

17 July 2020



255 William St
Melbourne VIC 3000
Telephone 13 AMES (2637)

Commissioner Jonathan Coppel
Commissioner Malcolm Roberts
Productivity Commission

Postal Address
GPO Box 4381
Melbourne VIC 3001

ABN 49 056 993 913

www.ames.net.au

Dear Commissioners

AMES Australia (AMES) is pleased to provide a response to the Commission's Interim Report into the National Agreement for Skills and Workforce Development Review. Our response speaks specifically to foundation skills training in the VET system, and is informed by our participation at a national foundation skills roundtable, facilitated by the Commission on 10 July 2020.

For over 60 years, AMES has delivered language and literacy training to newly arrived migrants and refugees. As a large employment and refugee settlement services provider operating in Victoria, South Australia and New South Wales, and provider of the federally funded AMEP, Skills for Education and Employment (SEE) program and Victorian government-funded Skills First and ACFE programs, AMES has a valuable and nuanced understanding of employer and employee foundation skills requirements. Informed by this experience, we comment on the following key discrete but interconnected issues around foundation skills to be considered for a new National Agreement:

1. The scope of foundation skills training needs to be defined broadly – there is no 'typical' foundation skills learner and foundation skills can be taught through a diverse range of VET and non-VET courses.
2. A new set of principles to guide the National Agreement should acknowledge the needs and potential of disadvantaged learner cohorts.
3. Measuring foundation skills gains is complex and difficult as the nature of transitions to education and employment are non-linear. The Commission may wish to consider a holistic set of social and economic participation indicators.
4. Newly arrived migrants and refugees represent a significant cohort who can be engaged by offering relevant and practical foundation skills training.
5. Flexibility in funding, learning environment and mode of acquisition is key to successful models of foundation skills acquisition.

While much of our submission draws upon evidence that is unique to the migrant experience, this is a not insignificant cross-section of the Australian population whose skills are underutilised in the Australian economy. In the current economic and social crisis brought about by COVID-19, it is more important than ever to ensure the Australian VET system provides opportunities for Australians with low language, literacy, numeracy and digital skills to improve and participate in the economic recovery. AMES would welcome further opportunity to comment on our submission or other matters related to the Commission's review process.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Catherine Scarth', written over a light blue horizontal line.

pp
Catherine Scarth
Chief Executive Officer

**Submission in response to the Productivity Commission
Interim Report into the National Agreement for Skills and
Workforce Development Review**

This submission responds to the Productivity Commission; both the National Agreement review interim report and subsequent roundtable (July 10) on foundation skills in the VET system. AMES supports the proposal for a new principles-based National Agreement for Skills and Workforce Development (NASWD) and we emphasise that new principles must highlight the needs of disadvantaged groups in the VET system such as the culturally and linguistically diverse (CALD), Indigenous Australians and disabled learners. In 2012, the National Foundation Skills Strategy was guided by a rationale that the greatest economic impact from government investment in VET could be gained from skills improvements at the lowest levels: language, literacy and numeracy. In this sense, a clearly articulated principle to support foundation skills acquisition throughout the VET system supports both increased participation and equity.

Defining the scope of foundation skills

How should the scope of foundation skills be defined? What courses should be included beyond those in the foundation skills training package? To what extent should employability skills be included?

Foundation skills have typically been defined as those skills that enable a person to be active in the workplace, community or in education. The VET system is currently structured to build foundation skills for employment through improving learners' employability and fundamental language, literacy and numeracy skills (LLN). More recently digital literacy has come to be understood as equally important (thus LLND). The Australian Core Skills Framework (ACSF) and more recently the Digital Literacy Skills Framework (DLSF)¹ define the underpinning skills and behaviours that are required at various levels in the workforce. The ACSF is used to report foundation skills progress in relevant pre-employment courses. Implicitly, the scope of foundation skills training is therefore targeted to employment.

AMES understands that many capable people in Australia are at uneven stages on their pathway into work / better work. Some people do not have clearly articulated career aspirations, and require programs that help them with this. Through teaching holistic skills for settlement and life in Australia (e.g. building confidence through mentorship, pathways counselling and network-building) we believe foundation skills for employment then emerge. And so the scope of foundation skills training should be wide, and industry training should be flexible enough to cater to individuals with uneven or 'spiky' skills profiles.

