available funding to IRTOs and demanding that IRTOs promote State based TAFE courses that either never proceed or alternatively are cancelled because there are insufficient Indigenous students to generate the surplus expected by the individual TAFE College. TAFE and Universities appear to focus on the mirage that Indigenous courses will be money spinners in terms of grant funding rather than focusing on the need to produce ongoing beneficial outcomes for Indigenous learners.

Single Core funding under a new National IRTO funding program would reduce the plethora of Government grants and reduce the workload of public servants required to design, assess and monitor those grants. The Alliance believes the Proposal attached would result in higher completion rates more cost-efficient outcomes per student with the goal of reduction in welfare dependency and the improved ability to enter gainful employment.

INFORMATION REQUEST 8

The Commission seeks evidence on how the issues identified in recent reviews (or other issues) have affected the achievement of aims in the NASWD, and any additional opportunities to better meet governments aims for the VET system. For example:

8.1 are there ways to improve VET service quality and responsiveness in addition to those already identified in past reviews?

8.2 how effective are consumer protection arrangements? What are the pros and cons of different models operating in different jurisdictions? How do these operate in addition to national protections under consumer law?

Response to Information Request 8.1

Are there ways to improve VET service quality and responsiveness in addition to those already identified in past reviews?

The Joyce Report recommended that additional permanent IRTOs be established in regional areas (on country). The difficulty with this approach is that there are insufficient second chance Indigenous learners to support this approach over time. The Alliance in its Proposal has therefore indicated that it would develop pilot mobile training courses to be delivered on Country and if successful and funded it would roll out mobile training facilities in remote and regional areas in the future. It is anticipated that these mobile training facilities would initially focus on literacy and numeracy and once established would also include a component of internet and technology training.

Response to Information Request 8.2

Second chance Indigenous learners are usually fully funded by Government or philanthropists and do not pay fees to IRTOs, private VET providers or TAFE.

NCVER data shows that Indigenous student completion rates for VET courses are lower than non-Indigenous students (See Joyce Report Page 108). Low completion rates are not a consumer protection problem but a cultural issue.

There are a variety of cultural reasons for the lower completion rates, for example, lower levels of literacy and numeracy, very low self-esteem and self-confidence, less familiarity with learning in a time structured environment as well as stronger family obligations often requiring an extended absence from study e.g. deaths within the family. Low completion rates are a cultural issue not a consumer protection problem.

Generic simplistic Key Performance Indicator questions designed for non-Indigenous learners also distort the issues faced by Indigenous learners and IRTOs. Generic questions about the adequacy of financial support, sufficient food and attendance levels are designed based on an anticipated response from non-Indigenous students. Indigenous learners do not pay course fees, questions about food often provoke an answer about availability of food on country, attendance levels often fall due to cultural obligations. The response to KPIs relate to cultural differences not consumer protection problems. Indigenous specific KPIs would be far more useful in improving Indigenous consumer outcomes and identifying problems relevant in an Indigenous context.

INFORMATION REQUEST 9

9.1 How effective are skills needs assessments as a basis for estimating demand for VET services?

9.2 How do governments' skills needs matching efforts alter student demand for VET?

9.3 Are priority skills lists the best way of signalling skills shortages?

9.4 How could nationally-consistent skills demand forecasting be implemented to better match training to the economy's needs?

9.5 Noting that the National Careers Institute will cater for students' needs, do other market players have access to information to efficiently inform their choices? If not, how could this be improved?

Response to Information Request 9.1

The non-Indigenous priority occupation list is not a good indicator of jobs in demand for Indigenous employment. There is a stronger demand for Indigenous cultural trainers and teachers but it is not in high demand for non Indigenous learners. There is also a higher demand for Indigenous qualified health workers and community support workers.

Response to Information Request 9.2

Hospitality training is on the priority skills list. Elders are concerned that Indigenous funded training is focused on front of house hospitality where they believe there should be a better focus on back of house skills. The same comments apply to retail training. This provides Indigenous job seekers with employment where they have low confidence or lower literacy and numeracy skills than their non Indigenous counterparts

Response to Information Request 9.3

The Alliance believes there should be Indigenous specific priority skill list to take into account the different availability of Indigenous jobs and demand.

Response to Information Request 9.4

See our comments above

Response to Information Request 9.5

No employers do not have ready access to information and course providers where they wish to specifically engage Indigenous in particular roles

INFORMATION REQUEST 10

10.1 How have the reforms undertaken by governments (such as the national entitlement system and introduction of income-contingent loans) shaped the operation of the VET market?

10.2 How well have these reforms contributed to the achievement of the NASWD's aims (such as improved access, quality and market efficiency)?

