

# LEARNING LOCALLY

BETTER UNDERSTANDING THE COMPLEXITY AND COSTS OF SERVICE DELIVERY IN RURAL LOCATIONS

A REPORT FOR THE BSW ACFE REGIONAL COUNCIL, DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

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## 1. Executive Summary

Learn Local Organisations (LLOs) located in rural and regional communities provide a vital service in supporting the most vulnerable learners in their communities, yet many of these organisations are becoming economically unviable. There is a tension between having an organisation that is commercially viable and one that sees its role as part of a wider community engagement model.

## **Project Purpose**

This is the final report for the Barwon South-West Adult, Community and Further Education (ACFE) Regional Council, Department of Education and Early Childhood Development (DEECD). It examined the issues regarding the complexities and costs of service delivery in rural locations and considered the recent closures or mergers of a number of LLOs. It reports on the findings and also makes recommendations for action to support LLOs located in regional and rural areas develop viable models of delivery to ensure they are able to support the most vulnerable learners in their communities.

#### The key research question was:

In the light of recent closures of a number of LLOs, how can LLOs located in regional and rural areas develop viable models of delivery to ensure they are able to continue to support the most vulnerable learners in their communities?

#### **Supplementary questions:**

What are the issues and how do they impact on regional and rural LLOs? Is there a case for saying regional and rural LLOs should be treated differently?

#### **Project Methodology**

This project contained a number of different data collection methods. These included a survey of LLO Executive Officers; focus groups and individual interviews with stakeholders including learners; and desktop research of current literature, policies, case studies and existing practices in other locations statewide, nationally and internationally.

## Summary of key issues and findings

#### **LLO Capacity**

- Attracting suitable LLO Board members is an issue across the region, but is exacerbated in small communities.
- Competent governance is critical to ensure organisational viability.
- Continuous changes in funding arrangements are one of the key difficulties identified by BSW LLOs. The lack of predictability for organisations that operate on knife-edge margins makes their position precarious and this has an on-going deleterious effect on management and staff.
- LLOs play a vital role in communities (particularly more isolated communities), delivering and maintaining the wider benefits of learning, such as health, employment, social relationships. These services will be lost to a community if an LLO closes.
- Small LLOs are not RTOs, so partnerships must be developed or maintained with larger LLOs and other RTOs.
- Medium and large LLOs are more likely to be RTOs.
- RTO compliance was seen as a significant issue by the medium LLOs, taking up disproportionate amounts of money and time.
- LLOs were open to establishing new networks to share resources.
- LLOs are willing to participate in professional development but cost and location are barriers.
- Geography presents a challenge across all areas of an LLO's operation in BSW for learners. Executive Officers and trainers to travel.

#### Competition

- Competition from RTOs and TAFE is a serious issue that impacts can lead to non-viable class sizes. The learners who take up the TAFE or RTO offers are not always adequately supported and consequently often unsuccessful.
- Both learners and non-LLO organisations don't have an appreciation of the value of pre-accredited learning. Marketing of what Learn Local is and its value to the community needs to be improved.

#### Learners

 The learners who participate in LLO classes are often challenging, coming from disadvantaged and disengaged backgrounds. No allowance in the funding structures is made for the LLO to provide the support that is needed by people from these backgrounds to successfully engage in education. Blended learning could be better used if technology was enhanced.
 However, the on-line component of blended learning can be challenging for learners who have poor or no access to the Internet, or who have poor digital literacy.

#### Data and planning

- The skilled use of evidence-based planning is uneven in the region.
- LLOs are receptive to better use of data related to business opportunities.

## **In summary**

The small, rural LLOs in BSW are not operating on a level playing field. They do not have the infrastructure or training resources of private RTOs, TAFE or industry, yet they play a vital role in reaching and supporting vulnerable learners and provide a critical pathway to engagement in the community, to accredited training and future employment. As such, it is vital that these organisations are more appropriately resourced and supported to ensure that vulnerable learners in rural communities do not lose this valuable resource.

## The recommended BSW ACFE Region Strategy

In order to ensure there are no more closures of Learn Locals so that the most vulnerable learners access pre-accredited training, these strategies are recommended:

- 1. Building expertise in running a community business
- 2. Promoting and developing capacity-building partnerships
- 3. Building technology expertise and infrastructure
- 4. Building on-going professional development into the fabric of LLO operations
- 5. Stabilising the funding environment.

## 2. Project Methodology

The project approach used on a consultative model to facilitate the engagement of key stakeholders and the collection of information on the current environment within which adult education is delivered in rural locations. The consultants worked closely with the Project Steering Group and consulted with relevant stakeholders to provide a thorough and broad-based understanding of the regional issues, opportunities and recommendations for action to support the BSW LLOs servicing rural locations from a range of perspectives.

It also accessed previous analysis undertaken in the BSW region to ensure that the project builds on a sound research base.

An Issues summary and recommended actions is attached as Appendix A.

The following streams of data gathering were used:

- a. Literature Review (Appendix B)
- b. Desk-top analysis of key documents
- c. Analysis of LLO data
- d. Interviews, focus groups and video interviews with 34 LLO personnel, learners, community partners and stakeholders (Stakeholder Interviews Briefing Paper at Appendix C)
- e. Online survey of all BSW LLOs (Appendix D)
- f. Attendance at Expansive Learning Network (ELN) and Asia South Pacific Association for Basic and Adult Education (ASPBAE) Forums.

A video case study accompanies this report.

#### **Definitions**

**Viability** - the long-term ability of an LLO to maintain or improve its capacity 'to serve its community, and to contribute to community development and growth, well into the future'.<sup>1</sup>

**Partnership** - an ongoing arrangement involving the organisation collaborating with outside people or institutions in the planning and implementation of an initiative over a period of time. Usually there would also be some form of agreement, formal or informal, that underpins the partnership.

A *capacity-building partnership* - is different to a project-based partnership focussed on a particular initiative in that it brings multi-disciplinary stakeholders together to enhance the effectiveness of member organisations and improve the conditions or circumstances the community by pooling resources.

**Network** - a loose grouping of organisations or representatives for the exchange of information for mutual benefit, or to build capacity and knowledge.

<sup>&</sup>lt;sup>1</sup> ACFE, 2006, Building sustainable community businesses

**Vulnerable learner** – those most at risk of long-term disengagement. Such learners may typically include, but not be limited to, people with low literacy and numeracy levels, low socio-economic status, the unemployed, people with ill-health, including mental health, aboriginal people, people with disabilities, people from Culturally and Linguistically Diverse (CALD) backgrounds and people living in rural and remote locations.

## **Terminology**

For clarity, this report uses the term **Executive Officer** to describe the paid person who leads the LLO. Various terms are used in practice – for example, in some organisations this position is classified as a manager or CEO. Neighbourhood Houses often describe this position as a Coordinator.

This report also refers to the governance body of LLOs as the **Board** but this encompasses those organisations that refer to their equivalent as Committees of Management.

## 3. The big picture

If Learn Local Organisations are to survive and thrive in today's competitive environment, then they must learn to adapt and, in some cases, to 're-invent' themselves as community businesses, delivering adult education products. To do this, they must let go of the weight of the past, which includes their barriers to change, old worldviews and organisational resistance. They can then make the most of the push provided by their present situation, including technological, economic, demographic and societal factors, and allow themselves to be pulled into the future, where they can develop new goals and visions which will better place them to assist their vulnerable learners through the development of meaningful partnerships with industry and other stakeholders. This is occurring at a time when adult education has been going through its own transitions.

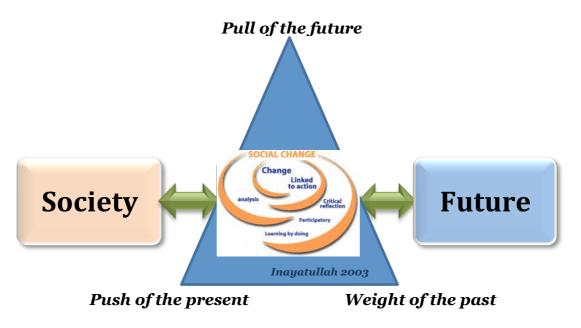


Figure 1 - The futures triangle (adapted from Inayatullah 20032)

Adult education plays an important role in contributing to the well being of society. There is a wealth of international research on the wider benefits of learning. Education in all its forms helps people to understand, adapt to and shape change. Participation in adult education programs has a positive effect on health, employment, social relationships and volunteering.

Adult education and workplace learning are also inextricably linked. There are many challenges in preparing adult learners, especially older workers and people from socially and educationally disadvantaged backgrounds, for the modern workplace. The workforce is aging while at the same time, international competition and new technologies are changing the face of Australian industry.

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<sup>&</sup>lt;sup>2</sup> Inayatullah, S 2003, 'Teaching futures studies: From strategy to transformative change', *Journal of Futures Studies*, vol. 7, no. 3, pp. 35-40

This means that in this 21st century information society the adult learner must grow and learn at a more rapid pace than at any time in history and requires ever more advanced skills. This is at a time when a 2007 international adult literacy survey found 48.7 per cent of working age Australian adults had literacy and numeracy levels too low to cope with the everyday demands of life and work (Ministerial Council for vocational and technical education 2008<sup>3</sup>).

Internationally, interest in lifelong learning is gaining traction, especially through the re-emergence of the learning community concept. The UNESCO Institute for Lifelong Learning's (UIL) International Platform of Learning Cities (IPLC) was launched in Beijing in October 2013 (UNESCO 2014). The Framework of Key Features of Learning Cities includes the following building blocks of learning that can be applied to any learning region, whether it is city based or not:

- Inclusive learning in the education system
- Re-vitalised learning in families and communities
- Effective learning for and in the workplace
- Extended use of modern learning technologies
- Enhanced quality and excellence in learning
- A vibrant culture of learning throughout life.

