Learn
Local
Business
Survey

The changing face of community business

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Adult, Community and Further Education

State Government Victoria

Department of Education & Training

The changing face of community business 2014

Learn Local Business Survey

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This report is based on information from the Learn Local Business Survey 2014. The Learn Local Business Survey was undertaken by CWCC on behalf of the ACFE Board, using CWCC survey methodology and approach. The views expressed herein are the views of the authors and do not necessarily represent the views of the ACFE Board.

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Executive summary

Since 2005, a Business Survey of ACFE Board funded adult community education (Learn Local) organisations has been undertaken by CWCC in conjunction with the ACFE Board. In addition, CWCC has undertaken a range of workshop programs with adult community education providers relating to their business, people and skill issues.

This Report draws on data from the 2014 Learn Local Business Survey utilising CWCC's survey and research methodology and CWCC's other work/analysis with adult community education providers and other community organisations.

In 2014, approximately 40% of targeted Learn Local organisations (125 organisations) completed the Learn Local Business Survey.

- *Around 58% of respondents indicated that their organisation's programs/services had changed in the last 12 months. Of these, 88% had added new programs/services, while 54% had discontinued programs/services.*
- *The client demographic profile of organisations is broadly consistent with 2008 – 2012 survey information.*
- *In terms of people employed by organisations in the sample, the total number employed full time, part time, casual, and sessional was 3872. In addition, these organisations had 2947 'general' volunteers.*
- *As in previous years, 'larger' organisations in the sample (financial turnover >$1 million), had a greater proportion of employees employed full time/part time (66%), compared to 'medium' organisations ($250,000 – $1 million), and 'smaller' organisations (<$250,000) (40% and 47% respectively).*
- *Over a third (35%) of respondents indicated that the mix of full time, part time, casual, and sessional employees in their organisation had changed in the last year. Of these, 8% indicated an increase in full time staff, 55% in part time staff and 55% in casual/sessional staff.*
- *Some respondents (15%) indicated that their organisation had current job vacancies. This proportion varied in previous surveys from 22% to 32%.*

Key focus areas of the 2014 Learn Local Business Survey included the role of organisations in their community; partnerships with other organisations; and a snapshot of Learn Local Registered Training Organisations (RTOs) and non-RTOs.

In terms of community context, respondents commented on the value-add of Learn Local organisations to the broader community in terms of community development, provision of services and social support.

- *Organisations in the sample used a variety of ways to obtain information about the needs of their broader community and most respondents indicated this information was used in the development and/or targeting of specific programs/services to the community.*
- *Respondents also indicated the main things their organisation could do better for the community. This included increasing/extending services, improving promotion and awareness in the community, and engaging with additional client groups.*

Most respondents (83%) indicated that they worked with/partnered with other organisations to provide specific programs and services.

- *Benefits of working with/partnering with other organisations included access to wider experience and skills, shared costs/resources, offering additional programs and services, and extending reach of programs and services.*
- *Disadvantages included unclear division of responsibility and control, increased time/cost demands to maintain partnerships, and balancing of different goals.*

The majority of RTO respondents (91%) indicated that their organisations offered programs and services to their communities that would not otherwise be available. Perceived advantages of being a Learn Local RTO included connections with the community; flexible/targeted training opportunities; and funding/professional development offered by ACFE.

Just under half of non-RTO respondents (46%) partnered with RTOs to give access to accredited programs and provided examples of benefits of these arrangements for the organisation.

Message from the ACFE Board

The Changing Face of Community Business 2014 provides new insights into the Learn Local adult community education sector, and once again highlights its diversity and resilience in responding to an environment of ongoing change.

The 2014 survey results underline the range of services that Learn Local organisations provide to support a variety of learners to engage and achieve in education and training. It also highlights the variety of ways in which organisations are adapting their operations to better target local learners' needs.

Since 2005, the data obtained from these surveys has enabled the Learn Local sector and other stakeholders to monitor key aspects of Learn Local organisations' operations, including financial health and sustainability, governance, service provision, students and staffing. The data provide an important benchmark in the evolution of community organisations, their significance in responding to community needs and their contribution to the social, economic and educational success of their communities.

The participation and feedback of Learn Local organisations through the survey is also a key source of advice to the ACFE Board in determining how best to support the sector to meet learners' educational and development needs.