10.3 What lessons can be learned from past reforms?

Response to Information Request 10.1

Government has consistently cut funding to IRTOs in recent years. Government has not benchmarked IRTO performance against mainstream non-Indigenous providers and therefore it is not surprising that Closing the Gap targets were not met for employment.

There is no Government strategy to improve outcomes for Indigenous VET. Indigenous owned RTOs that are successful for decades have been consistently defunded in recent years and some have closed. Non-Indigenous VET providers with poor success rates (25%) are being funded as part of an unofficial mainstreaming approach.

Response to Information Request 10.2

The reforms under NAWSD have resulted in the failure to provide interstate Indigenous learners to attend specialised courses interstate. The outcomes have been very damaging. See our earlier responses.

Response to Information Request 10.3

IRTOs were not consulted before the changes were made. The impact of the changes on IRTOs was far more severe than and different to the impact on Non-Indigenous RTOs.

Most importantly there is no identifiable policy on Indigenous VET because it was not included in Closing the Gap.

INFORMATION REQUEST 11

- 11.1 *To what extent do (and should) users (students and employers) determine VET offerings?*
- 11.2 *How are users' preferences influenced by government incentives and programs (including information programs)?*
- 11.3 *To the extent not covered elsewhere in this paper, the Commission seeks additional evidence on how well the VET market is operating, for example in terms of:*
- 10 *services being of the quantity, type, quality and location that users and the community most value*
 - 11 *its efficiency in meeting users' needs, including as they change*
 - 12 *prices usually reflecting efficient costs, or this amount adjusted to achieve other policy objectives.*
- 11.4 *How can governments best ensure the market develops to support policy goals?*
- 13 *How do (and should) governments coordinate and manage the interactions between different types of interventions and initiatives to support market development?*
 - 14 *Is there a preferred model for market stewardship? Why?*
- 11.5 *If agreed by governments, how would implementation of the recommendations of recent reviews (for example, the Joyce and Noonan Reviews) improve:*
- 15 *the operation of the VET market?*
 - 16 *choices and pathways between schools, VET and higher education?*
- 11.6 *Are there any issues not identified by previous reviews that materially affect the operation of the VET market?*

Response to Information Request 11.1

Enrolment and completion of VET courses are often a requirement of ongoing social security payments. This results in Indigenous enrolments in courses not suitable for their needs and additional hardship as Indigenous learners need to move off country for VET. It creates financial pressure on IRTOs providing specialised training courses for these students who are not engaged in learning. It would be far more beneficial if there was guidance on course choice from local Elders so the student could be enrolled in a course with better prospects of completion and employment success. Some Indigenous students are forcibly enrolled in the Certificate III level qualification on the advice of employment service providers so Indigenous Australians can meet the mutual obligation requirements. Low attendance and low completion rates of Indigenous learners in Certificate III courses are often a result of misplacement of the Australian Qualifications Framework level and lack of holistic support.

Certificate I and II level qualifications are not well-funded by the Governments and acknowledged by employers/industries. Those qualifications are still valued by many dis-engaged students and students with low literacy and numeracy. Certificate I and II create stepping-stones and pathways to higher qualifications and improve Indigenous student's confidence and self-esteem, helping Indigenous students obtain sustainable employment.

Courses offered by IRTOs are driven by Government policies and priorities. State Government funding requirements often force IRTOs to partner with external parties whose primary goal is to develop courses using IRTO intellectual property so they can subsequently compete for Indigenous

learners with their former IRTO partner. Partnership arrangements are often cancelled by the external party on short notice leaving the IRTO without funding planned in their Budget.

Response to Information Request 11.2

User's preferences are impacted because IRTOs are unable to provide courses requested by Indigenous learners if the course is not supported by Government. TAFE and University can design and introduce any course they choose, IRTOs are limited by the requirements of courses being funded and covered by a strict costly and time consuming approval process. Students are only funded for approved courses. A current example of this problem is the demand for courses on Indigenous Land Management in bushfire affected areas that are currently unavailable.

Response to Information Request 11.3 and 11.4

No comment

Response to Information Request 11.5

The Joyce Report specifically supports IRTOs and training on country. National IRTOs wish to develop in conjunction with the Commonwealth a grant mechanism to provide Single Core funding for Alliance members for:

- a. Maintenance and renewals budgets for fixed and variable assets;
- b. Staffing costs;
- c. Funding for cross border students and adequate funding for local students;
- d. Student learner support services, including full fee support for Indigenous learners;
- e. Development, approval, and registration of new courses;
- f. Mobile training courses on country and if financially viable new campuses in regional areas.