The 'typical' pathway for Australian-born people commences with gaining foundation skills from primary school, so for adults who 'lack' foundation skills, the deficit can be perceived negatively and this can impact confidence. Through our settlement programs, AMES emphasises the tripartite components - English, Employment, Education (the three E's). However at the other end of the spectrum AMES finds many migrants arrive with low LLND but may be highly skilled professionals (e.g. doctors, engineers etc.). In this case, foundation skills need to be gained during or prior to acquisition (or recognition) of a highly skilled and niche qualification. And so foundation skills must be conceived of broadly – there is no 'typical' learner.

The COAG's National Foundation Skills Strategy (2012) aimed to embed foundational learning across all work / industry streams e.g. construction. While progress has been made in terms of the introduction of the ACSF across VET, the need for specialised/tailored teaching has limited

¹ *Digital Literacy Skills Framework* Department of Education Skills and Employment, Australia, 2020. <https://docs.employment.gov.au/documents/digital-literacy-skills-framework>

progress in this area. One opportunity is to conceive foundation skills within a framework of Lifelong Learning. Foundation skills acquisition is then acknowledged as a lifelong need for workers to constantly adapt and it becomes tied to the broader discussion around funding for micro-credentials or skill sets. Targeted investment in, for example digital skills for migrants, could unlock latent potential in Australia's existing migrant workforce – who perhaps require discrete and targeted upskilling to take on important and more highly skilled roles in the labour market.

Learners already operate in this way; increasingly people assemble a tailored mix of qualifications to suit their career transitions. It would make sense for a new National Agreement to acknowledge and encourage this. Refugees in particular may be dealing with disrupted life, education and livelihood trajectories so a full VET qualification may be unattainable. Shorter goal oriented programs of foundation skills learning (e.g. in Victoria's pre-accredited sector – described below) may be more suitable for people transitioning to work for the first time in Australia. This is supported by the Joyce review, which found in addition to VET courses, short courses in the workplace or in the classroom should also be funded. Some of this work is in train with the *Foundation Skills for your Future* initiative.

Foundation skills must also be defined broadly given the changes the Australian and global economy are dealing with. Building in recognition of the variability inherent to foundation skills to a new NASWD would support providers to continue to adapt to trends (i.e. macro trends like *Industry 4.0* or short-term skills trends identified through data analysis and consultation e.g. AISC's *Industry Insights Report*). It also allows for the VET system to respond to national challenges such as the COVID-19 challenge – by better preparing providers, teachers and the system to fund new short courses, draw upon an untapped workforce and fill skills shortages in key industries no longer serviced by migration.

The role of the VET system and a new National Agreement

What other mechanisms might be used to address gaps in foundation skills? How much of these gaps should be filled by additional activity in the VET system compared to other alternatives? Is a new agreement necessary or the best way to deal with foundation skills gaps?

The Commission's Interim Report found that "an expanded suite of principles within a new agreement would guide the design of policies for achieving an efficient and effective VET system and help define appropriate roles of governments."² The central pillar of the Commission's proposed principles-based agreement is *the student-centred* or user choice approach – a principle AMES Australia agrees with and has argued for consistently. However, our message is less about choice in price and quality, and more about a variety of learning environments and modes of learning. Specific cohorts have unique needs, sometimes unrelated to LLND (e.g. issues with health, housing and navigating Australian service systems). A majority of AMES foundation skills are taught to migrants at low or pre-AQF levels who tend to require wrap-around supports. While AMES can refer to non-VET social programs that accommodate diverse needs, a new National Agreement should ensure funding is available so that private and public providers can provide for learners with diverse needs. This funding could be channelled toward counselling/mentoring/other one-on-one support services that also benefit the VET system as a whole.

² NASWD Review Interim Report Overview, Productivity Commission, 2020. p5.