The European Commission has also set common benchmarks including school retention rates, university participation, and most importantly for adult education, a target that at least of adults should participate in lifelong learning. They recognise the need to increase the participation of adult learning in all kinds (formal, non-formal, informal) of learning for a range of reasons including acquiring new work skills, active citizenship, personal development and fulfilment. UNESCO's development agenda also describes emerging trends in education as moving from teaching to learning; recognising lifelong learning as a paradigm; the removal of boundaries between learning, working and living; the rising skill levels required, including employability; and foresight – being able to anticipate change for education and skills development.<sup>4</sup>

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<sup>&</sup>lt;sup>3</sup> Ministerial Council for vocational and technical education (2008). Ministerial Declaration on Adult, Community and Education Canberra, Department of Education, Employment and Workplace Relations.

<sup>&</sup>lt;sup>4</sup> UNESCO, May 2015, *Education and skills for inclusive and sustainable development beyond 2015*, Dr Heribert Hinzen, ASPBAE Seminar, Melbourne, October 2014.

## LLOs - their value and importance



LLOs offer local access to training opportunities that might not otherwise be available. They are diverse and include neighbourhood houses, community learning centres, ACE centres and community colleges.

They offer an informal, welcoming, adult-focused approach to learning.

LLOs have developed specific expertise in working with people from educationally and socio-economically disadvantaged backgrounds. They also provide a critical point of re-engagement for many people who are disconnected from education and lack the confidence or opportunity to re-connect through other providers. This is even more important in rural Victoria where there are a greater proportion of adults who did not complete secondary schooling than in Melbourne, but they are less well represented in pre-accredited courses. There are also proportionately more unemployed people and more people with disabilities in rural Victoria and again, they are less likely to participate in pre-accredited courses.

LLOs have proved to be flexible and adaptive providing courses that range from basic literacy and foundation education through to post degree professional development. This includes accredited and non-accredited courses, in a range of modes, including tutor-led, self-run groups, class-based, work-based and distance education.

In rural areas, they may also provide a range of services and may be running social enterprises such as recycling services or coffee shops.

Rural LLOs offer a higher proportion of Vocational Education and Training (VET) programs than their city counterparts and are often the only providers of post-compulsory education. They play a vital role in widening participation and providing fundamental workplace skills for adult learners.



## Viability and its challenges

Despite this valuable work, too many LLOs in BSW are finding it increasingly difficult to remain viable. The introduction of demand-driven individual choice in VET has had a devastating impact on ACE in Victoria and 'the long term survival of the sector is not assured' (Victorian ACE Peaks 2014). Since 2008, there has been a 27% drop in ACE delivering government funded training across the state (about 90 providers). Although the Student Contact Hours have been allocated elsewhere, this may not be to locally based organisations that can effectively penetrate thin markets.

The diversity of roles and services that LLOs undertake can be seen as a weakness which hinders financial sustainability. In an ever-changing funding environment, where LLOs must work within market models of service provision, previous notions of 'doing good' in the community sector is no longer sufficient to guarantee viability. There are a number of areas of concern, heightened for rural providers including the range of services and infrastructure required for program delivery (exacerbated by the technology and expertise required for blended program delivery), the costs of compliance while often providing highly individualised support for the most vulnerable learners, and the 'thin markets' of the rural LLOs where participant numbers are too low to cover costs.

The strong engagement of BSW LLOs and their stakeholders with the survey and the consultation process indicates that Regional Council has accurately identified a key issue for LLOs in the BSW Region.

The challenges of maintaining organisational viability have been recognised for many years, yet the many attempts to re-dress them have not been successful in warding off closures of large and small LLOs throughout Victoria and in the Barwon South-West Region in particular.



## 4. Key findings

## LLOs in BSW - what they think

Twenty-seven LLOs in BSW were invited to participate in an online survey between 14 July and 13 August 2014. Sixteen survey responses were received (59%). Of the LLOs that responded, 10 LLOs (62.5%) had less than 5 EFT staff (Smaller LLOs), none were Registered Training Organisations (RTOs) and most offered accredited or pre-accredited programs on behalf of or in partnership with other organisations. Five LLOs (31.3%) had between 6 and 15 EFT staff (Medium LLOs) and four LLOs (80%) of these were RTOs. There was only one respondent that had 16 or more EFT staff (Larger LLOs).

In addition, BSW LLOs and their stakeholders participated in interviews and focus groups to explore the issues raised from the survey and the Literature Review and test the interim findings.

## **Summary of main issues facing the LLOs**

The survey found that ongoing changes in funding structure was seen to be the main issue in organisational viability facing LLOs in the next 5 years.

The most common organisational capability issue identified by 4 medium LLOs (80%) responding to the survey was RTO compliance requirements.

The two most common organisational capability issues identified in the survey by approximately half of LLOs were:

- Governance having sufficient capable Board members
- Ability to engage vulnerable learners.

A comprehensive summary of the survey responses is at Appendix D.

#### The issues

Of the BSW LLOs surveyed and interviewed for the ACFE Project, the key issues were:

#### **LLO** capacity

Capable governance and attracting suitable Board members is an issue across the region, but is exacerbated in small communities. Competent governance is critical to ensure organisational viability.

Continuous changes in funding arrangements are one of the key difficulties identified by LLOs across the region. The lack of predictability for organisations that operate on knife-edge margins makes their position precarious.

This may mitigate against innovation or it may encourage it, but the risks are high and genuine medium or long-term strategic planning is compromised.

Through the consultations, BSW LLOs identified Adult, Community and Further Education (ACFE), the Department of Human Services (DHS) and the Department of Education and Early Childhood Development (DEECD) Student Contact Hours for accredited training as their major sources of funding.

Most BSW LLOs do not have DGR<sup>5</sup> status and are therefore not able to access a range of philanthropic funds. The Australian Neighbourhood Houses and Centres Association Inc (ANHCA) are currently working on establishing a mechanism to establish a national fund.

The major costs in running a LLO were identified as trainers, LLO staff and technology, as well as back-of-house costs, compliance and adequate training facilities. Smaller LLOs in particular noted that low student numbers meant very little profit margin leading to the cost of programs being higher than for other providers. LLOs requested assistance with managing 'all these budgets', staff work plans, partnerships, service agreements, Strategic Plans and other plans.

There is a view that providers in the region are generally quite territorial and unwilling to share or collaborate. This is often the case when the economic circumstances deteriorate. There is a reluctance to be too experimental with potential partners who might also be competitors in thin markets.

In addition, small LLOs in BSW are not RTOs, so partnerships must be developed or maintained with larger LLOs and other RTOs. Such arrangements require skill, persistence, time and flexibility. They are more likely to be developed through engagement with the wider community and have a better chance of delivering outcomes if the partners have aligned values and a common purpose. The partners must understand that they may need to cede some of their territory in order to make a significant impact, but recognise that the outcome achieved in partnership will exceed those achieved alone.

Medium and large LLOs in BSW are more likely to be RTOs, and are also more likely to be located in areas of higher population density. Their accredited training is more lucrative and makes a better contribution to organisational viability.

All of the LLOs that completed the survey recognised the value of professional development and took part. Trainers participated in professional development in 12 LLOs (80%) and 10 LLOs (66.7%) said that Board Members and volunteers took part. The consultations indicated uneven recognition by key people in LLOs (Executive Officers and Board members) of the Regional Council and its role.

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<sup>&</sup>lt;sup>5</sup> Deductible Gift Recipient. Australian Neighbourhood Houses and Centres Association Inc (ANHLC) is now included in the table of specific welfare and rights recipients <a href="http://www.anhlc.asn.au/advocacy/dgr">http://www.anhlc.asn.au/advocacy/dgr</a>

However, there was strong endorsement of the support received from the Regional DEECD Officers and programs provided by ACFE were highly regarded. Face-to-face sessions were preferred but cost, time and distance were all cited as barriers to participation.

In fact, geography presents a challenge across all areas of an LLO's operation in BSW – for learners to travel, for Executive Officers to meet, for trainers to travel. The use of technology to communicate is applied inconsistently with both infrastructure and capability being impediments.

LLOs play a vital role in communities, and more isolated communities in particular, delivering and maintaining the wider benefits of learning, such as health, employment, social relationships. These services will be lost to a community for a long time if an LLO closes.

#### Competition

All of the Medium LLOs in BSW said there were other organisations offering programs that competed with their programs. 3 LLOs (75% of those who responded) said this affected their ability to conduct programs. Seven of the smaller LLOs (70%) identified competition as an issue.

The BSW LLOs all note the accumulated stress caused by the introduction of the open training environment introduced under Skills Victoria in 2008 and the failure of the government to support LLOs in competing with private RTOs. The ensuing constantly shifting funding environment requires rapid changes to eligible clients (in already thin markets) and puts additional pressure on technological infrastructure and pedagogy and often requires frequent changes in key partners. The cost of compliance with VET poses an additional burden, especially in small LLOs, seeing a number of organisations de-registering as RTOs, which in rural communities may further limit the training options available for the most vulnerable.

Private RTOs are soaking up student numbers for courses through incentives such as free iPads or fee-waiving and this is having a critical impact on viability of LLO courses throughout the region. It is also having an impact on learners and consequently, an impact on building community capacity, as learners find themselves saddled with large debt and ineligible for further funded places in LLO programs which may be more suited to their abilities and strategically aligned to local labour market opportunities. Poor practice in training by some RTOs is having an additional impact on the capacity of LLOs to deliver, as market share is taken away and the reputation of particular credentials or training in general is diminished in a community.