This would improve the course completion rates and availability of courses requested by Indigenous learners. Tauondi Foundational skills courses should be prioritised for second chance Indigenous learners. Indigenous learners should not be forced into unsuitable Certificate III courses instead of courses that are more likely to be completed and to lead to employment outcomes.

IRTO's intellectual property in the courses they have developed should be respected by Government owned organisations and the demands that course materials be handed over to TAFEs and Universities for their own purposes should be discouraged not encouraged by Government. TAFE and Universities are fully funded at the present time unlike IRTOs who are only paid on per student completion basis with limited grant funding under IAS.

Response to Information Request 11.6

Previous reports did not identify one of the reasons for the high failure rates of Indigenous learners for Certificate III courses:

Enrolment and completion of VET courses are often a requirement of ongoing social security payments resulting in additional hardship for Indigenous students as well as financial pressure on IRTOs providing specialised training courses for these students. Some Indigenous students are forcibly enrolled in the Certificate III level qualification on the advice of employment service providers so Indigenous Australians can meet the mutual obligation requirements. Low attendance

and low completion rates of Indigenous learners in Certificate III courses are often a result of misplacement of the Australian Qualifications Framework level and lack of holistic support.

INFORMATION REQUEST 12

The Commission seeks the following information for each jurisdiction:

12.1 governments' objectives in relation to their pricing and funding approaches

12.2 the methodologies for assessing the cost of providing qualifications and the rationale for the methodologies

12.3 the methodologies used to set prices, government subsidies and/or student fees for qualifications and the rationale for these methodologies

12.4 current and historic estimated costs, prices, subsidies and student fees for qualifications

12.5 how funding and pricing arrangements affect the decisions of VET players (for example, whether they encourage providers to operate at least cost or employers to provide wages at market rates).

Response to Information Request 12.1 - 12.4

The Alliance comments apply across all jurisdictions unless otherwise stated.

Response to Information Request 12.5

Examples of problems created by the discrimination in funding arrangements between IRTOs, TAFE and Universities.

a. Maintenance and Renewals Budgets for fixed and variable assets

Tranby owns its Glebe Campus. Under Tranby's core funding budget, there is no mechanism or funding to cover urgent maintenance works to the Heritage and other buildings. This has resulted in Tranby struggling to undertake routine maintenance, urgent repairs and to comply with Workplace Health and Safety Obligations.

Tauondi's campus is on a 12 month lease from the South Australian Government. Although preventative maintenance and Workplace Health and Safety obligations are the State Government's responsibility, there is no reliable, consistent obligation on the South Australian Government to undertake the necessary work.

NAISDA's campus is leased from the NSW Government and NAISDA asset maintenance and renewals is subject to State funding.

IAD owns its Alice Springs Campus and the failure to provide urgent financial assistance in 2019 meant that it is no longer providing National Indigenous VET courses and there is no IRTO servicing Central Australian Indigenous communities.

Historically, the Commonwealth did provide funding for asset maintenance and renewals for National IRTOs including for example funding to install a lift and air-conditioning at Tauondi (VET Infrastructure for Indigenous People prior to 2009; Industry and Indigenous Skill Centres, after 2009 – under DEEWR).

It is increasingly difficult to deliver apprenticeship and trades training to Indigenous communities without adequate funding for the upgrade of infrastructure and facilities. In recent years, the standard of industry infrastructure, facilities and equipment specified by the Australian Skills Quality Authority compliance and Training Packages is getting higher. Infrastructure, facilities and equipment have become obsolete due to the failure to provide adequate funding. Alliance members have no choice but to close those courses.

Under the current funding arrangements, it is no longer possible to plan for routine or urgent asset maintenance and renewals or to ensure the Workplace Health and Safety obligations can be met.

b. Staffing

The majority of IRTO funding is expended on employment expenses. A lack of consistent and reliable funding leaves many Alliance members unable to employ permanent, full-time skilled culturally aware staff to meet the needs of the organisations.

Historically, Government funded staffing grants do not include a CPI increase. This results in staff salaries falling in real terms over time. In the current competitive market, it is getting harder to recruit suitably qualified people with the necessary skills and experience. Alliance members select staff who understand and respect Indigenous culture or are willing to learn Indigenous culture. These criteria make recruitment more difficult. The alternative to National IRTOs is TAFE. TAFE staff salaries are funded by State Government and staffing costs are not constrained by the grant process. We note the Joyce Report recommends increasing the number of National IRTOs but this is not feasible if current organisations are struggling due to the discrimination in the funding process.

c. Funding for Students on a National basis

There is currently no funding provided by State or Federal Governments for students normally resident in another State or Territory. Current advice from the State Governments is that whilst it is theoretically possible, in practical terms it is impossible. This is a serious problem.