AMES also cautions against extending the ‘user-choice’ principle to mean unregulated competition in the VET marketplace. An under-regulated VET system could risk dispersing foundation skills provision geographically and across multiple providers and limiting specialisation. There is a complicated balance to be struck here. At present, funding for VET and pre-vocational programs is often allocated to community and public providers, who have a history of specialising in foundation skills provision to migrants. Our suggestion for the NASWD is to explicitly embed the needs of disadvantaged groups in the principles of a new NASWD; either as a standalone principle or in the language of the Commission’s student-centred principle. We acknowledge the Commission’s suggestion to leave the design of a VET market to a separate process, and encourage consultation with all levels of stakeholders, in particular the learners themselves.

One final point here is to acknowledge the non-VET aspects to foundation skills acquisition, and the potential of a new National Agreement to improve connection and coordination between informal community learning, pre-vocational and formal VET learning through an acknowledgement of these activities.

Measuring progress against foundation skills gaps

Are there other data sources that could be used to assess progress against foundation skills gaps since 2012? What are the relative merits of an online assessment tool?

As the scope of foundation skills should cover those skills that enable participation in society, measures of social and economic participation as well as integration and social cohesion are all relevant to measuring progress against foundation skills gaps. AMES have recommended previously that overall success in the Adult Migrant English Program (AMEP) could be measured in the context of these more holistic sets of settlement indicators – rather than the narrow foci of course completions and ACSF gains. The AMEP represents the initial and most important place of formal foundation skills acquisition for migrants, who comprise the largest group of Australians requiring LLND training. All permanent humanitarian migrants are eligible for 510 hours of AMEP delivery. An example of alternative and useful indicators used to assess settlement success for this cohort are those found in the Multicultural Youth Advocacy Network’s (MYAN) *National Youth Settlement Framework*³ or the annual Scanlon *Mapping Social Cohesion* survey.⁴

Within the Commonwealth’s Humanitarian Settlement Program (HSP), orientation to one’s new home is a key component and leads to participation in education and employment in the longer term. The orientation program is designed to assist clients to begin their new lives in Australia by providing the basic skills and knowledge so clients can independently access services and progress along their settlement journey. The HSP Orientation Curriculum Framework contains Core Settlement Topics, comprising the knowledge and skills students are expected to acquire within those topics and how they should be demonstrated in practice. A sample of these topics mapped to both AMEP settlement topics (2011-2017) and ACSF sample activities is attached (see *attachment 1*). This demonstrates an alternate and holistic approach to measuring foundation skills acquired through a non-VET program.

In the context of the COVID-19 pandemic, the impetus for a new online tool for assessment of foundation skills has become greater. While the quality of the VET system may benefit from better quality data and more flexible assessment, data obtained from online tools in this space should be

³ *National Youth Settlement Framework*, MYAN (Australia), 2016, 2nd Edn. https://myan.org.au/wp-content/uploads/2020/06/myan0004-revised-nysf_fa_low-res.pdf

⁴ *Mapping social cohesion*, the Scanlon Foundation, 2019. <https://scanloninstitute.org.au/report2019>

regarded with some caution. The merits of an online tool measuring against the ACSF would be national consistency, and the ability for learners to be assessed more flexibly, including in the workplace. However careful consideration would need to be taken around who is accessing the tool (i.e. are they well qualified? can the assessment be adequately validated? can the tool be accessed by individuals with low literacy or in remote areas?). A new National Agreement may need to consider costs associated with researching, developing and training for quality online assessment in the VET system.

Finally, we would like to draw the Commission's attention to the targets and indicators identified within the United Nations Sustainable Development Goals (SDGs) framework, in which Goal 4 is for quality education.⁵ Australian government's and organisations (including AMES) have made a commitment to work toward the 2030 Agenda for Sustainable Development, which drives signatory governments to work collaboratively with partner institutions and reduce inequalities – including in the adult education system. Relevant targets focus on disadvantaged cohorts, lifelong learning, digital skills and functional LLN skills. Ensuring a new NASWD is aligned with the UN SDG framework would be a useful way of confirming the agreement contributes to reduced inequalities across the education system.

Engaging disadvantaged groups

Given the scale of the issues, what is the role of VET in improving foundation skill levels? Which groups should be targeted?