The large RTOs are not community-based in the way that LLOs are or have been. Once an LLO has closed, experience would indicate it is highly unlikely that another community-based organisation will replace it, to the detriment of those learners who are most vulnerable.

The LLOs are not operating on a level playing field. They do not have the infrastructure or training resources of private RTOs, TAFE or industry. Yet they play a vital role in reaching and supporting vulnerable learners and provide a critical pathway to accredited training and future employment.

#### Learners

There are large numbers of vulnerable learners in the region and the most vulnerable learners remain hard to reach for all BSW LLOs. The consultations identified that the reasons these learners are not engaged included:

- The LLO profile was not well understood in the community
- The cost of classes
- Lack of motivation of learners, their low confidence and previous poor education experience.

The survey identified groups of learners who participated in the programs offered by LLOs as females, 40-60 year olds, unemployed people, people facing multiple barriers, youth at risk, people with a disability, people returning to work, people with low literacy skills, migrants/CALD and single parent low income. These groups present many challenges for successful engagement that put pressure on the slim financial resources and expertise available in the more rural LLOs. 'We are targeting the most disadvantaged, yet no allowance is made for the time that a tutor/ Executive Officer must spent with students developing learning plans...' and 'The more vulnerable are harder to engage and need trainers with greater expertise.' (BSW LLO Survey Report).

Vulnerable learners comprise the main cohort of LLOs and they need to begin at pre-accredited level in order to make informed decisions about accredited training. The support required to ensure they participate successfully in courses and transition effectively to further education, training or employment presents a drain on scarce resources that is unable to be maintained with current models of delivery. Partnerships are required with agencies that can assist with intensive support.

LLOs that report successful engagement with vulnerable learners say programs need to invite learners in, rather than be imposed on them according to funding or policy. The *Next Steps Work and Learning Centre* (the Centre) in Ballarat is an

example of resources being gathered through partnerships that are not limited or constrained by externally imposed eligibility criteria determining who the learners might be or what the outcomes must be.



The performance indicators of the Centre are developed through business planning with the partners (which include DHS, Brotherhood of St Laurence and Commerce Ballarat), rather than being defined by externally imposed eligibility criteria. The Centre employs Work and Learning Advisors who develop highly individualised programs, including any required supports, for each learner when and where they are required, resulting in very effective employment and further training outcomes for very disadvantaged learners.<sup>6</sup>

#### Data and planning

There is some evidence that current training and pathways are related to labour market and other business opportunities but the application of evidence-based strategic and business planning is uneven in the region. The LLENs are recognised as a valuable source of data for planning and the potential loss of this service poses an additional threat to the already stretched resources of the smaller BSW LLOs.

## 5. What's the imperative?

'We did not need to close' (Executive Officer of former LLO, October 2014)

Many LLOs are struggling with the increased demands imposed by changes to the training system and the compliance requirements of both accredited and preaccredited courses. In BSW, these pressures have resulted in the closure or merger of four LLOs over the past five years, one as recently as last semester. Others are teetering on the edge of closure. In most cases, financial viability alone has not been the main driver for the decision to cease operation. Rather, it was weariness of long-term Board members and Executive Officers with 'the constant struggle for suitable buildings and having enough money' (Executive Officer of former LLO).

Once an LLO closes, the opportunities for engaging the most vulnerable people in communities in education and training is greatly compromised. The replacement services are not locally based or managed. Even if they start out that way, they retreat over time into outreach services based in the major population centres. Such services also tend to have eligibility criteria (such as services for people with disabilities) that can restrict access.

This scenario is against a backdrop of increasing international interest in the expansion of learning communities whereby all residents are actively engaged as lifelong learners in formal and informal, vocational and general interest education. For example, right at this point in time, advancing the right to quality education for all is one of the goals in the new United Nations Sustainable Development Goals (SDGs) being proposed.

 $<sup>^6</sup>$  For more information on this model:  $\frac{dhs.vic.gov.au/for-individuals/housing-and-accommodation/public-housing/living-in-housing/training-and-employment/work-and-learning-centres$ 

The Asia-South Pacific Association for Basic and Adult Education (ASPBAE) in Australia is facilitating discussions on the post-2015 education goal that was agreed on during the Global Education Meeting held in Muscat, Oman in May 2014: 'Ensure equitable and inclusive quality education and lifelong learning for all by 2030'.<sup>7</sup> The current conversations with representatives of the key education advocacy organisations in Australia are identifying the key policy platforms to engage with in Australia and what Australia can contribute to regional and global policy advocacy (ASPBAE 2014, Speak Up, Speak Out: Australian Voices for Global Education Advocacy, Forum at RMIT, 28 October 2014).

Nevertheless in Australia, continuing emphasis on economic rationalism has seen increased competition amongst VET providers that continued to grow in this state with the introduction of Skills Victoria in 2008. This emphasis on a competitive environment has had an adverse effect of providers of youth and adult education in rural and regional areas of Victoria. According to the Victorian State Auditor General:

'Many of the programs that deliver support to rural students are in fact provided to students across all parts of the state. However, the program evaluations rarely consider the specific impact on rural students. The issues and barriers that prevent students in rural areas from getting the most out of their educational opportunities cross both the school and the further education sectors. Unless DEECD adopts a cohesive and targeted strategy, it is unlikely that outcomes will improve'8.

The report goes on to identify the factors that affect students' participation in higher education and training. These include:

- 'academic aptitude and achievement
- individual, cultural and familial aspirations
- local skills demand
- availability of accessible, affordable courses'9

<sup>9</sup> ibid, p. 18

<sup>&</sup>lt;sup>7</sup> unesco.pl/fileadmin/user\_upload/pdf/Muscat\_Declaration.pdf

<sup>&</sup>lt;sup>8</sup> Victorian Auditor General's Report, 2013, *Access to Education for Rural Students*, p. vii, audit.vic.gov.au/publications/20140403-Rural-Students/20140403-Rural-Students.pdf

## Anatomy of an LLO closure

During the course of the project, the consultants met with a number of former Executive Officers from Learn Local Organisations (LLOs) that had closed<sup>10</sup>, as well as with various stakeholders of those organisations. In discussions, they revealed their thoughts on the factors that had contributed to the closure of each LLO. Interestingly, many of those factors were common to each of the LLOs that had closed. Accordingly, this case study distils the 'lessons learnt' from those factors and is presented as a generic examination of the critical issues.

#### **Governance**

Every person with whom the consultants spoke about the LLO closures identified governance and the selection of Board members as the most critical factor. According to one interviewee, 'The Board must be solid. It doesn't have to be high flying, but needs to have the skill sets to take the organisation forward'. Selection of Board members was identified as often being quite poor with an element of 'you've turned up at the AGM so you're on the Board', rather than having robust succession planning processes in place to recruit for necessary skills. This was particularly important in those instances when Board members had been in place for a long time and had become 'tired'. Several of the LLOs closed within months of a critical incident, such as the departure of a long-term Executive Officer, and the interviews indicated that the Boards were not in a condition to withstand the major impact that this had. All of the former Executive Officers and stakeholders indicated the need for ongoing professional development for Board members in areas such as governance and running a community business, as well as in strategic planning. The development of a strategic plan based on place-based robust data and evidence was seen as the primary function of a Board, and one that was often not well done.

#### Organisational management

As with the selection of Board member, the selection of the Executive Officers was seen to be extremely important, with many Boards not having sophisticated selection processes. According to one former Executive Officer, the Board 'didn't really think about what they were recruiting for and just wanted to get someone from the first round of applicants, rather than waiting for the right person'. Many of the Executive Officers indicated that they had had to learn their key skills on-the-job and that this became very difficult when an Executive Officer is only funded for 20 hours per week. Some said that they had gained skills through peer mentoring and others identified sitting on the Boards of other organisations to have helped them. Innovation, networking and partnership building were seen as vital capabilities for an Executive Officer.

 $<sup>^{\</sup>rm 10}$  The consultants interviewed former Executive Officers and other stakeholders from four LLOs that had closed in BSW and one from an LLO that had recently closed from another region.

Where professional development was provided, there seemed to be no follow-up or requirement to deliver outcomes and this was seen as an organisational weakness. Interviewees discussed the need for a business/operational plan supported by a marketing plan, and for the Executive Officer to actually have strategies in place to achieve the goals of these plans and be held accountable by the Board for their achievement through a formalised performance management process.

In trying to understand why LLOs had closed, those interviewed talked about the need to be innovative in a growing competitive environment. However, for some 'it wasn't sustainable in the long term to maintain that innovation. When you're struggling to survive, it's hard to be innovative'. The ability of the Executive Officer to select and manage staff was also a factor in the closure of some LLOs. In some cases, 'each year we had to try to get enough money to keep staff' rather than retrenching those staff who were not longer relevant as the environment changed. This was seen as a particular issue in more remote locations. As stated by one former Executive Officer, 'It's very difficult to put people off in a small town. You lose social capital. People weren't used to the new unstable environment and got outraged. It doesn't stop the need to do it, but makes it very stressful. It all comes back to strong governance and management'. Another expressed the issue in terms of 'you don't get decent growth unless you prune. But if you cut into your trunk, you're in trouble. You need to know what your core business is, and just prune away the dead wood'.