We have raised this issue with Minister Wyatt's office in meetings in August and September 2019. We supported the suggestion that a Vocational Education Training Joint Working Group be formed with Ministers Wyatt, Cash and Irons to address the problems the Alliance had raised. Our Proposal was referred to NIAA and a junior officer responded recommending that applications be made for interstate students under the Indigenous Advancement Strategy (IAS). Applications had previously been made and the NIAA and the response had always been that no funds were available. A more senior officer indicated that NIAA did not have any additional funds so the Alliance declined to spend time and money on an application to NIAA for funding for interstate students that obviously had no realistic prospects of success.

The administration of IAS was the subject of serious criticism in the findings of the Auditor-General ANAO Report No.35 2016–17 Performance Indigenous Advancement Strategy. The matter was referred to the Productivity Commission who has published an Issues Paper in June 2019 with the Report on the Indigenous Evaluation Strategy due in February 2020. Current funding under the IAS concludes in March 2020. In the circumstances and given the questions raised in the Productivity Commission Issues Paper the Alliance believes the future of funding under IAS is at best uncertain.

We do not have confidence that the suggestion by the officers of NIAA to apply for IAS funding will, in reality, change the situation. The NIAA response did not make any attempt to acknowledge or address any of the other very serious issues raised in our Proposal (attached) and based on the NIAA response it appears unlikely that NIAA officers read the Proposal.

The Alliance approached Senior Treasury officials who read the Proposal and discussed the funding issues with Alliance members. We note that it was the Treasurer who referred the IAS matter to the Productivity Commission after the publication of the Auditors Report on the IAS.

It is important to address these problems on a National rather than a State by State basis. There are relatively few Indigenous students and it is important to be able to run courses in a cost-effective manner and to obtain economies of scale. In most cases, to achieve this, it is necessary to draw students from all over Australia.

Tranby historically drew students for its courses from all over Australia leading to a vibrant and successful training program. Alliance members only obtain student funding for local students or for students enrolled in longer-term residential courses, “block” courses that do not involve a long-term interstate residency have now for practical purposes been de-funded for interstate students.

d. Student Learner Support Services

The Commonwealth Government’s recurrent funding under Indigenous Education (Targeted Assistance) Act 2000 (e.g. Supplementary Recurrent Assistance, Indigenous Tutorial Assistance Scheme (ITAS), Parental and Community Engagement) was defunded in 2014. Adequate recurrent support service funding is crucial to support the unique learning needs of Indigenous students.

Tauondi’s IAS funding is designed to provide student learner support services, under the Children and Schooling programme. However, the IAS funding is not recurrent. The conclusion of the current IAS funding round coincides with the due date for the Productivity Commission IAS Report. We assume the Productivity Commission Report on IAS funding must address the recommendation in the Joyce Report. The consistency and stability of support service delivery is limited by the short funding period. Every 2 years, the support service needs to be re-modelled and re-structured in order to match the changed funding requirements.

The delivery of Certificate I/II level training and non-accredited vocational and non-vocational training is a part of support services as well, but it is not sufficiently or adequately funded.

The delivery of holistic and culturally appropriate support services for Indigenous students is the key in supporting them to attend class, complete training and gain employment. It is imperative that adult learners have this support to succeed.

e. Funding for Development Approval and Registration of new courses

There is currently no funding provided by State or Commonwealth Government for the development, approval and registration of new courses. Funding restrictions have resulted in the fall of the total number of courses provided by Alliance members.

The development of new courses is important for building Alliance member's capacity and capability. However, new courses require a significant investment in staffing, facilities and equipment and training/assessment resources.

The Indigenous Community is becoming increasingly frustrated with the inflexibility of courses delivered that are not sufficiently responsive to the needs and demands of the Community. See Joyce report Page 109.

f. Funding for Mobile Training Courses and the Opening of new Regional Campuses

The Joyce Report noted that Indigenous training would in relation to entry-level courses be more likely to be successful if delivered on Country. See Joyce report page 109.

Alliance members note that there are insufficient Indigenous students to successfully operate National IRTOs to service small Indigenous groups on Country. The problems of distance in Australia and the comparatively small de-centralised Indigenous population in remote areas means that the New Zealand experience would not successfully translate to Australian circumstances.