While the Commission will have reviewed the Joyce Review and other submissions and noted the LLN deficits in regional and remote areas – AMES would like also to emphasise the needs of CALD communities, both as a means to unlock latent economic potential and to engage more of those not in employment, education or training. A significant body of research identifies that migrants and refugees are an underutilised workforce in Australia – both in terms of underemployment and unemployment.⁶

AMES recently conducted research on an overlooked cohort of refugees in the education system: holders of the Safe Haven Enterprise (SHEV) visa. Holders of this visa and the Temporary Protection Visa (TPV) are assessed as refugees by the Australian Government, but having previously arrived by boat, are not granted permanent residency and have spent a number of years in the country without eligibility for foundation skills programs. SHEV holders must resettle in nominated regional areas to be eligible to apply for a permanent visa in future, and are typically not eligible for subsidised VET courses. The Australian government could achieve a number of its regional development goals by extending eligibility for foundation skills programs and engaging this cohort. Furthermore, with international borders not set to open potentially for the next 12 months, Australia will endure a massive skills shortage in rural industries typically filled by temporary migrant labour. As of December 2019, there were 11,384 finalised SHEV grants, with a further 5,644

⁵ *Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development*. United Nations. 2015.
https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202020%20review_Eng.pdf

⁶ See for example: *Making the most of the skills and experience of migrants and refugees*. Deloitte. 2018.
<https://www2.deloitte.com/au/en/pages/economics/articles/making-most-skills-experience-migrants-refugees.html>

applications on hand with the Department of Home Affairs.⁷ Bridging the gap between this cohort and regional employers with foundation skills training represents an important piece to solving this issue.

CALD women are another underrepresented cohort in the VET system and refugee women are more likely to be not engaged in employment, education or training. Successful programs tend to be sensitive to the gradual cultural and linguistic transitions required before entering the workforce - such as the Scanlon Community Hubs model described briefly below. AMES delivers the Training Package qualification Certificate III in Individual Support, to a majority of women learners. Rather than expecting English fluency, our teachers describe the need to teach using a 'language of aged care', and AMES has designed its teaching around this principle. Similarly, community education and the AMEP provide opportunities for women to learn while children receive co-located care. This kind of adaptability should be encouraged in the VET system, and while a new NASWD cannot specify program design – AMES once more wishes to reiterate that flexibility and an acknowledgement of disadvantaged learners is present in the principles underpinning the new agreement.

Models of best practice

How effective are current programs in improving the overall level of foundation skills in the community? How might programs be better targeted? What additional supports need to be provided for particular groups to ensure the investment is successful? What does best practice look like in this area? How much training is undertaken in foundation skills without government funding? How important is unaccredited training in foundation skills?

Flexibility is the key to successful models of foundation skills teaching and acquisition. AMES position is that the community is the classroom, and the potential for acquiring skills in a new country is greatest when learning is contextualised and students have access to tuition opportunities outside the traditional classroom setting. Virtual and web-based tuition are complementary methods that can increase accessibility for diverse learners as well as strengthen digital skills—now recognised as core life and work skills. Access to teacher-facilitated blended learning, as well as evening and weekend tuition classes in community settings, extends the reach of the foundation skills learning outside the classroom. Many people do not complete full foundation skills qualifications due to the economic imperative of work. Online learning options could further expand the engagement of learners who meet this profile. The following section presents a range of flexible foundation skills learning options:

- AMES Australia's Youth Services program aims to reengage young learners with education on the pathway to employment. It incorporates a number of related funding streams to offer a holistic, empowering strengths-based approach, focusing on articulating long-term career aspirations. Using for example, the Certificate I in General Education for Adults, participants engage in a wide variety of projects that help build confidence outside the classroom, for example through performing arts or through outdoor education. Participants work with culturally-competent (often bilingual) counsellors to articulate aspirations and a project-based approach to their learning. This has provided young people with a clear sense of purpose and an ability to self-advocate in other aspects of their lives, particularly around their wellbeing, education and employment. Data from the

⁷ DHA (2019c), IMA Legacy Caseload: Report on Processing Status and Outcomes, Australian Government: Department of Home Affairs, December 2019.

program evidences strong rates of reengagement with accredited education by young people