#### **Funding**

Funding was seen as the third critical factor in the closure of a number of LLOs. Many identified the need to manage multiple funding streams and the associated compliance as very onerous. As one interviewee stated, 'they took away the carrots and brought in some really big sticks'. Another former Executive Officer commented that 'multiple sources of funding can be very difficult if things are going wrong. Who do you go to for help? It's hard to get them all around the table'. The constant search for additional funding to improve facilities and other resources, and the need to recruit suitably qualified and skilled staff, particularly in the area of financial management impacted on the ability to effectively manage the organisation. As one former Executive Officer said, 'We couldn't afford them, but we couldn't afford to be without them. All of this took time and this isn't built into the funding model'.

#### Competition

The final factor identified as contributing to the closures was the growth of competition, particularly that provided by 'fly in, fly out' providers who often used unethical practices to gain access to the local labour market, to the detriment of the LLO which could not compete. One project participant talked about the difficulty of turning competitors into partners and commented that 'one of the challenges of viability is around where you are located. If you're in a remote area, you can only service the local community. This means that you're in trouble if competition comes in'.

#### 6. Recommendations

## The BSW ACFE Region strategy

This strategy is based on conclusions drawn from the data-gathering process that included a review of the literature, desk-top research, face-to-face consultations, meetings with the Project Steering Group and BSW ACFE Regional Council and a survey of BSW LLOs. The strong engagement of Providers with the survey and the consultation process indicates that BSW Regional Council has accurately identified a key issue for LLOs in the BSW Region.

In order to ensure there are no more closures of Learn Locals so that the most vulnerable learners access pre-accredited training, these strategies are recommended:

- 1. Building expertise in running a community business
- 2. Promoting and developing capacity-building partnerships
- 3. Building technology expertise and infrastructure
- 4. Building ongoing professional development into the fabric of LLO operations
- 5. Stabilising the funding environment.

#### 1. Build expertise in running a community business

'There is always a tension between running a business and social welfare culture' (LLO Executive Officer).

Effective and capable LLO governance was identified as the top issue for organisational viability. It was more prominent in the BSW-specific consultations and the survey than in the other forms of data gathering, suggesting that the number of LLO closures and near-closures have added more urgency to this issue in the region. The Board members need to have a balanced skill mix that reflects the diverse roles of a community business. The longevity of some Boards and Executive Officers was cited as a potential weakness in the consultations. Key reasons included weariness in managing constant change and the difficulty of replacement of personnel when there is so much accumulated knowledge and wisdom invested in a few people. In some of the LLO closures, the recruitment of new members with fiscal expertise in business but not community enterprises, proved disastrous and ensured the rapid closure of important community businesses that had operated effectively for decades. There is a case for implementing robust succession planning that is appropriate for community businesses.

'Governance is particularly dangerous when you have an EO who doesn't want the Board to know what's going on, and where the Board is not skilled or interested enough to question' (LLO Executive Officer).

An effective board will provide good governance and leadership by:

- 1. understanding their role
- 2. ensuring delivery of organisational purpose
- 3. working effectively both as individuals and a team
- 4. exercising effective control
- 5. behaving with integrity
- 6. being open and accountable (Charity Commission UK 2010, p. 11).

In the light of the ACFE Board and BSW ACFE Regional Council having provided professional development in governance for LLO Boards over many years, with obviously limited long-term effectiveness in too many cases, alternative models of governance should be considered. There are a range of options that can be summarised as follows:

## Tightly-coupled governance or 'hard' federations

The concept of tightly-coupled and loosely coupled governance arrangements was developed by Weick<sup>11</sup> for use in education but has also been adopted by the business community and may offer some options for alternative governance for LLOs. Tightly-coupled arrangements mean the parent body coordinates the arrangements of its member organisations according to a central strategy. Such an arrangement will make best use of the smaller numbers of suitable Board members who might be available in smaller communities and will have efficiencies in the costs associated with professional development and succession planning. Under such an arrangement, smaller community organisations can benefit from the governance and service capacity of larger or better-resourced organisations. Examples of these tightly-coupled or 'hard' federations that have established a parent governance body, or are considering this, such as Armstrong Creek in Geelong, 12 could be used to model or mentor such an initiative. Another example is presented by some Victorian schools, where one School Council oversights several campuses. 13 The federated approach, which is quite welldeveloped in the school system in the UK, was presented by the previous Coalition government as an 'opt-in' recommendation for Victorian schools more broadly, being seen as especially suitable for rural schools which are 'struggling to find council members and could be missing out on the optimal mix of skills and expertise'. 14 There is no reference to such a proposal in the Victorian Labor Platform 2014.

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<sup>&</sup>lt;sup>11</sup> Weick, K, 1979, Educational Organizations as Loosely Coupled Systems, Administrative Science Quarterly, <a href="http://en.wikipedia.org/wiki/Karl\_E.\_Weick">http://en.wikipedia.org/wiki/Karl\_E.\_Weick</a>, accessed 7 Nov 2014.

<sup>&</sup>lt;sup>12</sup> Henry et al, 2011, Armstrong Creek Coordinated Community Infrastructure Delivery Project;

<sup>&</sup>lt;sup>13</sup> eg Springside College, Caroline Springs: <u>springsidecollege.vic.edu.au</u>; Western Heights College, Geelong, <a href="http://www.whc.vic.edu.au">http://www.whc.vic.edu.au</a>

<sup>&</sup>lt;sup>14</sup> ourcommunity.com.au/icda/news/newsItem/?newsItemId=5949, 5 Sept 2014.

#### Auspicing

A variation is to consider auspice which also uses the model of a parent governance body but has additional connotations of being at arms-length. An example of an auspice arrangement is that of the Marrar Woorn Community Centre in Apollo Bay, auspiced by Otway Health and Community Services<sup>15</sup>

#### Merger

Another option is to merge with the governance body of another organisation that already has a suitable, skills-based Board, as Geelong Adult Training and Education did with Diversitat in Geelong. Potential organisations that may be suitable include the Local Learning or Employment Network (LLEN), the TAFE Campus, or even the ACFE Regional Council.

In any of these models, an LLO Advisory Board could interact with the shared governance body to ensure oversight of the interests of the LLO.

Approaches to the organisations involved in these collaborations could also provide examples of water-tight shared governance agreements that maintain the integrity of the core functions of LLOs in any shared governance model.

#### Loosely coupled governance or 'soft' federations

A community could also consider a whole-of-community collective impact model of overarching governance that incorporates all the entities with responsibility for components of lifelong learning, such as the example of the City of Melton Community Learning Board. This model could accommodate a more loosely-coupled arrangement or 'soft' federation, whereby the member organisations have their own governance structures and plans but they coordinate their plans to align with an overarching community plan. The Australian Centre of Excellence for Local Government (ACELG) *Learning Community Framework*  $^{16}$  is an example of a resource that could be used to provide the structure and process for ensuring that all of the key elements for a robust strategic community learning plan are in place.

## Features of modern governance Skills-based Boards

Regardless of the governance model, LLOs should be recruiting skills-based Boards or Board representatives that include financial expertise balanced with skills in community engagement. The size of the Board should allow for the necessary skill mix but not be too unwieldy for high-quality, active discussions. The governance group must engage in formal strategic, evidence-based planning underpinned by a robust business plan. The Strategic and Business Plans must be adhered to in full and monitored continuously and the Board should be held accountable to them.<sup>17</sup>

<sup>15</sup> swarh2.com.au/ohcs/content/Marrar-Woorn-Community-Centre

Wheeler L., Wong, S. (2013). *Learning as a Driver for Change: Learning Community Framework.*Australian Centre of Excellence for Local Government, University of Technology, Sydney.
Available at: acelg.org.au/news/community-learning-and-local-government

<sup>&</sup>lt;sup>17</sup> Useful leading-edge resources for measuring impact include Wheeler, L and Wong, S, *Learning Communities Toolkit* (to be published by the Australian Centre of Excellence for Local

#### Succession planning

In order to develop strong leaders for the sector, the Strategic Plan for the LLO should incorporate succession planning for the Board and Executive Officer. This could take the form of professional development plans for potential successors within the LLO that include shadowing and mentoring strategies. The issue of succession of the Executive Officer has proved especially vexing in LLOs where there have been long-term incumbents, with many of the LLO closures following quickly on the departure of those key people. There is a role for Regional Council to ensure the systematic induction of new Executive Officers and Board members to ensure the maintenance of good practice in governance and management.

## Best practice recruitment of appropriately skilled Executive Officer

Therefore, Board should be clear about the skills required of an Executive Officer and implement formal processes for recruiting and appointing to that role and for monitoring performance. The contemporary Executive Officer needs to be a 'boundary spanner'. One of the requirements of boundary spanning leaders, that is those people who operate across organisational boundaries, is the capability to bring diverse partners to the table.¹8 So the Executive Officer must be an effective networker and partnership builder. They must also be skilled in entrepreneurship and marketing as well as competent in understanding financial reports and data.

## Understanding the responsibility for Evaluation and Accountability

ACFE itself has conducted considerable professional development over the years in building organisational capacity but the interviews with LLOs and stakeholders indicated that the requirement to demonstrate improvement in performance and outcomes, using tools such as the *Learn Local Committee of Management Capability Framework*<sup>19</sup> and *Measuring Impact*<sup>20</sup>, are either applied inconsistently or not at all.

These resources are useful and relevant and BSW LLOs would benefit from using them regularly. The ACELG *Learning Community Framework's 'Innovation cycle of a learning community'*<sup>21</sup> may be a useful tool for the Boards of LLOs to understand where their organisation sits in the life-cycle of organisational development. This framework also includes material for *crisis dialogue* that could be productively implemented if an LLO is faced with potential insolvency.