Alliance members discussed how best to address this issue of providing basic level training on Country and concluded that it could be done economically and efficiently by the establishment of mobile training courses where the staff of National IRTOs could travel to regional and remote areas and provide training on Country for defined periods of time as required. There is obviously no funding for mobile training courses however Alliance members are interested in undertaking a feasibility study and subject to the outcome of the study, developing mobile training programs during the 2020 academic calendar year should the Alliance Proposal be successful.

The establishment of regional campuses was also considered in response to the Joyce Report. Regional campuses would require significant additional funding and training of local staff. If the Pilot Alliance Proposal is successful in 2020, a feasibility study for the development of a small number of regional campuses could be undertaken in the 2020 academic calendar year

INFORMATION REQUEST 13

The Commission also seeks input on the following questions.

- 13.1 What is the rationale underpinning each jurisdiction's funding and pricing approach? How well have governments' objectives in relation to their funding and pricing approaches been met?*
- 13.2 What are the pros and cons of the specific pricing and funding approaches used by the State and Territory governments?*
- 13.3 How well do current funding and pricing arrangements support governments' shared goals for the VET sector?*
- 13.4 What aspects of funding and pricing should be undertaken on a nationally-consistent basis, and how should this be achieved?*
- 13.5 What aspects of funding and pricing administration or supervision can be improved (within VET and across VET and higher education)?*
- 13.6 What alternative models for funding and pricing government services could the VET system draw from?*

Response to Information Request 13.1-13.2

The Alliance does not comment on individual jurisdictions. The Alliance does reiterate its concern that the parochial nature of the State and Territory approach under NAWSD and Government defunding of IRTOs has resulted in financially destabilising IRTOs that have successfully operated for decades.

Response to Information Request 13.3

The Alliance has not been able to identify the shared goals of Commonwealth and Territory Governments in relation to IRTOs. We have asked repeatedly what are joint Government goals on IRTOs but Ministers their staff and public sector officers have never provided a response. The Alliance is concerned that as Indigenous VET is not included in the reporting requirements for Closing the Gap there is no formal policy on how best to deliver Indigenous VET.

The Alliance goals are to provide culturally appropriate quality VET for second chance Indigenous learners. The Alliance goals include allowing Indigenous learners sufficient time to complete their course taking into account cultural issues. The Alliance believes that cheap and quick training courses delivered by non-Indigenous training institutions for funding purposes are not in the best interests of the Indigenous learners or the Australian economy. The Joyce Report acknowledges the importance of Indigenous owned RTOs (IRTOS) in supporting second chance Indigenous learners to escape from the cycle of poverty and welfare dependence with the goal of improved self-respect and gainful employment.

Response to Information Request 13.4

The Alliance believes that IRTOs fall between the funding and policy cracks. They are not Government owned and operated but they do not have the access to financial resources or fee paying students of the private sector VET providers. IRTOs, from a financial policy perspective, are neither one nor the other. At the present time the funding approach appears to treat IRTOs as mainstream private VET providers and no attempt has been made to support crucial IRTOs such as IAD. IRTOs are struggling with financial viability due to what appears to be an unacknowledged change in funding policy from being treated as “quasi-government” to private VET provider.

The Alliance believes that no Government has turned its mind to the problem. Each Government in turn has refused to address the issue of the financial crisis affecting IRTOs as it is “not my problem”, NIAA refers the problem to the States and they refer it to the Commonwealth. In the meantime the IRTOs are closing their doors.

[Responses to Information Requests 13.5 and 13.6](#)

Please see our detailed Proposal attached.

INFORMATION REQUEST 14

If governments agree to a new national funding agreement for co-funding VET in schools, what should be part of this new arrangement?

Response to Information Request 14

Not applicable - Alliance members are not schools

INFORMATION REQUEST 15

The Commission seeks:

15.1 evidence of how funding (and other) settings affect learning and career choices

15.2 views on options for achieving greater consistency in funding and loan arrangements between the VET and higher education sectors, and the likely benefits, costs and impacts of these options.

Response to Information Request 15.1

The most recent example of how funding affects career choices is the Federal Government contract requiring Tranby to provide a Hospitality training course and jobs for participants in the course. This was not a course where there had been a strong interest from Indigenous learners as remote townships offered few if any job opportunities for hospitality workers. Funding was available for this course but was not available from State Government for Indigenous VET courses where there was demand from Indigenous communities. As job outcomes were tied to the contract, Tranby was in the unfortunate position of being unable to secure employment for course participants in the areas they lived in.

Indigenous learners at Tauondi have a strong expressed need for Foundational learning in literacy and numeracy and subsequent entry level courses internet and technology. The current funding model, under the NAWSD, is generic for Indigenous and non-Indigenous RTOs however, the funding approach differs from State to State. Certificate III includes a payment firstly for enrolment and then in payments based on completion of each 16-week increment until course completion.