- The Community Hubs Australia (CHA) model provides open-eligibility and free access to individuals with low LLND, and a place-based model and provides informal teaching to parents out of schools and community centres.⁸ Mostly women attend CHA activities, who might otherwise be unable to participate in the community. A key success of this model is child minding, occurring in the same space the learning takes place.
- AMES facilitates regional resettlement and understands the critical role that functional LLND skills play in facilitating regional economic development. From 2010, AMES worked with a cohort of Karen refugees to resettle from Melbourne to Nhill to undertake work in food processing. Employees were granted paid leave by their employer to undertake English language learning – both in and outside of the workplace. Families were provided language tuition and soon began work in agriculture, retail and healthcare. The local Neighbourhood House saw a tenfold increase in state government funding (from \$11,000 to approx. \$110k per annum) and delivered language and lifestyle classes to the growing Nhill workforce. This growing workforce also resulted in a stemming of population decline in Nhill, revitalisation of local services, and a Gross Regional Product impact of \$41.59 million over 5 years (2009/10 to 2013/13).⁹

In these examples, the need for the VET system to acknowledge foundation skills acquisition outside the classroom is apparent. There is a clear need to interface between community and employers.

The community education sector in Victoria

The *Foundation Skills for Your Future* program represents the largest investment in foundation skills for a generation. In the case of Victoria, it complements an already-successful model of ‘pre-accredited’ Adult Community Education (ACE) for foundation skills. Funding for ACE varies dramatically by state, but in Victoria with a large migrant population and a supportive government, ACE funding is substantial. Here it is administered through the Adult, Community and Further Education Board (ACFE). ACFE providers, known as Learn Local Organisations (LLOs) are often small community centres, such as a Neighbourhood House. The system aims to foster foundation skills across diverse domains, with a recent Ministerial Statement on ACE (2019) articulating the priority of ACE as needing to “help people shine by building their confidence and providing them with flexible entry points to study and work.”¹⁰ Captured here is a holistic concept of those things that open up entry points to study and work – e.g. confidence to participate in community through social interaction and so on. In 2018, the sector engaged 7,550 people without Year 12/Certificate II or higher, 11,040 unemployed people and 14,090 culturally and linguistically diverse people.¹¹ 57% of learners engage in further education and training and 78% of this cohort complete their

⁸ <https://www.communityhubs.org.au/>

⁹ *Regional Futures: Economic and social impact of the Karen resettlement in Bendigo*. AMES Australia, Deloitte Access Economics. 2018. <https://www2.deloitte.com/au/en/pages/economics/articles/economic-social-impact-karen-resettlement.html>

¹⁰ *The Future of Adult Community Education in Victoria 2020-25: Ministerial Statement*. Victorian Department of Education and Training. 2019. p7.

<https://www.education.vic.gov.au/Documents/training/learners/learnlocal/Future-ACE-2020-25-Ministerial-Statement.pdf>

¹¹ *Ibid.*, p5.

accredited qualification.¹² A number of learnings can be taken from the success of the ACFE system that would support the VET system and foster improved collaboration across the broader post-secondary education sector. These include:

- A state-wide system of governance and certification, and a central source of pre-accredited foundation skills information;
- Coordinated relationships between community organisations, VET providers, employers and social services, and;
- A system of funding and recognition for pre-accredited foundation skills / pre-employment courses; providing employment services (i.e. Jobs Victoria) a formal referral option from employment services (Jobs Victoria) to pre-employment training.

AMES is the largest ACFE provider in Victoria by hours delivered, and we have been able to utilise this funding to: (i) train volunteer careers counsellors from diverse communities; (ii) prepare skilled migrants to find work commensurate with their skills; (iii) develop refugee entrepreneur businesses; (iv) teach LLND and more.

AMES recently conducted research with SHEV refugees in Gippsland, and found that providers are having more success teaching foundation skills through pre-accredited (ACFE) courses rather than through the AMEP. The current business model of the AMEP takes an 'actual hours' approach to funding, whereby teachers must intensively record hours of student attendance alongside ACSF and curriculum reporting. The administrative requirements of AMEP and other accredited foundation skills courses for low-level learners have been widely characterised as administratively burdensome.¹³ In this case, best practice was found in the more flexible community education sector. The ability to adapt curricula and learning environment, and focus on teaching should be key considerations for VET reform.