Government, Dec 2014: acelg.org.au) and the *Melton Collective Impact Assessment Tool* (under development, City of Melton, Dec 2014. Contact Peter Blunden for details at: peterrb@melton.vic.gov.au).

<sup>&</sup>lt;sup>18</sup> Miller, PM 2008, 'Examining the work of boundary spanning leaders in community contexts', *International Journal of Leadership in Education*, vol. 11, no. 4, pp. 353-377.

<sup>&</sup>lt;sup>19</sup> ACFE, 2012, Learn Local Committee of Management Capability Framework

<sup>&</sup>lt;sup>20</sup> ACFE 2009, Measuring Impact

<sup>&</sup>lt;sup>21</sup> Wheeler L., Wong, S. (2013:4), op cit

#### Using collective wisdom

Discussions with Executive Officers of LLOs that have closed indicate that there are lessons to be learned that may not have been sought.

A Board that had become tired through lack of renewal of members, the constant struggle for suitable premises and adequate funds, the requirement for competent financial oversight, poor understanding of the nature of a community business, entrepreneurial skills and succession planning and the pivotal role of the Executive Officer, were common threads leading to the closure of LLOs. Their recommendations for avoiding any further closures are likely to be valuable if such discussions were held with former Executive Officers and Board members once they have had some time to reflect. Such recommendations may also be very helpful for LLOs that encounter difficulty and may support current Executive Officers and Boards to successfully manage their way through such situations.

#### 2. Promote and develop capacity-building partnerships

The consultations identified that partnerships and collaborations are vital to ensure that training remains relevant and that BSW LLOs remain viable. Many LLOs of all sizes demonstrate that creative and robust partnerships contribute to their capacity to engage learners and operate a viable organisation.

There are many studies documenting the benefits of working in partnership with other organisations that are well summarised by these findings from VCOSS:

- partnerships can allow for diverse thinking and values leading to better outcomes
- partnerships provide opportunity to share workload and resources
- partnerships build capacity of their members
- partnerships can create the environment for taking risks in developing new service models
- partnerships create the motivation for people to pull together, which in turn drives and sustains the partnership (VCOSS Guide 1 n.d., p. 3).

#### The current BSW partnerships

The surveys demonstrated that there are numerous partnerships operating in BSW LLOs that are **project-based**.

The purpose of those partnerships included resource sharing, funding, partnerships with RTOs providing certificate courses, practical placements, industry consultation and venues.

There is strong cooperation over sharing resources such as A-frames that definitely assists smaller LLOs.

Such partnerships recognise the value of strong connections between community and non-government organisations and training providers in the shared planning and delivery of interventions aimed at building participation of the disengaged in training and employment or community pathways.

This 'full service' approach to the individual positions the learner at the centre of the process and builds responses around individual needs. For the individual this means less fragmentation in engagement with systems, less repetition of experiences and a more 'whole-person' approach to needs.

The partnerships can also inform program delivery and content especially in connecting learners to workplaces. Community VCAL programs such as that at Hamilton Community College (Southern Grampians Adult Education) for

example, see LLOs provide literacy or ESL support where required, or support learners who are dealing with health, family or other personal issues, without losing the learner from training.



#### Service partnerships

There are few examples in the region of service partnerships - financial, governance and cost-sharing collaborations. In fact, there is evidence that previous attempts to establish such Shared Service partnerships have failed. Reasons cited include the cost and time required to set the systems up in the first place, and one partner putting in more work than another. Nevertheless, properly resourced and constructed, such partnerships would seem to be a contributor to organisational viability.

Cost-sharing through Shared Services uses a business model by which organisations achieve economies of scale by jointly managing and/or delivering services. The concept of Shared Services has been used in the private and government sectors for decades and has also be applied informally in the not-for-profit sector over that time, often taking the form of collaborative partnerships, informal sharing of trainers and administration functions and sometimes outsourcing to fill skills gaps.

By adapting the existing business models of these shared service arrangements to suit the uneven environment that Learn Local Organisations operate in, especially regarding funding and organisational capacity, The Inc Group in Melbourne's North and West was established as a cooperative in 2011, developing the model initially with an ACFE Capacity and Innovation Fund (CAIF) grant. Shared services actually delivered are currently limited, but with the support of a further CAIF grant the cooperative has now employed a General Manager, tasked with establishing a business footing. The five participating LLOs have strong support from the City of Melbourne in the development of the cooperative, receiving several funding grants to assist the development of the partnership.

Rosewall Neighbourhood House is currently trialling shared back-of-house functions with six other organisations and will provide useful information for the development of similar collaborations in the region.

#### Capacity-building partnerships

One of the drivers for cross-sectoral, multi-faceted partnerships between government, business and community has been their capacity to overcome the barriers presented by traditional economic and political structures which perpetuate a competitive environment, and can deny access by small players to the channels of power and influence. On their own, community organisations may not have much influence but the collective impact of bringing stakeholders together in capacity-building partnership can be very powerful. Such partnerships increase the pool of resources in terms of funding, knowledge and experience, build the capacity of partner organisations themselves and create the conditions to provide a coordinated and comprehensive response that often generates innovation.

It is clear that the smaller LLOs in particular, require support, assistance and opportunities to develop the capacity-building partnerships of the future with local government and industry. Sometimes an organisation fails to distinguish between the different types of partnerships in which it is engaged and can spend valuable time maintaining partnerships that do not add value. It may be useful to conduct a partnership assessment using a tool such as the Northern Bay College Partnership Map<sup>22</sup> to weed out unproductive partnerships and strategically determine where the effort should go in maintaining current participation or the establishment of new partnerships that align with the LLO's priorities.

<sup>&</sup>lt;sup>22</sup> The Partnerships Map template can be downloaded from: grllen.com.au/partnerships/education-training/epit

The following table (Table 1) may also be useful for determining the type and relevance of partnerships and collaboration for particular purposes:

Type of collaboration	Looks like	Benefits	Risks	Governance / Legal	Timeframe	Broad Steps
Alliance - Can be impact and/or administration focus - Shared admin - Co-location	O Or CO-LOCATION   200 A O O O O O O O O O O O O O O O O O O	Efficiency     Reduced Admin overlaps and costs     Multiplier effects of sharing space	- Shared space can cause / exaccerbate tensions (culture clash)	Admin - policy / protocol  Co-location - policy / protocol - agreement (legal) - contract for expenses and infrastructure costs	Admin - short timeframe Co-location - short to medium timeframe	Decision to co-locate     - Audit of needs     Initial agreement     Space search     Formal Agreement     Contract     Move     Policies / Protocois
Joint Programs	TOGERAL	Increased impact through shared skills     Organisation adding their strengths	Differing ideas of outcome or process     Unfair allocation of tasks/resources	- MOU - Shared service agreement (who manages funds and how)	Context dependent and depends on lengths of program Need lead-up time (planning)	- Catalyst - Agreement - Planning - Funding Application - Service Agreement - Delivery and management
Service Integration - Shared Service / Management Service Organisation (MSO)	Large organisation establishes of the service to other organisation establishes service to other organisations establish a jointy owned and memory organisations established to the service to other organisations establish	Efficiency     Allows orgs to focus on their core business     Can act as a contract manager and fund raiser / contract sourcer	Model 1: - Increased cost risk Model 2: - Tax status of MSO (eg. for purposes of salary sacrifice) - Governance burden	Model 1: - Service agreement  Model 2: - MSO as a new legal entity with board consisting of representatives from 'owner' organisations (eg. cooperative)	Model 1: Short timeframe (except for establishment) Model 2: Medium timeframe	Organisation decides to set up     Planning     Start up business     Decision     Business model and feasibility     Legal Advice     Start Up     Agreements, policy and protocols
Joint Venture / Consortium	Backbone can be an existing organisation. Backbone takes the role of 'gluing' together the parties	Draw on each party's strengths     Can increase efficiency in the longer term     Increased impact potential     Shared work and measurement frameworks	Needs excellent ground work     Potential value / culture tension     Needs very clear purpose and if it is locussed on efficiency it needs a sustainable business model	- MOU - Formal Agreement - Service Agreement - Not usually a new legal entity, but sometimes it may necessitate a new structure	Medium timeframe - plus an agreed time for the joint venture to run.	Come together around a shared issue / objective     Form partnership     Explore options for focus of joint venture     Establish formal joint venture     agreement     Agree measurement framework     Implement and review
Parent - Subsidiary Structure (wholly / partly owned subsidiary)	PARENT SHE SUB SUB	Increased efficiency     Enables keeping of identity to a certain extent     Increased organisational     and political strength	Identity and autonomy dependent on leadership in parent organisation     Loss of autonomy and identity over time	Can take a few forms - parent takes over subsidiary and becomes the legal 'owner' and governor     MOU to keep the identity of subsidiaries	Medium timeframe	Identification of potential parent     Negotiation of terms and conditions     Agreement     Formal transfer of legal ownership     Decision of governance of     subsidiaries     Ongoing MOU and governance     structure
Merger	NEW ORG	Increased efficiency     Decreased duplication     Potential for greater impact at scale     Increased political strength	- Loss of identity and potentially value framework - Bigger is not necessarily better in terms of impact	-Wind up of old organisations - transfer of assets to the new organisation (or owning organisation)	Medium timeframe	- Identification of organisations - Identity of new organisation (or agreement on the lead org) - Wind up of old orgs and transfer of assets - Establishment of new identity

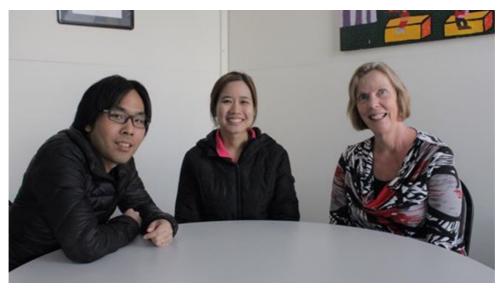
Table 1 – Types of Collaboration (Burkett 2014)

Effort in BSW should be focussed on capacity-building, place-based partnerships that empower communities to respond to the challenges they face. Despite potential criticism of parochialism by focusing on partnerships based in their own locality, there is considerable evidence that LLOs find such an approach is productive. Local partnerships are facilitated by place-based collaborative structures such as community hubs or learning communities.