I would like to thank those who made time to contribute their valuable feedback through this and previous surveys, and look forward to your ongoing support.

Rowena Allen
Chair
Adult, Community and Further Education Board

1 Introduction

The ACFE Board has a service provision relationship with approximately 314 community-based not-for-profit organisations across metropolitan, rural and regional Victoria. Collectively known as Learn Local adult community education organisations, they deliver adult literacy and numeracy, employment skills, VCE/VCAL, vocational skills training and other less formal learning in local communities to people aged 15 – 64. They access diverse funding from state and national government and various private sources to provide a broad service range including vocational education and training, employment, neighbourhood house activities, community access and development, disability and youth programs, and childcare.

The ACFE Board annually implements a number of initiatives designed to assist adult community education providers. This contributes to an understanding of sustainable business practices in community-based not-for-profit organisations providing adult education and training.

Since 2005, a Business Survey of ACFE Board funded adult community education organisations has been undertaken to provide an overview of a highly complex and diverse sector and to identify critical issues and trends in their business experience. CWCC (a research and consulting company) has undertaken this work in conjunction with the ACFE Board and utilising CWCC's survey and research methodology. In addition, CWCC has undertaken a range of workshop programs with adult community education providers relating to their business, people and skill issues.

The 2007 'Changing Face of Community Business: ACE Providers Business Survey' report provided a snapshot of adult community education providers in terms of clients, services, workforce profile (including demographics, employees, volunteers), 'business'/financial issues, and operations. It also outlined the changing context of community organisations, including changing services to meet changing client needs, increased workforce diversity and segmentation, and 'business' operations.

The 2008 survey and report focused on governance and business operations/processes. This involved governance structures, issues relating to Committees of Management, business processes, infrastructure and local government support – in addition to key areas of clients, markets, services, people and financials.

The 2009 – 2012 surveys and reports focused on impacts of the implementation of skills system reforms.

- The 2009 – 2011 focus was on expected and actual impacts of the implementation of skills system reforms in terms of impacts on organisations, changes in demand for programs and services, and new opportunities.
- The 2012 survey and report focused on impacts of Refocusing Vocational Training in Victoria on organisations generally, key markets, costs and other organisational factors.

The 2014 survey focuses on the role of Learn Local organisations in their respective communities; key clients, markets and services; partnerships with other organisations; and providing a snapshot of Learn Local Registered Training Organisations (RTOs) and non-RTOs.

This Report builds on the previous work. It draws on data from the Learn Local Business Survey undertaken in 2014 and from CWCC's other work/analysis with adult community education providers and other community organisations.

2 Survey participation

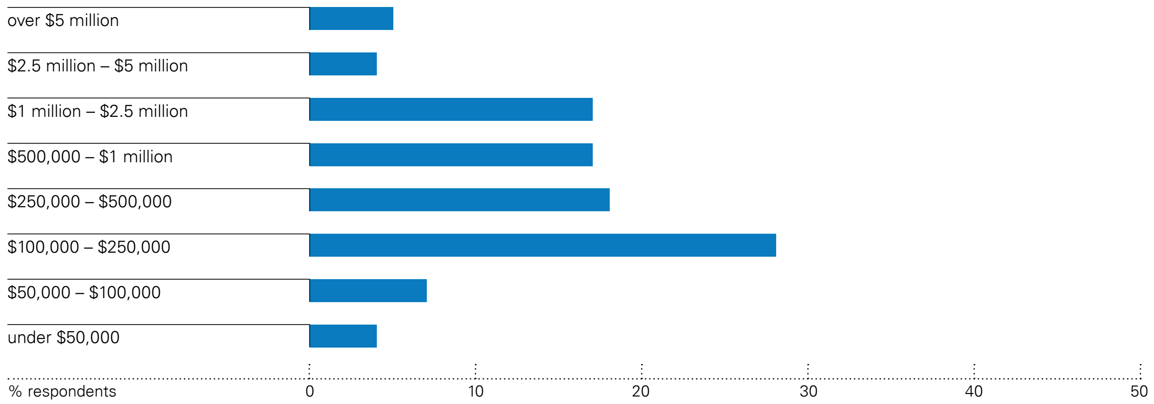
ACFE invited all Learn Local organisations in Victoria to participate in the survey in September – October 2014. The survey process, using ID numbers, ensured that CWCC did not have information linking IDs to Learn Local organisations by name, and that the ACFE Board did not have access to survey responses linked to IDs.