¹² *Ibid.*

¹³ *ACTA submission to the AMEP Business Model Evaluation*, Australian Council of TESOL Associations, 2019.
https://tesol.org.au/wpcontent/uploads/2019/01/623_ACTA_submission_to_the_AMEP_Evaluation_final.pdf

Attachment 1. Sample mapping of Humanitarian Settlement Program measures to relevant foundation skills content

HSP CORE SETTLEMENT TOPICS (measurable by Awareness, Knowledge and Application)	AMEP 2011-2017 SETTLEMENT OUTCOMES TOPICS	ACSF LEVEL 2 AND 3 SAMPLE ACTIVITIES
Settlement services - Can independently make an appointment with the appropriate service.	<ul style="list-style-type: none"> • Culture shock (acclimatising to a new life and culture, loss of family/friends) • Communication – respect, relationships, eye contact, punctuality etc. 	<ul style="list-style-type: none"> • Makes a phone call and responds appropriately to questions that require basic personal details e.g. books an appointment (2) • Approaches local council to clarify rules on water use (2) • Seeks advice on how to make an insurance claim (3)
Housing - Can apply for accommodation and connect household utilities (with assistance if necessary).	<ul style="list-style-type: none"> • Housing – renting, responsibilities, rights 	<ul style="list-style-type: none"> • Reads through an application form e.g. for a bank account or health care card (2) • Completes forms related to participation in community services/activities (2) • Sends and receives an email in formal context, e.g. to enquire about accommodation (3)
Health - Can locate and make use of the appropriate health services	<ul style="list-style-type: none"> • Health – well-being, nutrition, leisure, personal hygiene, Medicare 	
Money - Can use banks, ATMs to shop and pay bills and develop a budget based on their income and expenditure	<ul style="list-style-type: none"> • Money – shopping, budgeting, bills • Banking – banks, ATM, credit cards 	<ul style="list-style-type: none"> • Writes a formal letter for a particular purpose e.g. closure of a bank account (3)
Feeling at home in Australia - Can access public libraries and media (e.g. SBS) to locate information in their own languages		<ul style="list-style-type: none"> • Locates specific information in print or online about a favourite sport, community event or familiar topic (2) • Participates in a local community group (3) • Identifies and evaluates options for addressing a local community issue (3)
Transport - Can independently use public transport to access shopping educational institutions, services and community events	<ul style="list-style-type: none"> • Transport – bus, train, walking • Driving – road rules, licence, buying a car, loans 	<ul style="list-style-type: none"> • Arranges transport to an event (2) • Reads and compares information contained in two column tables e.g. uses a timetable to find the time of the next bus (2)
Family functioning and social support - Can apply strategies for working through relationship issues and can locate services to support their family and escape violent situations		<ul style="list-style-type: none"> • Arranges child care so they can attend another activity (2) • Demonstrates navigational pathway used to access information on a specific topic (3)
Australian law - Can contact police and legal services if needed	<ul style="list-style-type: none"> • The law (respect for and not fear of) the police 	

HSP CORE SETTLEMENT TOPICS (measurable by Awareness, Knowledge and Application)

AMEP 2011-2017 SETTLEMENT OUTCOMES TOPICS

ACSF LEVEL 2 AND 3 SAMPLE ACTIVITIES

<p>Education - Can meet school obligations and articulate an education pathway</p>	<ul style="list-style-type: none"> English – AMEP (active participation, asking questions, taking responsibility for learning) Schools –education system, communication with teachers, forms 	<ul style="list-style-type: none"> Identifies possible areas for further training (2) Follows a template to develop a simple learning plan (2) Attempts to take the teacher’s feedback into account when practising new skills (2) Creates a short report (2) Attends an information session and follows the enrolment process for a chosen course (3) Works with partners on a short research project (3) Reads a narrative of choice and discusses the author’s presentation of characters, events or idea (3)
<p>Employment - Can develop a job resume and complete a job application</p>	<ul style="list-style-type: none"> Work – Job Services Australia, Centrelink 	<ul style="list-style-type: none"> Identifies the main points in a job advertisement (2) Discusses work goals with the supervisor and identifies strategies to achieve them (2) Participates in straightforward, informal conversation with customers or co-workers (2) Selects personally relevant job advertisements in a newspaper or online (3) Plans and organises a routine job, identifying possible risks and accessing relevant resources (3)