For example, the model of hubbing of services at the Old Courthouse Community Centre in Casterton, Victoria, lends itself to rural areas where distance imposes significant costs in time and resources for learners, providing accessible one-stop-shop delivery of programs and a broad range of supports. The attraction of multiple services being delivered in the one location is a strategy for bringing sufficient numbers of people together to deliver viable programs. In another example, Portland Workskills has integrated a wide range of training and support services and therefore is able to provide individualised support for disadvantaged and unemployed jobseekers to assist them find employment or enhance their quality of life. However, it is the strong relationships with other community organisations - including employers and local government – that enhances the engagement and pre-employment and job readiness services, providing effective supported pathways to further training or employment.

One of the advantages in taking the place-based approach is that it draws in Local Government, an influential and well-resourced partner with a vested interest in effective planning and the provision of social and economic benefits to its community – and this becomes an important strategy for addressing the risks posed by short term funding.

In order to expand such capacity-building partnerships in BSW, especially in the more rural communities, opportunities should be explored to build business by innovatively partnering with organisations that might have previously been considered off-limits. Examples would be to provide language and literacy support for learners undertaking accredited training in private RTOs or in internal industry training programs.



This could also have the additional benefit of withstanding the impact of competitors by finding ways to work in collaboration with them.

An interesting capacity-building collaboration is between five LLOs in the City of Knox. Engaged in a formal partnership comprising large and small organisations. The LLO Executive Officers meet monthly to plan their program to ensure reach and avoid duplication. They have pioneered a program of taster courses in community locations as 'pop-up' courses, bringing learning to the learner in relatively low-cost formats which do not require large numbers of participants. The resulting engagement can then lead to a stronger relationship with new learners who can then be supported in longer-term programs. 'Pop-up' locations include shopping centres and libraries but also include one-off introductory programs in workplaces. The Knox partnership also engages in annual strategic planning and reports regularly to their respective Boards to ensure the communication channels remain open.<sup>23</sup> This partnership has strong engagement with Local Government, with regular meetings with the Economic Development Unit to discuss community programs, training needs and funding opportunities.

<sup>&</sup>lt;sup>23</sup> shortcoursesinknox.org/Introductory+Short+Courses

The consultations and the research indicate there are mixed views on the role of formal partnership agreements, with some recommendations for more detailed and more binding contracts such as Joint Venture Agreements while others felt simple a Memorandum of Understanding was sufficient. The process of building the relationship and negotiating the partnership and the agreement is probably the most important driver of a successful partnership.

The flexible, responsive and evolving arrangements in these examples indicate that the true contemporary skill needed for building community capacity through learning is partnering, rather than partnership. Partnering is an ability to work in an ongoing and active way, integrating the work where it is valuable to do so, while simultaneously working in parallel with other institutions, respecting the importance of their core functions to society (ASPBAE Forum, 28 Oct 2014). The potential for more 'loosely-coupled' arrangements then becomes apparent, such as learning alliances and communities of practice, identifying innovators and sharing good practices in research and development in specific contexts. LLOs are well-placed to build such community capacity by leading the process of learning across boundaries and filling the spaces between the conventional institutional partnership arrangements.

In uncertain times, a framework for collaboration in which all concerns are aired and addressed, might be a strategy for overcoming territorialism and suspicion. The Collective Impact Framework<sup>24</sup> and the Partnership Development Model<sup>25</sup> are examples of resources that provide the neutral space within which such collaborations could be developed.

#### 3. Build technology expertise and infrastructure and develop blended learning

Technology infrastructure is problematic throughout the region, especially in the western part of the region, yet programs that successfully integrate technologies into their training model can be appealing to many disengaged young people. Blended learning is not only good practice in learning delivery, being student centred and flexible, it is a method of providing personalised training in sparsely populated communities where achieving sufficient numbers to conduct viable face-to-face classes is unlikely. Blended learning uses a range of resources and activities to provide individualised, student-centred learning experiences.

'The real difference today is the unparalleled access to the internet with its rich sources of information and services and more importantly, the connectivity it offers students and teachers, particularly the ability to create online communities and support networks.'26

<sup>&</sup>lt;sup>24</sup> fsg.org/OurApproach/WhatIsCollectiveImpact.aspxCapacity

<sup>&</sup>lt;sup>25</sup> Walker, J 2013, 'Improving the Effectiveness of a Regional Development Network', doctoral thesis, RMIT University, Melbourne, Australia.

<sup>&</sup>lt;sup>26</sup> DEECD 2012:5, Blended Learning. A synthesis of research findings in Victoria 2006-2011.

There is a need to increase the capacity and effectiveness of blended learning underpinned by technology in the more rural BSW LLOs.

The *Gippsland Connect Project*<sup>27</sup> is an example of a strategy to increase capacity, effectiveness and sustainability of LLO provision to better meet learner needs that could be useful for BSW LLOs, especially those in the more remote areas, although the consultations identified uneven expertise in the application of technology across all aspects of LLO operations in the region. Arising out of the *Revitalising Learn Local in Gippsland Project*, the aim is to strengthen key provision to learners across the region. The *Gippsland Connect Project* involves engaging with Gippsland LLOs, learners and stakeholders in technology and blended learning by:

- Developing an extensive e-skills matrix for LLOs to deliver pre-accredited training in a blended format, from online in the classroom to a 50% blended delivery design.
- Assessing current technical systems, the education applicability of those systems and the organisational capacity – teacher skills and learner skills - of LLOs to deliver blended learning.
- Mentoring, professional development and targeted advice in the education and technical requirements, including more strategic purchases of technological equipment, for LLOs to undertake blended delivery successfully and increase their effectiveness in this type of delivery.
- Building participation in the Gippsland Learn and Connect Moodle by leveraging existing blended learning partnerships to include more LLOs.

The *Gippsland Connect Project* also aims to deliver additional benefit for the most vulnerable learners by strengthening or developing partnerships in preaccredited delivery, including blended delivery, with other LLOs or with other stakeholders.

Such partnerships may be able to find ways to provide pre-accredited training in towns that currently have no pre-accredited training options. The project will also provide mentoring, support and professional development for LLOs in developing their business cases for undertaking blended learning, in finding new learners and new learner markets.

However, blended learning requires effective, reliable broadband Internet infrastructure, and this is often not available in the more remote areas. It will be important for the National Broadband Network roll-out program to be used to ensure that those areas are serviced as early as possible.

**4.** Build ongoing professional development into the fabric of LLO operations Professional development is a key strategy for building the capacity of LLO Executive Officers and Boards to respond to constantly changing social and labour market circumstances.

<sup>&</sup>lt;sup>27</sup> **gippsland**learnlocal.trainingvc.com.au

In addition to the recommendations and comments made around professional development in governance for Boards and Executive Officers, futures-focused, customised professional development that builds leadership capacity and skills in business management and partnering needs to be available and ongoing. It is in the interests of all stakeholders (including communities) that BSW LLOs remain viable and continue to deliver relevant, responsive services to the people who do not engage with any other form of learning, so funds to build the ongoing capability of LLOs in the region must be directed to this end.

The Victorian LLO Network is well regarded for both information-sharing and professional development. It is an example of a single-interest or homogenous, network in which members know each other well, have similar values and have a clear task and shared vision. However, not all LLO Executive Officers attend Network meetings citing distance and the impost of time away from the workplace.

The risk of homogenous networks is that they become insular and resistant to change if they are not exposed to external points of view and alternative ways of working. Board members and Executive Officers of thriving LLOs say that they get more out of cross-sectoral, multi-disciplinary 'knowledge' networks and their resulting critical analysis, professional development and opportunities for business development and exploratory innovation. Joined up solutions are needed for joined up problems and valuable leadership is developed as people learn that they can deal with the big issues. These networks need not be costly to organise and Geelong's Expansive Learning Network, <sup>28</sup> Community Colleges Australia <sup>29</sup> and Commerce Ballarat are examples that could be used as models for new regional capacity-building networks.

Professional development strategies such as leadership training, shadowing, mentoring, coaching, self-assessment, networking, personal research and professional reading need to be driven by users, be exposed to best practice and be systematic. Business mentoring alone is not sufficient but needs to be part of an integrated professional development program.

'Why do we focus so much on data? When we see numbers, we see people. Charts like these help us figure out how to prioritise our work. They show us which problems can be changed, and help us see the innovations that are needed' (Bill and Melinda Gates Foundation, Seattle, USA).

There is a case for professional development in competent use of data for planning that includes educational participation and attainment data and targeted course provision aligned to labour market opportunities. The professional development should be delivered in such a way that it develops the skills and competence of LLOs so that they become independent users themselves.