The survey was completed by 125 organisations – 40% of ACFE funded Learn Local organisations. This response rate is at the lower end of the previous surveys. Response rates from 2009 to 2012 surveys ranged from 43% to 52%. The 43% response rate in 2011 and 40% response rate for this survey both involved slightly later survey timing (August – October) than in other years. This could be a contributing factor to the lower response rate.

Just under half (44%) of the organisations in the sample were RTOs and 66% were Neighbourhood Houses. These proportions are broadly consistent with previous years.

The sample covered a broad range of annual financial turnover, from under $50,000 to over $5 million annually. Financial turnover information was provided by 124 organisations (see Figure 1). This sample had 18% of respondents reporting a financial turnover of $250,000 – $500,000. Corresponding proportions in previous years were 24% – 27%.

Figure 1 Annual financial turnover (as per last annual report) – 124 organisations



The following sections outline key findings from the 2014 survey in terms of community context; clients, markets and services; people; RTO status/context; and financial performance.

When reading the following sections, please note that as in previous years:

- Sample comments are provided verbatim, except for some correction of spelling/punctuation and editing of identifying information if/as required.
- Some questions allowed respondents to select multiple response categories. In these instances, the percentage of respondents who selected that category is reported. Therefore, reported percentages may add to more than 100%.

3 Community context

Respondents were asked about their organisation in the context of their broader community.

When asked to define their organisation's broader community, most respondents referred to geographical location and/or client demographics. Many also included factors such as social/cultural features of community/clientele and specific socio-economic issues.

Organisations in the sample used a range of ways to obtain information about the needs of their broader community (see Table 1).

Table 1 Ways organisations in the sample obtain information about the needs of their broader community

ways of gathering information	% respondents
Structured data collection/surveys	71%
Informal information gathering	90%
General consultation with community stakeholders	81%
Open days	40%
Community events	71%
Other*	24%

* Other includes data obtained from government organisations (e.g., ABS) (8%), internet/social media, focus groups, enrolments and market stalls.

Respondents were then asked how their organisation uses this information.

Most respondents indicated that information collected was used in the development and/or targeting of specific programs/services to the community. Other comments included gauging demand/interest, strategic planning, and improvement/addressing perceived gaps in programs/services.

Sample comments

Development and/or targeting of specific programs/services

The organisation uses the information to set up classes for the following terms, to define which courses are suitable to run.

We use a broad range of information gathering techniques. We then document and translate the data into usable information to give us some direction for courses and community needs.

To provide training, services and events to meet that need as best we can.

We collate data to investigate whether there are any opportunities to offer new programs or expand and/or enhance existing programs.

Gauging demand/interest

To gauge interest in which activities the local community may be interested in attending at the centre, to better understand what services are needed... to promote the centre to the local community.

To see if the programs and activities are relevant to the community needs.

We use the information to decide if there is not only the community/participant need but if commencing a program would also be financially viable for the organisation.

Strategic planning

To inform our business and strategic planning.

To inform the strategic focus of the organisation and plan specific educational, social and leisure activities for the local community.

The information gathered is used in community development programs... [and] informs our strategic direction and the work plans for the centre moving forward. Often we bring in other service providers to support the actions of the community.

By informing us where there are gaps in the needs of the community and allowing for us to plan to meet these gaps, as well as ensuring that our current services are meeting the needs of the community.

Improvement/addressing perceived gaps in programs/services

We use the information to improve our delivery options for the following year. We also use the information to improve repeated courses to better align with the needs of potential participants.

We use this information to review our programs, looking at what we are offering and if we are meeting the needs of the community. The information is used to then implement new programs to meet those needs not yet met.

Assists with developing our annual business plan to consider our offerings to the community.

Respondents were also asked about the perceived view of their organisation in the broader community (see Table 2).

Table 2 Perceived view of organisation in the community

perceived view of organisation	% respondents
Education & training provider	80%
Community services provider	78%
Employment services provider	8%
Health services provider	5%
Childcare provider	36%
Community development organisation	50%
Social hub	53%
Other	8%

* Other includes youth services provider, legal centre, emergency relief provider, playgroup provider, fitness provider and men's shed provider.

