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# Human capital development:
# Reforms for Adult & Community Education

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## Abstract

The Adult and Community Education (ACE) sector is consistently responsive to changing community needs and government priorities. It is this particular function that has drawn ACE into the lifelong learning debate as one model for sustaining communities. The responsiveness of ACE means that the sector and its programs continue to make valuable contributions to the quality of social and economic life, particularly in local communities. Although a major focus of ACE is on non-vocational outcomes, there is potential for the sector to make a greater contribution to the human capital stream of the Council of Australian Governments' (COAG) National Reform Agenda (NRA).

This article briefly describes the ACE sector and its current provisions, and proposes ways in which the sector could make a greater contribution to the human capital stream of the NRA. Reforms to ACE are critical at a time when the Australian Government is planning activities for the NRA, when there is an urgent need of skilled workers, when the ageing population is seeking pathways and opportunities for economic outcomes, and when traditional VET providers are unable to meet the skill shortages experienced by industry across Australia.

## The Adult and Community Education Sector

For over 100 years ACE has operated largely as an informal education sector in Australia. During this period, the sector has evolved gradually in response to the needs of its client groups. Through policy reforms it has influenced changes to, for example, flexible and lifelong learning, the open training market, community capacity building, and human and social capital. Its most outstanding feature lies in the ability to address community needs at the local level, through diversified roles and activities which lead to its complex, inconclusive identity. Researchers (e.g. Clemans, Hartley & Macrae, 2003; Golding, Davies & Volkoff, 2001) have found it challenging to create a profile that depicts the whole sector, particularly in the absence of much reliable, valid and comparable data on ACE activities and outcomes. The National Centre for Vocational Education Research (NCVER) maintains a set of data on ACE activities through public funds. However, Borthwick (2001) cautions that this national data collection does not reflect all activities in Australia's ACE sector. In the absence of a national database of all ACE activities, it is difficult to quantify the total contribution and potential of the ACE sector to human capital development.

The diverse nature of ACE is both a strength – the ability to address local needs in ways that other larger providers or organisations may not be able to do – and a weakness of the sector – appearing to be fragmented so that the market place may not understand what the sector does (Golding, Davies, & Volkoff 2001). Golding et al. (2001: 47) argue that ACE could not be regarded as a national sector because States and Territories have different ACE histories and because of the diversity of ACE across Australia. Besides, funding arrangements and contributions by ACE differ greatly by jurisdiction. There is confusion between data on ACE providers and ACE programs where these two categories are sometimes used interchangeably. ACE programs could also be delivered by providers not necessarily categorised as an ACE provider, such as public institutions like Technical and Further Education (TAFE). To the general public and key user groups, Adult and

Community Education is seen as separate to mainstream VET. To many, it is a separate 'sector', often referred to as the 'third sector'.

However, ACE's significant contribution to 'just in time', 'just what I need', 'just for me' education and/or training, as well as personal development programs is not without recognition (Clemans et al., 2003; Saunders, 2001). There is evidence indicative of ACE's assistance in re-engaging participants with learning and training, and initiating pathways to more training or employment. The sector continues to respond (at varying levels) to the Australian Government priorities around the ageing population; changes to the labour market; skills deficits and shortages; working with a culturally diverse labour force; and the increasing use of Information Communication Technologies (ICT) in the workplace and communities.

ACE serves participants who are members of the general community: aged from teens to 90 years; men and women; people who are poor and people who are relatively affluent; people seeking work skills and work qualifications and those following an interest; employed people, unemployed people and retired people; people from all linguistic and cultural background groups in the Australian population; people with intellectual and/or physical disabilities; people who have primary education only and people who have tertiary qualifications; people living in urban, regional and rural areas; and people who pay for their courses and those who do not (Clemans et al. 2003: 17-27).

ACE programs and services can be categorised into foundation education, including language, literacy and numeracy; English as a second language; personal development; specific vocational education programs (including traineeships, industry training and employment services); general citizenship; and volunteer training.