In South Australia, price is set per unit of competency. As the student completes a unit of competency, the payment is made – often at the end of each month. Upon successful completion of a full qualification, there is a completion payment. The unit price and completion payment are higher for higher Australian Qualifications Framework level qualifications. Tauondi delivers Certificate I and II. Generally, those level qualifications are expected to be completed within a short period, the total payment amount is set at a low level. Also, this subsidy is only applicable to the qualifications listed/approved by the State Government. Many Certificate I and II level qualifications (except Foundation Skills) are not listed, therefore there is no funding.

Certificate I and II level qualifications are not well-funded by the Governments and acknowledged by employers/industries. Those qualifications are still valued by many dis-engaged students and students with low literacy and numeracy. Certificate I and II create stepping-stones and pathways to higher qualifications and improve Indigenous student's confidence and self-esteem, helping Indigenous students obtain sustainable employment.

Alliance members must commit to funding teaching staff for the duration of the course regardless of the numbers of students who complete the course. Failure of Indigenous students to complete the course, within the funded timeframes causes serious and debilitating funding problems for IRTOs.

Response to Information Request 15.2

The Alliance is of the view that IRTOs should receive consistent Government funding for Indigenous learners from interstate where there is no IRTO providing the relevant course in the Indigenous learner's home State or Territory. IRTOs should not be required to go to every State and Territory to receive funding for Indigenous learners from each State. This was not required prior to NAWSD and students received funding to attend specialised Indigenous courses interstate.

Please see the Alliance Proposal attached for a more detailed discussion as to the Alliances view on providing adequate funding and course opportunities for second chance Indigenous learners.

INFORMATION REQUEST 16

- 16.1 Are the contributions by government (on behalf of the public), industry and individuals towards VET proportionate to the benefits that each of these groups receive?*
- 16.2 Is direct estimation of public and private benefits as a means to direct government funding feasible and desirable? What would be the implications for other sectors (e.g. Higher Education) if such an approach was taken in VET?*
- 16.3 How should governments judge priorities for funding and effort, and why?*
- 16.4 How should employers and industry contribute to funding the skills training of their workforce? Are there any barriers or disincentives to private funding of VET?*
- 16.5 Should the level of government funding vary for different course or student types, and if so, how should government decide the relative amounts?*
- 16.6 What approaches are most useful to assess the effectiveness of government investment in VET?*
- 16.7 Should government investment in the VET system seek increased participation in training by all Australians? How should this goal be achieved?*

Response to Information Request 16.1

No. The attempt to force Indigenous learners to meet non-Indigenous VET course requirements and timeframes results in wasted funding and failure to complete course requirements. Additional problems are caused by forcing Indigenous learners on Centrelink into Certificate III courses where there are no reasonable prospects of success.

Indigenous learners and IRTOs should be encouraged to assess appropriate courses and there should be flexibility in the timeframes for completion. The current funding mechanisms requiring course completion in minimum timeframes penalises IRTOs for cultural issues of their Indigenous learner cohort.

Response to Information Request 16.2

IRTOs are focused on addressing the failures of the State run secondary school system in relation to Indigenous learners. Second chance Indigenous learners often present at IRTOs without literacy or numeracy skills and without having been taught in a formalised school environment governed by timeframes and attendance requirements. IRTOs then take on the job of addressing these problems in a culturally supportive environment so that Indigenous learners can transition to gainful employment or higher education. IRTOs in Indigenous education fill the gap left by the current State school system.

The public and private benefit of the increased chances of success can over time reduce the levels of welfare dependence in Indigenous communities. The IRTOs as members of Indigenous communities are best placed to understand their student needs and discuss potential employment options with local Elders. Local Elders have a much clearer understanding of what are viable employment opportunities in their local communities than centralised policy directives from Canberra or State capitals.

Response to Information Request 16.3

Government should establish a baseline for second chance Indigenous learners separate to non-Indigenous learners. The priority for funding should be to provide flexibility in achieving learning goals over a culturally realistic timeframe. IRTOs seek to address the failings of the secondary school system in relation to Indigenous learners and IRTOs are attempting to address that learning gap at a later stage in that student's life.

Indigenous learners who require Foundational skills need a wider range of support including educational support to build self-esteem, emotional resilience and mental health awareness – all personal skills that are only now being taught in secondary schools. Lack of numeracy and literacy skills severely impacts on self esteem and the capacity of a person to be able to effectively function in today's society. These personal skills need to be a priority for Indigenous learners as well as Foundational skills and vocational training if the overall goal is to reduce Indigenous disadvantage, suicide rates, domestic violence and drug and alcohol dependency.