Responses to this question were also analysed based on RTO status (RTO vs non-RTO).

- Most RTO respondents (91%) in the sample indicated that their broader community viewed them as an education and training provider – compared to 71% of non-RTO respondents.
- Many non-RTO respondents (71%) indicated that their broader community viewed them as a social hub – compared to 29% of RTO respondents.

Respondents were asked about the three main things their organisation does to add value to the broader community. Frequent responses included the following.

- Community development – including community engagement, community strengthening, promoting sense of community, and community spirit.
- Provision of services – including training/education, employment, and access to services for specific members of the community.
- Social support – providing a place where people feel comfortable/safe, enhancing social connectedness, and engaging with specific groups.

Sample comments

Bring community members together in a friendly environment, to meet for a variety of reasons, reducing isolation and promoting a sense of belonging and community ownership of this organisation.

Provide a confidential and safe meeting point. Provide access to courses and services that will assist in improving the living situation of troubled community members. Assist in bridging the gap between organisation and targeted clients.

Offer a place where disadvantaged people feel comfortable and can build relationships which may lead to them undertaking activities or courses that improve their skill level, decrease their social isolation and assist them in developing community networks. Operate an exercise program that assists older members of the community to maintain their independence and mobility.

To deliver a range of high quality lifelong and vocational programs. To contribute to the development and strengthening of [area] and surrounding communities. To develop and sustain strategic relationships and partnerships with key stakeholders. To position ourselves as a reputable leader in the local community and the education and training sector. To strengthen our organisation with a focus on people, systems and infrastructure.

Works collaboratively with other agencies to respond to the needs of the community. Provides a diverse range of programs that cater to widely varying demographics. Excellent understanding of the local community and its needs.

Community services that are funded by government (e.g., volunteer services, services to not-for-profit organisations). Provides courses to individuals and organisations at a cost suited to the market. Provides entry for disadvantaged individuals to training with pathways to further study or employment.

Provides opportunities for social inclusion. Provides support to low income individuals via food hampers and free community lunches. Provides a safe and caring environment for individuals who volunteer their time at the centre, and they learn new skills and increase their self confidence.

Filling a gap between English language development and successful transition into vocational training/employment. Provides an avenue for social connectedness. Provides quality educational programs for low-skilled learners.

We create an inviting atmosphere for visitors. We provide social interaction. We network with other organisations.

It provides further adult education including literacy and numeracy to people who require it. It provides social interaction for people from outlying areas and people who are lonely. It also provides physical exercise classes for the fitness and health of the local population.

Connect those socially isolated in the community by providing social groups. Provide a great range of pre-accredited digital literacy and hobby programs for those in the community looking to increase their skills. Provide well equipped training and multipurpose rooms in a safe and welcoming environment.

A subsequent question asked respondents about the three main things their organisation could do better for the broader community. Frequent responses included the following.

- Increasing/extending programs/services offered.
- Improving promotion and awareness in the community.
- Engaging with specific and/or additional client groups more effectively.
- Working with other providers to provide services/pathways.

Sample comments

Broaden range of training. Provide better facilities for training. Broaden base of training – open facilities in other places, required because of lack of transport.

Continue to improve the way we can pathway students into further education and employment. Reaching and retaining new migrant/refugee women with young children. Reach and retain... literacy students.

Deliver low-cost or no-cost social activities to engage residents. Provide better support to learners from non-English speaking backgrounds. Deliver more low-cost IT courses to seniors.

Provide a wider range of activities and courses. Become more of a focal hub for community activities, information sharing and linkages between other community groups. Engage in more activities outside of the centre, based on bringing people together, strengthening community spirit and ensuring everyone feels welcomed and engaged in the community.

More effective marketing. Extend our building to fit more in. Strengthen networks with local employment agencies to further enhance adult education provision to unemployed.

Attracting a broader demographic to the centre by delivering relevant courses and leisure activities. Increasing partnerships with like-minded community organisations to extend the scope of its impact. Raise its profile in the local community through strategic communications and marketing initiatives.

Marketing the organisation and the courses on offer. Increase sponsorship for the community events. Partnerships with other Learn Locals.