ACE providers typically offer either a mix of accredited and non-accredited programs; non-accredited programs only; and accredited programs only. What informs their provisions include factors such as:

- "having a feel" for the community needs
- reading the community demographics
- monitoring data (what is demanded and what is not)
- consultations with staff, committee members and students
- responses to State and Territory policy and funding initiatives.

Jones (1998: 5-6) attributes the success of ACE to the following factors:

- A powerful relationship between government and the community
- Promotion of cultural diversity
- Education that is affordable, cost effective, of high quality, and broad and deep
- Use of technology to reach rural areas
- Addition of value to the community by promoting purpose and belonging.

Participants in ACE programs are increasingly applying what they learn for vocational purposes. According to Volkoff, Golding and Jenkin (1999:5) such "vocational intentions reside within the individuals rather than within particular programs". Some ACE participants value personal development as being equivalent to vocational outcomes because it enables them to make social contributions and participate in the community development. It is this group of participants interested in personal development who would be disadvantaged by any reforms in ACE if there is a greater emphasis on vocational outcomes. Clearly, learning and education for some ACE participants translate into human and social capital with economic returns. This harmonises well with the human capital outcome under the NRA.

While the proportion of participants who are developed as workforce-ready skilled workers is less compared to the VET sector, ACE continues to expand provision of accredited and non-accredited vocational education and training to meet the demands of its clients. Furthermore, ACE continues to provide pre-training to those who have limited VET learning experiences, have not engaged in formal learning for some time, and/or may have had unpleasant learning experiences in other institutions. In this way, it plays a 'value-adding' role to meet the intrinsic learning needs of people by assisting them to gain confidence to undertake further learning and skills development and to manage their transition from training to employment. ACE has provided learning pathways to many participants who could not enrol in VET programs, thereby facilitating a second chance for them. ACE learning is highly focused, often short in length, and aimed at providing learners with desired knowledge and skills in a friendly, supportive environment (Saunders, 2001). ACE pedagogies are known for the development of five skill clusters described by Sanguinetti, Waterhouse & Maunders (2004: 66):

- Autonomy, self-mastery, and self direction – the central and underpinning skill

- Work readiness and work habits

- Enterprise, innovation and creativity skills

- Learning, thinking and adaptability skills

- Interpersonal skills.

Sanguinetti et al. (2004: 70) assert that the development of 'autonomy', 'self-mastery' and 'self-direction' are important because they underpin the development of all other skills. ACE pedagogies facilitate the development of 'interpersonal skills' that support 'work readiness and work habits'; 'enterprise'; 'entrepreneurship, creativity and innovation'; and 'learning, thinking and adaptability skills'. ACE is widely recognised for its role in developing personal and social skills and 'generic' skills which relate to 'life and employability skills and attributes'.

Beyond specific programs and services, ACE is playing an active role in engaging and building communities by developing and strengthening networks, building community resources, and participating in community development projects. Irrespective of the framework used for analysing the role of ACE, its provisions lead to improving the quality of adult and community learning experiences and outcomes – the third goal set by the Ministerial Declaration on Adult Community Education. It continues to build the human and social capital at the community level.

A structured analysis by the authors of this paper explored ACE's role and further potential to assist with the immediate skills shortages and the COAG's objectives around the development of human capital under the NRA (Council of Australian Governments, 2006). The research found that ACE is well positioned to achieve the following outcomes of the NRA:

- Increase the proportion of adults who have the skills and qualifications needed to enjoy active and productive working lives.

- Improve overall workforce participation, with a particular focus on income support recipients, the mature aged and women, in a manner consistent with the long term interests of the individual and the economy, giving due regard to productivity.

- Increased provision of flexible working arrangements within the workforce, in a manner consistent with the long term interests of the individual and the economy (COAG, 2006).

Enhanced achievements against these outcomes require certain reforms to the ACE sector. A set of reforms is suggested later in this paper. To contextualise the suggested reforms it is important to appreciate current levels of performance by the ACE sector. The

next section summarises the trends in ACE performance based on data from 2001 to 2005 provided by the NCVER (2006).