<sup>&</sup>lt;sup>28</sup> Expansive learning is a boundary-spanning strategy that starts with real world problems and contexts and sees contradictions as powerful opportunities for learning. It can result in deep learning for individuals and cultural change in communities (Blake, D, presentation at ELN launch, 4 May 2012, Geelong): <a href="mailto:expansivelearning.com.au">expansivelearning.com.au</a>

<sup>&</sup>lt;sup>29</sup> cca.edu.au

Each LLO Board must ensure that professional development, including its own, is built in and budgeted for across all levels of the organisation. A professional development plan for the LLO Executive Officer is critical to ensure organisational viability. Best practice professional development for the LLO Executive Officer sees a plan being negotiated and linked to performance indicators at an annual performance appraisal, which needs to be conducted by trained personnel and proportional with the scale of the organisation. There are useful examples of professional development plan templates which can be adapted at:

http://www.cipd.co.uk/cpd/guidance/examples-templates.aspx<sup>30</sup> www.cancerlearning.gov.au/docs/pd\_plan\_template.doc<sup>31</sup> http://www.duncansutherland.com.au/index.php/tools/39-professional-development-plan-template

#### 5. Stabilise the funding environment

'Financial year planning is tricky and creates risk and stress due to changes in the schedule from year to year and [this means] maintaining sufficient stable main staff to be able to complete all service agreement requirements [is difficult] and stabilising the cash flow [is a challenge]'

(BSW LLO survey response, October 2014).

Effective strategies to engage vulnerable people in education and training requires system-wide, stable finance models that are integrated with agreed educational values and policy, grounded in available research, and accessible to all stakeholders. The literature and the consultations show that a range of intensive supports is clearly required to support the most vulnerable learners address multiple barriers and pathway into employment. These supports should be culturally appropriate and include consistent learner advice; guidance and support (that includes health, mental health and wellbeing support); English language acquisition, literacy and numeracy; individualised and locally accessible learning settings; individualised managed pathway support and post placement support in the workforce that is not time limited.

These more intensive supports require additional funding for LLOs - the providers who deal with larger numbers of disengaged adult learners - to implement and maintain effective partnerships and programs to improve outcomes.

 $<sup>^{30}</sup>$  <u>www.cipd.co.uk</u> CIPD is the professional body for those involved in the management and development of people.

 $<sup>^{31}</sup>$  This template can be used as long as the guidelines for using Cancer Learning material are followed. You can find more information on this at:

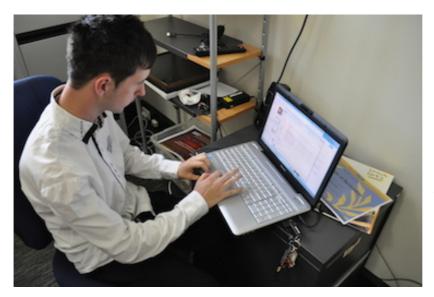
http://www.cancerlearning.gov.au/about/copyright\_disclaimer.php.

Please note the 'Commercial and Other Use' section – if your use falls into this category, then you will need written permission from Cancer Australia.

The *Engagement Point* project for redundant workers being developed at Rosewall Neighbourhood Centre, with the assistance of a CAIF grant, will provide a relevant model of learner guidance and support for consideration by LLOs.

Other sources of funding have been sought by some LLOs over the years, but business plans need to be more consistently and strategically developed to diversify the funding base and reduce the reliance on changeable government funding. Potential sources of funds include sponsorship and philanthropy and examples abound in rural communities around Australia (bankofideas.com.au).

YouthNow received a grant to work with the Social Traders 'The Crunch' in 2014 to develop the business plan for its innovative in-house workplace training program, The BizE Centre, for disadvantaged young job-seekers.<sup>32</sup>



The Crunch is a highly successful initiative for early stage social enterprises aiming to receive investment and start trading within 12 months.

Fee-for-service needs to be more strongly developed. Where local government is a strong partner with an LLO, there have been opportunities to leverage their influence, such as in Gwydir, NSW, where the Shire Council has successfully (and uniquely) tendered for three Trade Training Centres in a remote and thinly populated region. The Centres are now significant assets that are available for whole-of-community use.<sup>33</sup> Defining their place in a crowded market has long been a challenge for LLOs and there is an argument for continuing to work on improving the marketing and promotion of LLOs to enhance community awareness of the opportunities they offer.

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<sup>&</sup>lt;sup>32</sup> For more information on YouthNow's BizE Centre see: youthnow.org.au

<sup>&</sup>lt;sup>33</sup> Gwydir Learning Region has been internationally recognised in numerous case studies for its best practice learning collaborations led by local government. For an example, see: pascalobservatory.org/search/node/gwydir

Experience would show though, that the best placed entity for doing this is the LLO itself. In common with enterprising LLOs across Victoria, some LLOs in BSW have identified or developed niche markets including heavy vehicle training and learner's permit training for people with disabilities (both at Warrnambool Community College - SEAL), and customised course outline booklets, geared to training for the local labour market (Hamilton Community College).

LLOs have also developed strategic agreements with aligned organisations such as LLENs, Men's Sheds and U3A which also provide a regular income stream through shared governance, shared trainers, shared administration or rental.



Finally, each LLO requires a full-time funded Executive Officer position, already recognised as essential in aligned initiatives such as the LLENs and Workplace Learning Coordinators Programs. It is not possible to lead and manage an organisation, develop its business and maintain currency with best practice on a part-time allocation. DHS funds part-time Neighbourhood House Coordination that is a resource that can be built on where those organisations also include an LLO function.

The challenges of maintaining organisational viability have been recognised for many years, yet the many attempts to re-dress them have not been successful in warding off closures of large and small LLOs in BSW. This would indicate that LLOs might now benefit from developing a more structured basis for the business operation of the LLO using resources such the Community Business BizPlan (Australian Strategic Services<sup>34</sup>), or engaging professional assistance, to ensure accountability, clarity of purpose, clarity of roles and a mechanism for ongoing monitoring and adjusting.

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<sup>34</sup> http://asspl.com.au

The resulting Operational Plan should be measureable, it should encompass a Business Plan and a Marketing Plan and it should be aligned to the Strategic Plan. It should be proportional to the scale of the organisation.

ACFE itself has conducted considerable professional development over the years in building organisational capacity<sup>35</sup> but there is evidence that the requirement to demonstrate improvement (using tools such as Measuring Impact) is either applied inconsistently or not at all.

Business Viability Reports are presented by LLOs to Regional Council but the financial reports presented and scrutinised in previous years are no longer collected because the financial expertise to monitor trends is no longer available through the DEECD.

The demise of too many LLOs across Victoria and in BSW in particular, might indicate that this preventative measure was well worth the investment.

Furthermore, when an LLO is in crisis, there is evidence of confusion in understanding the role of the ACFE Regional Council in supporting, intervening or directing an LLO to take a certain course of action. The role should be clarified in order to develop a best practice accountability structure for LLO delivery.

The commitment by the newly elected Labor Government in Victoria to sustainable funding to enable ACE providers to meet local learning needs, including the needs of disadvantaged and vulnerable learners is welcome. Whether it will address the inequities experienced by the LLOs since the introduction of the competitive training environment by Skills Victoria is unknown at this time. It will however, need to address the inequitable burden experienced by rural LLOs of both less capacity to generate income and smaller numbers of learners. Project–based funding may, indeed, present yet an additional drain on resources by conducting more projects that do not have all the real costs built in. Some of the funds should be allocated to developing strong leaders for the sector. Business development and financial mentors and data analysts who understand the nature of community businesses should be assigned to BSW LLOs. Delivery of mentoring should be considered innovatively in line with best practice including online consultations, thereby expanding the range of mentoring support available, including international expertise.

<sup>&</sup>lt;sup>35</sup> Adult, Community and Further Education Board *Annual Report 2011-12* 

<sup>36</sup> Victorian Labor Platform 2014:34

## 7. In Summary

The reasons why LLOs become unviable are complex and are not confined to small organisations. Several large LLOs in the BSW region have closed. Some of these LLOs were expected to operate as fully commercial entities rather than community businesses, which eroded their assets over time. The best practice strategies to develop and maintain viability generated through the data gathering process of this report should be developed. As a matter of urgency, a model for ongoing differential funding to support rural LLOs in engaging the most vulnerable learner should be developed and allocated.

## Anatomy of a successful LLO of the future

Remaining viable involves a combination and balance of 21st Century leadership and management skills which can be summarised as:

- as skills-based governance structure with an understanding of running a community business
- evidence -based strategic planning and review
- effective succession planning for Board members and Executive Officer, integrated with strategically determined professional development
- strong vision and awareness of the core business, focused on those who are the most vulnerable in the community
- accurate strategic foresight
- strong financial oversight and business planning
- strong engagement with the community, particularly local government
- diversifying the funding base including developing income-generating niche markets, fee-for-service activity and sponsorship
- •capacity to respond with creativity, agility and flexibility
- acquisition and maintenance of adequate basic infrastructure resources including technology
- skills in partnering, networking, partnership brokerage and maintenance
- an outward-looking approach
- lateral thinking
- commitment to ongoing professional development linked to the strategic plan
- ability to understand and offer quality blended learning programs
- up-to-date and innovative use of technologies in all aspects of the operation of the LLO.

#### **Recommendations for Action**

#### **Implement the Regional Strategy**

In order to ensure there are no more closures of Learn Locals so that the most vulnerable learners access pre-accredited training, these strategies are recommended:

- 1. Building expertise in running a community business
- 2. Promoting and developing capacity-building partnerships
- 3. Building technology expertise and infrastructure
- 4. Building ongoing professional development into the fabric of LLO operations
- 5. Stabilising the funding environment.