Respondents also commented on key challenges facing their organisation in responding to broader community needs. Frequent responses related to funding and resources (facilities/space, staff, etc).

Sample comments

Funding/cost. Skills/capacity of this organisation. Sourcing data from our broader community so that we can be more responsive to community needs.

The current funding environment and constant push from private RTOs makes it very difficult to remain competitive whilst still maintaining the required level of compliance and quality of training and education. The transient community that exists here also provides challenges when attempting to make linkages and a sense of belonging in the community.

Lack of resources, in particular dollars to develop an educational centre to meet the identified demands.

Funding, placement.

Money is the major issue. Compliance with funding and governing organisations is becoming more time consuming and allows us less time to do our job. Finding quality trainers in a small town and being willing to travel. Getting enough numbers into a course to make it financially viable.

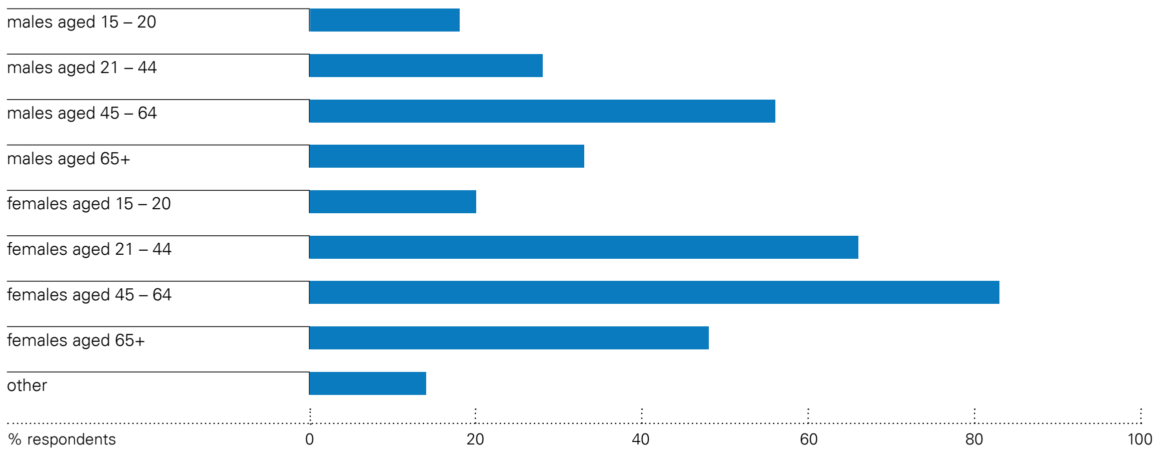
Finance and space.

The most significant external issue impacting the centre is the shifting funding and policy frameworks in the sectors it operates. The organisation is both an adult and community education provider and Registered Training Organisation (RTO). Nationally, the Vocational Education and Training (VET) sector is shifting towards a competitive market-based model, which is at odds with the inclusive community based model of an Adult and Community Education provider. Related to the shift above, the increased compliance burden associated with government funded education and training diverts scarce resources from the core purpose of supporting local, often disadvantaged, community members. Other challenges include the need to better facilitate learner pathways, providing greater access to accredited training, expanding employment advocacy and career advice.

4 Clients, markets & services

Respondents were asked to indicate their main client groups (up to four) – see Figure 2. This profile is broadly consistent with previous surveys.

Figure 2 Main client demographic groups currently serviced by organisations in the sample



Services

A broad range of services is provided by organisations in the sample (see Table 3). This profile is broadly consistent with 2009 – 2012 survey information.

Table 3 Services provided by organisations in sample

services	% respondents
Pre-accredited training programs	98%
Accredited training programs	48%
Recreation and leisure	70%
Community development	62%
Childcare	41%
Community and health	28%
Employment services/programs	29%
VCE/VCAL	7%
Other*	24%

* Other includes children's programs/playgroups (5%), social support services (4%), youth programs/support, disability services, aged care, migrant/refugee services,emergency relief, financial advice, correction programs, employment services and venue/facility hire.

The majority of respondents (94%) indicated that they referred people elsewhere if their organisation did not provide specific services being sought. Responses relating to where people were referred to in these situations included other Learn Local organisations; neighbourhood/community houses; RTOs; support services (e.g., legal/financial services, disability services and health services); and job search agencies.