**ACE performance at a glance**

An analysis of recent data on student outcomes shows that between 2001 and 2005, about 12.8% of all VET in Australia was delivered through ACE provision (right axis of Figure 1). Just over half the ACE student population engaged in non-vocational programs. However, the data shows that subject enrolments in vocational programs delivered by ACE as a proportion of all ACE activities have been higher than subject enrolments for non-vocational programs. As a proportion of all VET programs, subject enrolments in vocational ACE programs, on average was about 4.5%. Similarly, annual hours recorded in vocational ACE were higher (almost two thirds) than in non-vocational programs. Annual hours in vocational ACE, as a proportion of all VET programs remained at about 4%.

Figure 1: Proportion of ACE students participating in vocational and non-vocational ACE programs and all VET programs (2001-2005)

The data shows that non-vocational ACE programs were more popular with women who made up about two thirds of the ACE student population. Comparatively, more men enrolled in mainstream VET.

Students from capital cities made up the largest proportion of ACE participants. Students from other geographic areas (rural, other metropolitan, remote) took up more vocational ACE than non vocational ACE. This may be because ACE providers were the main source of vocational programs in those areas. Campus based delivery by ACE, particularly in vocational programs, was most popular with students in all program types. This implies that most ACE students prefer campus based or face-to-face interactions to other modes of delivery.

During the period from 2002 to 2005, those with a Year 12 qualification made up the highest proportion of students in ACE programs (32.2% to 36.3%), and all VET programs (36.9% to 38.1%). An increase in the number of students with a Bachelor degree or higher degree qualification was noted, particularly in non-vocational ACE programs.

Mixed Field Programmes, Society and Culture, and Management and Commerce remained the top three fields of study in the ACE sector. Engineering and Related Technologies, Management and Commerce, and Society and Culture were the top three fields of study in VET.

Qualifications resulting from vocational ACE programs were mainly *Subject only - no qualification, Certification II and Certificate III*. For non-vocational programs delivered by ACE, *Subject only - no qualification, non award courses* and *Statement of attainment* were common until 2005.

Pass rate and satisfactory completion in both, vocational and non-vocational ACE were high, particularly in non-vocational ACE and well above the rates for all VET.

At a glance, ACE is already performing well against the following four goals of the Ministerial Declaration on Adult Community Education (ACE) which was formulated in recognition that economic success is largely driven by workforce skills, capabilities and creativity:

- Expand and sustain innovative community based learning models.

- Raise awareness and understanding of the role and importance of adult community education.

- Improve the quality of adult community education learning experiences and outcomes.

- Extend participation in community based learning.

The Declaration remains the main framework for the ACE sector.

Indications are that ACE has exceeded its performance beyond these goals through some of its activities. ACE is already playing an active role in engaging and building communities by developing and strengthening networks, building community resources, and participating in community development projects. Current programs of this sector are already leading to employment outcomes and improved pathways for further learning. However, there are barriers to optimising outcomes for human capital development. Researchers such as Borthwick et al. (2001), Bottomley (1998), Clemans et al. (2003), Jones (1998), and Saunders (2001) have identified some key barriers and suggested strategies that would improve ACE's performance and/or recognition of this performance.

Recent discourses and responses from government and industry endorse that building the nation's skills base is the most important strategy for remaining competitive internationally in the coming years. Governments across Australia recognise the potential for ACE to make a bigger contribution to skilling Australia (Senate Employment, Workplace Relations, Small Business and Education Committee, 1997). Yet policy changes to facilitate an increased role of ACE in the skilling process, and resourcing of the ACE sector continue to receive less attention. To further enhance ACE's contribution, there is a need for reforms to the ACE sector to re-position certain roles and functions for improved human capital development.

**Reforms to enhance human capital development**

Any reforms to ACE need to appreciate the role of the ACE sector in meeting the needs of the traditional user groups. Hence, reforms to funding policies for predominantly vocational outcomes to enhance human capital development would exclude and disenfranchise a growing number of the traditional beneficiaries of ACE.