Response to Information Request 16.4

Not applicable

Response to Information Request 16.5

The level of Government funding must continue to provide free access for Indigenous learners to Indigenous VET and funding for student support services including cultural support, accommodation and travel.

Second chance Indigenous learners are some of the most economically disadvantaged people in Australia. Government and IRTOs need to focus on breaking the circle of Indigenous poverty and poor life outcomes. Second chance culturally appropriate Indigenous specific VET is a way of addressing that problem.

Fully funding TAFE and Universities Indigenous courses (non-Indigenous providers) while failing to provide the adequate levels of funding to IRTOs who provide more successful outcomes only reinforces the concerns of the Indigenous community. Mainstreaming Indigenous learners to non-Indigenous providers may be cheap but it does not improve Indigenous learner success rates.

Response to Information Request 16.6

The most useful approach to assess the usefulness of Government investment in Indigenous VET are improvements in literacy numeracy and the capacity to access the internet and related technology. Usefulness can also be judged by the increased completion rates over an extended timeframe for Certification I-III and other relevant vocational training courses. The ultimate standard of success is gainful employment and improved life outcomes of previous Indigenous VET students. IRTOs should be provided with funding to maintain contact with former students and track their progress after they leave the IRTO whether they have completed their course or not.

Response to Information Request 16.7

Not applicable

INFORMATION REQUEST 17

How effective and accessible are data collection and reporting arrangements?

How can data and information-sharing arrangements be further improved to facilitate assessments of the effectiveness of VET investment and delivery?

17 What additional data (if any) or improvements in data quality are required to effectively monitor the performance of Australia's training system?

How significant are current compliance requirements relating to the provision of data to authorities?

18 Can some data collections be ceased?

How can data be collected in a way that minimises reporting costs?

Response to Information Request 17

General Comment

The Alliance would like to have data collection specific to Indigenous VET that tracks IRTO information over time because this information is not covered in data collection under Closing the Gap. The Alliance would also like the capacity to benchmark its information against non-Indigenous owned RTOs. Information held by Alliance members indicates that completion rates and post study outcomes are 2 or 3 times better than VET provided by non-Indigenous owned RTOs.

INFORMATION REQUEST 18

18.1 Can the apprenticeships system and data collection by governments be better coordinated, or streamlined? If so, how?

18.2 What other areas of the VET system are unnecessarily complex or inefficient? Are there any additional opportunities for governments to better streamline or coordinate their initiatives to improve the VET system?

18.3 To what extent will fixing these issues improve the operation of the VET system?

Response to Information Request 18.1

No comment

Response to Information Request 18.2

As the Joyce Report stressed the grant funding system is extremely complex and needs to be streamlined. IRTOS need funding equivalent to their Government owned counterparts and funding must take into account the special needs of second chance Indigenous learners. The Alliance is strongly of the view that the Productivity Commission should support the Alliance Proposal attached to improve Indigenous VET outcomes and improve life outcomes for Indigenous Australians.

Response to Information Request 18.3

The overall Government goal of the VET system is to transition Indigenous and non Indigenous Australians into the workforce. The goals of Indigenous and non-Indigenous learners may include other goals such as developing a better understanding of their culture, learning their traditional language or in many cases simply to develop hobbies. Each one of those additional goals helps to build a more emotionally resilient Australian society.

The Alliance Proposal to streamline the Indigenous VET system is contained within the Proposal attached.

INFORMATION REQUEST 19

19.1 *If governments agree to extend programs to improve language, literacy, numeracy and digital (LLND) skills, who should these programs be targeted to?*

19.2 *What is the role of the VET sector in teaching foundational skills as opposed to other sectors, such as schools?*

19.3 *How can regulatory, program and funding arrangements for foundation-level skills and education be improved? Can the schooling and VET sectors be better linked?*

19.4 *How can funding arrangements between governments better support more efficient, effective and accessible services for disadvantaged groups?*

Response to Information Request 19.1

The LLND programs should focus on a cohort based approach. IRTOs have effective strategies and systems to support second chance Indigenous learners with low language, literacy, numeracy and digital skills. Second chance Indigenous learners with low LLND skills often have low self-esteem and lack confidence. A culturally appropriate and supportive learning environment is a key to encouraging Indigenous participants to attend and participate in class leading to a greater likelihood of successful improvement in LLND skills.