**Investigate more deeply the potential for projects** in the BSW Region that arises out of the recommended Regional Strategy and includes these best-practice aspects:

- 1. A contemporary approach to professional development strategies (see *Strategy 4 above*)
- 2. Alignment with ACFE and Regional Council strategic priorities
- 3. Stand-alone components so LLOs and their stakeholders can determine which ones are relevant to them
- 4. Allocation of time, funding and technological infrastructure to support participation.

#### **Potential projects**

Regional Council should investigate the potential for projects to address the major findings in this report. It should model best practice by designing and implementing a comprehensive Professional Development Program focussed on helping LLOs to thrive, using contemporary strategies, focussed on mentoring in developing skills in using data to plan strategic capacity-building partnerships to build business, especially but not limited to the South-West sub-region, using best-practice models with these features:

- input into the program design by LLOs
- mentoring provided by appropriately skilled experts
- a blend of fit-for-purpose programs tailored to enhance the operation of individual LLOs with regional, cross-regional or sub-regional workshops for interaction and ideas development
- open to cross-sectoral participation
- a commonly accepted goal to improve engagement and positive outcomes for vulnerable learners
- a futures focus, strongly connected to national and international developments in lifelong learning
- all programs to incorporate blended and interactive learning with action outcomes

- · action research-based communities of practice and
- a built-in comprehensive evaluation strategy that includes LLOs.

In particular, the Professional Development Program should build Regional Council, LLO and community capacity by providing mentoring, delivering sessions, conducting projects or developing communities of practice on:

- leadership
- strategic foresight and evidence-based planning
- alternative governance models
- development of a community business
- innovative delivery models (including strategies for delivery to thin markets) including skilled use of technology
- contemporary partnership skills
- frameworks for collaboration that prominently include local government
- marketing skills.

## **Policy Table**

Many of the recommended strategies and actions described in Appendix A of this report align with the ACFE Board's priorities described in *Learn Local Focusing on the Future*, DEECD 2013 and with other key policies and plans as follows:

## **BSW Regional Strategy**

So that the most vulnerable learners access pre-accredited training, build the capacity of BSW LLOs ensure there are no more closures by:

	Building the capacity of BSW LLOs	Aligns with or connects to:
1.	Building expertise in running a community business	'Four year strategy -Strengthening leadership and professional practice across all services' <sup>37</sup> Strategic Direction 3: Building the learn local sector's capability to deliver high-quality education services <sup>38</sup>
		Learn Local CoM capability framework and supporting competencies <sup>39</sup>
2.	Promoting and developing capacity-building partnerships	Strategic Direction 2: Promoting durable networks and co-location of services to improve pathways and sustainability <sup>37</sup>
		Strengthen linkages between ACE providers and their local communities <sup>40</sup>
3.	Building technology expertise and infrastructure	Strategic Direction 1: Refocusing and refining the role of Learn Local <sup>37</sup>
		Ensure that ACE centres provide a diverse range of educational programs to the broad community <sup>39</sup>
4.	Building ongoing professional development into the fabric of LLO operations	'Relentlessly focusing our services on the needs of learners, communities and businesses' <sup>36</sup> Strategic Direction 1: Refocusing and refining the role of Learn Local <sup>37</sup>
		Strategic Direction 3: Building the learn local sector's capability to deliver high-quality education services <sup>37</sup>
5.	Stabilising the funding environment	Commit to sustainable funding to enable ACE providers to meet local learning needs, including the needs of disadvantaged and vulnerable learners <sup>36</sup>

<sup>&</sup>lt;sup>37</sup> DEECD: Strategic Plan 2013-17

<sup>&</sup>lt;sup>38</sup> Learn Local Focusing on the Future, DEECD, August 2013

<sup>&</sup>lt;sup>39</sup> Learn Local Committee of Management (CoM) capability framework, DEECD, March 2012

<sup>&</sup>lt;sup>40</sup> Victorian Labor Platform 2014

Appendix A - Summary of issues and recommended actions

Appendix B - Literature Review

Appendix C - Stakeholder Interviews Briefing Paper

**Appendix D - Summary of the Survey** 

A video case study – contact Starfish Consultancy at <a href="mailto:ian\_shanti@bigpond.com">ian\_shanti@bigpond.com</a> for the link.

## **Appendix A - Issues summary and recommended actions**

These tables synthesise the issues raised in this report, along with Major and Supporting Strategies, Recommended Actions and the suggested Regional Council Response.

Key Issue	Major Strategy	Recommended Actions	Regional Council Response
Despite the valuable work done by LLOs in engaging and supporting the most vulnerable people in our communities, too many LLOs in BSW are finding it increasingly difficult to remain viable. If an LLO closes, those services can be lost to the community	So that the most vulnerable learners access pre-accredited training, build the capacity of BSW LLOs to ensure there are no more closures.	Consider capacity-building projects that arises out of these recommendations – for instance: Model best practice by designing and implementing a comprehensive Professional Development Program using contemporary strategies, focussed on skills in partnering and capacity-building partnership, especially but not limited to the South-Western sub-region.	Once projects are agreed by Regional Council, request funds from ACFE Board (or allocate funds already negotiated). Scope, design and deliver the projects.
		Clarify the role of Regional Councils in relation to LLOs regarding authority and process for intervening and providing directed support or advice to LLOs where concerns arise.	Notify ACFE Board of the urgency of this in the light of the research project findings.  Consider developing a regional strategy to reinvigorate the relationship between the Regional Council and individual LLOs that might include allocation of portfolios, participation in networks, membership of LLO project steering groups, invitations to attend and contribute to Regional Council meetings.

	Ensure each LLO has an EFT Executive Officer so there are sufficient human resources to develop and maintain effective organisations.	Prepare a business case for ACFE using the findings from this report.
	Ensure business mentors (including financial and data experts) who understand the nature of community businesses are assigned to BSW LLOs. Delivery of mentoring should be considered innovatively including online consultations, thereby expanding the range of mentoring support available, including international expertise.	Request ACFE support for Regional Council in sourcing and funding appropriately skilled LLO mentors.
	Ensure Executive Officers and Boards are formally recruited, have the requisite skill sets including strong financial oversight and have performance management and professional development plans. Requisite LLO capacity to be demonstrated by best practice reporting that includes financial viability, program outcomes and community impact.	Meet with LLO Boards and Executive Officers to communicate requirement to demonstrate best practice in reporting to Regional Council on governance, leadership and management.  Monitor reports and develop a clear position on the triggers and process for direct intervention where concerns are raised.

	Support LLOs that express interest in exploring alternative governance models by providing access to professional advice and supporting the costs of any transition.	Ensure governance experts are available for sound individual and collective mentoring of LLOs.  Direct 2015 CAIF projects to this strategy, ensuring the process and any new models are documented and evaluated.  Take into consideration that any changes to new governance models may take more than one year.

Contributing Issues	Supporting Strategies	Recommended actions	Regional Council Response
Competent strategic leadership is critical to ensure an LLO plans and delivers relevant services and professional development is a key strategy for building that capacity.	Build ongoing professional development into the fabric of LLO operations.	As part of the proposed Professional Development Program, offer contemporary strategies to develop sector leaders and aspiring leaders that might include:  • Scholarships for LLO leaders toward meeting the cost of formal and strategic professional development in leadership, business development and innovation.  • Using the model of Principal for a Day program as a leadership development strategy.	Investigate what would be required to prepare a range of regional professional development opportunities for LLO leaders that have 'reach' and are aligned with Regional Council priorities.

		• Study trips and other opportunities for professional development such as those presented by the European Commission (find out more at:  eaea.org/en/policy-advocacy/european-agenda-for-adult-learning.html)	Research opportunities for Regional Council to demonstrate best practice in capacity-building strategies by connecting more strongly with national and international developments and exploring potential alliances for Regional Council. This could be conducted as a small research project.
LLO technology infrastructure and access to capable trainers is inadequate in rural communities, limiting capacity to deliver viable programs.	Expand program delivery models in thin markets.	In addition to strategies developed through the Professional Development Program, enable facilitation of LLO best-practice blended learning delivery by improving technology capability – both infrastructure and quality training.	Consider adapting elements of <i>Gippsland Connect</i> and source potential partners to support LLOs on technology projects. This process could be initiated by commissioning a report that covers these suggestions.  Direct 2015 CAIF projects to this strategy.  Monitor progress in improving LLO technology capability.
The competitive and constantly changing funding environment places LLOs, particularly the smaller ones that operate on very small margins, in a precarious position.	Stabilise the funding environment	Advocate for ongoing differential funding for infrastructure and technology to 'rural-proof' the smaller and more rural LLOs.	Develop a position paper for ACFE on the issues and actions raised in this report related to stabilising the funding environment – in particular, the case for some (but not major) differential funding to account for the fact that LLOs do not have the infrastructure of TAFE and RTOs yet deal with people who have the most need for intensive support.

	Advocate for more frequent and more dependable funding cycles for BSW LLOs that include funds to meet the cost of compliance.	
	Advocate for an ongoing increase in the Student Contact Hour rate to adequately cover the costs of course preparation, review, moderation, session planning and professional development.	
	Advocate for simplification and cost reduction of VET compliance requirements.	
	In addition to enhancing BSW LLO marketing skills through the Professional Development Program, maintain and enhance the overall marketing of LLOs.	Provide advice to ACFE, as this was an issue affecting market share and partnership potential that was prominent in the consultations.
	Advocate for tighter regulation of private RTOs that engage in poor practice.	In addition to the position paper recommended above, meet with the relevant government department.
	Assist BSW LLOs investigate the possibility of gaining DGR status.	Liaise with ANHLC (Assoc. of Neighbourhood Houses and Learning Centres).