A greater role for ACE in implementing the NRA or addressing skills shortages will not be without a multiplicity of changes to, for example, funding levels, quality, differing State and Territory approaches to training and accreditation, over regulation and the issue of industry leadership, Australia's ability to be globally competitive, impacts arising from changing technology and workplace relations, employers' failure to invest in training, and the poor public perception of training. These issues need attention and rational responses. Within this complex context, there is potential for ACE to make a greater contribution to human capital development and the VTE agenda.

Responding to the current skills deficit requires greater efficiencies in training for employment. There is no doubt that substantial additional funds would boost provisions by the ACE sector. Funding remains an issue for any training sector. How could ACE be more active in developing our human capital, and skilling Australians with limited funds? They can expand two areas of their current provisions: *training for employment outcomes*; and *training for improved pathways*. Firstly, strategies suggested by Borthwick et al. (2001), Bottomley (1998), Clemans et al. (2003), Jones (1998), and Saunders (2001) to overcome or minimise current barriers will improve outcomes. Secondly, to facilitate the strategies, re-positioning of ACE providers which are categorised into four tiers, as suggested below, could be considered:

- Tier 1: A large RTO with annual government funding of $100,000 and above

- Tier 2: A small to medium RTO with annual government funding of less than $100,000

- Tier 3: An RTO that could not be categorised as Tier 1 or Tier 2

- Tier 4: Non-RTO.

A preliminary analysis of the number of ACE providers in Australia, as part of a project that is developing a national database of ACE providers (Choy & Haukka, 2006), recorded 1027 across Australia within the above categories. Of these

- 13.7% are Tier 1: Large providers (data available from Victoria and New South Wales only)

- 28.6% are Tier 2: Small-medium providers (Victoria and New South Wales only)

- 11.6% are Tier 3: RTOs not categorised

- 45% are Tier 4: Non-RTOs.

Providers in Tier 1 and 2 could be grouped as large providers. They would already have existing resources and structures and an established client base. Additional funds for professional development of staff would facilitate quality delivery that meets the AQTF Standard 7. In this way, they could increase delivery of accredited VET, thereby adding to the number of skilled workers.

Providers in this group (large providers) could choose to operate on a competitive basis or through collaboration and partnerships with other ACE and local VET providers. In this way, they can optimise local resources for provisions to meet the local community needs. This first group of providers could also continue with the provision of non-vocational adult and community education to accommodate their traditional client base.

More information is needed to better understand the nature of providers in Tier 3 and 4. ACE providers in Tier 3 and 4 could be grouped as medium/small size providers. Some would already have existing resources and others would need funding and assistance to meet the full requirements for RTOs status in order comply with the AQTF standards. This re-organisation could be initiated and facilitated through the AQFAB review to reduce regulatory requirements. More funds and support for professional development of staff would facilitate quality delivery that meets the AQTF audit standards.

Assuming that this second group of ACE providers (medium/small), do not have the full complement of infrastructure to provide VET, they could concentrate more on the provision of non-vocational programs to create pathways into further training by large ACE providers and by other VET providers, and into employment. They could approach their business through collaboration and partnership with large ACE providers and local VET providers. They could collaborate and form partnerships with other providers to optimise local resources for provisions to meet local community needs. Of course, if they have sufficient resources and infrastructure and in regions where they are the sole providers of VET, such as in rural and remote regions, they could continue providing VET.

In a highly competitive environment, partnerships are critical for both groups (large and medium/small providers). Four levels of partnership suggested by Himmelman (2001) could be considered: networking, coordinating, cooperating and collaborating. Within a complex and competing environment, strategies for *training for employment outcomes*; and *training for improved pathways* that incorporate to some extent these four levels of partnership are now discussed.

*Training for Employment Outcomes*

ACE could play a more active role in training for employment by offering VET programs targeted for specific employment outcomes to meet the skills needs in the local community or industry area. They could use their existing structures and resources or achieve these outcomes through improved partnership arrangements with other local providers, industry and other networks. Two distinct roles could be considered – as a training provider; or as a broker.