Non-Indigenous RTOs often mix second chance Indigenous learners attending LLND, with ESL (*English as a Second Language*), EFL (*English as a Foreign Language*) students and those with different cultural backgrounds are placed in a mainstream non-cultural classroom. IRTOs running LLND courses in a culturally safe learning environment achieve a 45% completion rate compared to 25% completion rate of mainstream RTO LLND courses.

Response to Information Request 19.2

The principle of VET is based on adult education, which is different from child education. Adults have a wealth of experience to draw on, need specific opportunities to self-reflect and internalise their learning, and may have had past negative experiences in their institutionalised education systems. Adults have preconceived notions about education, learning styles and subject matter. Adults pursue education with immediate application and relevance.

Based on the features of adult learners, foundational skills (LLND skills) should have two purposes

- LLND to improve their life (life skills) – social purpose

- LLND to improve their foundation skills (vocational skills) for further employment and employment – economic purpose

In addition to LLND focused training courses (eg FSK) whose main aim is to improve LLND skills, low level qualifications Australian Qualifications Framework Certificate I and II in various vocational areas) can be utilised with strong focus on the LLND skills development, but the contents and contexts of the education are centred around the vocations that learners select.

VET can customise course delivery and assessments to meet the adults' interests and learning styles to increase the relevancy of their learning.

Response to Information Request 19.3

The current funding regulatory, program and funding arrangements for foundation-level skills and education can often rush Indigenous learners into jobs whether they are ready or not for employment.

Second chance Indigenous learners are more likely to require Foundation-level and vocational skills training than non-Indigenous learners. Second chance Indigenous learners often require intensive employment counselling to achieving meaningful employment outcomes over the long-term. Although work-first strategies can be effective in reducing Indigenous unemployment, mixed strategies focused on job readiness and skills acquisition including LLND skills (although it is likely to be a longer term learning) can be more effective over the long term in contributing to better employment and life outcomes.

The Alliance believes that additional funding is required for second chance Indigenous learners for:

1. counselling support and career guidance
2. a variety of LLND programs (dedicated FSK training, Certificate I and II training in various vocational areas)
3. holistic (and culturally appropriate) support

Learning and Career Guidance Services also need to address pre-employment needs (career development/guidance) and build skills are important if Indigenous students are to be successful. Second chance Indigenous learners also benefit from services that identify and address non-vocational barriers.

Individual tailored, personalised and student-centred learning has been recognised and appreciated (and financially supported) by governments and many educational institutes in the past. However, there is extremely limited funding, resources and systems available to understand the needs of second chance Indigenous learners prior to the commencement of their VET course.

(Selections of LLND programs) In addition to LLND dedicated training package (FSK), Australian Qualifications Framework Certificate I and II level of vocational areas should be recognised as a part of foundation skills training for the development of LLND. Then

participants can select a program which meet their own needs and interests (which consequently increase their attendance and active participation).

Lastly, current programs and funding arrangement do not recognise the importance of resource development (mainly focuses on the cost of trainers). Although the regulatory body the Australian Skills Quality Authority indicates that 'off the shelf' resources need customisation and contextualisation to meet the needs of targeted learners, yet it is expected under the current system that RTOs are required to invest on the resource development, customisation and contextualisation. Lower qualifications including LLND skills development, high levels of customisation and contextualisation are required to be more appropriate and relevant to learners (in addition, for Indigenous students, more culturally appropriate). Time and money invested by RTO are significant for resource development. Additional funding is required for RTOs to develop or customise resources to support Indigenous learners.

Response to Information Request 19.4

More and more Indigenous learners are being 'mainstreamed' to reduce short term costs, however the longer term costs are disproportionate to the small amount of Government funding that is saved. NASWD does not adequately recognise the negative impact of failing to adopt a sufficiently specialised Indigenous cohort approach. Consequently, Indigenous learners who fail to complete mainstream courses are more likely to be disengaged and disadvantaged.

IRTOs specialise in the delivery of training to second chance Indigenous learners. The expertise and success of IRTOs need to be identified and highlighted in national programs and funding arrangements for Indigenous learners.

Governments need to listen to IRTOs and Elders to develop strategies to achieve improved outcomes for Indigenous learners and to increase awareness of non-vocational barriers faced by Indigenous learners. Many Indigenous learners take longer to achieve their educational goals for a variety of reasons such as limited school education, lack of culturally appropriate learning facilities and the need to complete for example, Indigenous specific pre ACSF 1 to ACSF 1, and to ACSF 2 support. Governments need to allow second chance Indigenous learners to undertake their courses over a longer term due to the need to meet cultural commitments. Funding arrangements for second chance Indigenous learners need to be extended to take into account the likelihood of cultural commitments preventing second chance Indigenous learners completing their courses in the timeframe set for non-Indigenous students.