A cursory look at vocational and non-vocational ACE programs shows that the sector contributes to the upskilling and reskilling of Australia's workforce in a number of industries – building and construction; business, community and health services; primary and rural; and tourism and hospitality. To a lesser extent, some training is offered in automotive, aviation, energy, food processing, marine, and mining. In some instances, such as in mining, training appears to be of a specialised nature. There was no training that clearly related to the biotechnology industry.

The industries where most ACE activities occur are the areas that historically have been the focus for this sector. ICT however have represented a growth area.

Approaches to training for employment rely heavily on relationships between personnel from ACE and VET institutions, and the level and effectiveness of communication. The nature of such relationships is critical to the development of human and social capital at the local level. Historical and cultural dimensions may impact on such relationships. An independent facilitator or the State Training Authority could broker improved relationships. Interactions between the ACE and VET providers can be improved through:

• increased information sharing between ACE and mainstream VET

• development of strategic alliances between ACE and mainstream VET

• establishment of learning pathways by continued negotiation

• better sharing and allocation of responsibilities for provision of related courses

• joint provision of courses

• shared use of resources such as premises, teachers and equipment

• development of a clearly identifiable national ACE VET structure (to complement that of mainstream VET), including better identification and coordination of current ACE VET provision at local, regional and state levels

• cross representation on ACE and mainstream VET management bodies (Saunders, 2001, pp. 5-8).

Each of the strategies directed at *training for employment outcomes* needs to be considered in the context of the individual communities and capacities of ACE providers. The relevant strategies must be explored in depth to develop action plans, and identify key agents and their roles to achieve the outcomes for the NRA or for reducing the skills deficit.

*Training for Improved Pathways*

ACE is widely recognised for its role in developing personal and social skills and 'generic' skills (Sanguinetti et al., 2004). Kearns (2001) describes generic skills as "life and employability skills and attributes". He regarded life and employability skills as inseparable and argued that their development is underpinned by personal attributes.

The provision of employability or soft skills, which are receiving much current attention, has traditionally been popular with participants in the ACE sector. Sanguinetti et al. (2004:70) agree that "the development of 'autonomy', 'self-mastery', and 'self-direction' underpins the development of all other skills. Likewise, the development of 'interpersonal skills' will feed into 'work readiness and work habits', 'enterprise', entrepreneurship, creativity and innovation', and 'learning, thinking and adaptability skills' and so forth". They argue that all five skills clusters identified by Kearns (2001) can be facilitated by ACE pedagogies. These arguments support the multidimensional pedagogies of ACE. The non-threatening and supportive environment is well suited for the development of generic skills when compared to the single dimensional instructional methods common in the competency based framework.

An analysis of current ACE provisions confirms that the sector is well placed to provide generic skills and pre-training, and to improve pathways into VET programs or further training or learning.

**Summary**

ACE is renowned for both vocational and non-vocational provisions with capacities for VET (competency based) as well as multidimensional pedagogies. Most providers of the sector already have the basic prerequisites to enhance its contributions to the development of human capital and skilling of Australian workers through the two possible approaches suggested in this paper: *training for employment outcomes*; and *training for improved pathways.*

Greater input from ACE in training for employment outcomes; and training for improved pathways to achieve the NRA and reducing the skills deficit in Australia requires reforms in current policies. The strategies such as those suggested by Borthwick et al. (2001), Bottomley (1998), Clemans et al. (2003), Jones (1998), and Saunders (2001) need to be explored by government authorities and ACE providers to implement changes that will enhance the sector's contribution to the NRS and the development of human and social capital. Any reforms in policy directions involving ACE should maintain its strengths and services to current client groups who are not yet ready to engage in learning through other sectors, and who prefer ACE to other providers. Provision of non-accredited and certificated courses as well as self development type of courses should also remain. At any cost, reforms in ACE should not turn away the very people it was first set up to serve.

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