Respondents were asked about their organisation's approximate mix of delivery of accredited and pre-accredited training programs with 43% offering pre-accredited training only and 57% offering a mix of accredited and pre-accredited training.

In addition, respondents were asked about key considerations when designing accredited and pre-accredited training. There were some consistent themes across accredited and pre-accredited training. These included demand for programs, capacity to deliver, suitable resources, and pathways to further employment/education. At the same time, there may be some differences – for example, emphasis on industry demand in accredited training. Sample comments are provided below.

Sample comments

Accredited training programs

They need to follow the given curriculum and be compliant with all guidelines. Must have suitable resources, including staff and facilities. Need to be geared to participants.

Community need. What programs are being offered at other community RTOs – as we do not want to compete with other local providers. Requests for courses by current or potential learners.

Ensuring the students are industry ready (ensuring the courses meet industry needs and standards). Offering courses which offer pathways to secure employment and/or further education. Courses which equip workers to service the growing need in community services.

The ability to address a local community need such as digital literacy or employment focused skills. Accessibility and ensuring courses and leisure activities can be attended by a broad community demographic. Compliance and financial sustainability.

Finding a balance between making sure the course timeframes are attractive to students versus ensuring competency and capability outcomes. That the course is an enjoyable learning experience for the student. Meets qualification requirements.

Pathways between our courses and then into opportunities beyond. Suitability of courses on scope to community need. Existing programs and resources, including appropriately qualified staff.

If there is a need for this training in my community. What workplace pathways are there for this qualification. Which provider can I get to do this for the best price and with the best outcomes.

Meets community needs in terms of personal development. Delivered in accessible times to the cohort. Provides a skill/education that is usable in the future.

The needs of the community and industry. The return on investment for both centre and student. The importance of creating a quality program that is compliant and meets all requirements.

Pre-accredited training programs

The ability to address a local community need such as digital literacy or employment focused skills. Accessibility and ensuring courses and leisure activities can be attended by a broad community demographic. Compliance and financial sustainability.

Employability skills (organisation; numeracy; literacy; technology; problem solving; speaking and listening; teamwork; initiative). Learning outcomes for the student (i.e., for a computer course – do they know how to operate a computer confidently, do they know how to develop a word document, send emails etc). Community need (what needs to be taught, who is your ideal customer, what does the research say is needed?).

That the course is an enjoyable learning experience for the student. Students leave the course feeling competent and confident because the content matches the capability of the students. Real pathways to further study or work.

Courses respond to community needs. Courses fit the funding criteria re: pathways, meeting employability skills etc. Courses are designed to accommodate the needs of disadvantaged learners, i.e., self-paced, confidence building, friendly environment.

To support learners seeking to improve their education and skills to gain employment or to seek further study options. That the course design is based on input from the students, to meet their needs. To ensure that the course is reviewed and modified to provide continued improvements and growth in the learning practices, for the individual.

Responding to a need in the community. Equipment, materials, tutor and course content available within resources. Fits in with other programs i.e., accredited delivery.

Are there further opportunities for people to use and enhance their skills? How can we attract a diverse range of people? Will this work with people who are returning to learning?

Developing a program which assists learners develop their skills in the eight employability skills or which addresses their need to enter or re-enter the workforce. Developing and designing programs which are interactive, informative and have defined outcomes. Developing and designing programs which meet the needs of ESL learners, learners with disabilities and those with special needs.

Around 58% of respondents indicated that their organisation's programs/services had changed in the last 12 months.

Of these, 88% had added new programs/services, while 54% had discontinued programs/services. Reasons for adding and discontinuing programs/services are outlined in Tables 4 & 5. Responses were broadly consistent with previous years.

Table 4 Reasons for adding new programs/services

reason	% respondents
Funding environment has changed	30%
Student eligibility criteria have affected programs/services offered	17%
Demand for programs/services has changed	68%
Programs/services provide opportunity to increase revenue	40%
Specific demand/market for these programs/services	75%
Organisation's direction has changed	21%
Organisation's capacity/capability has changed	32%
Other*	10%

* Other includes community requests and changes in registration status.

Table 5 Reasons for discontinuing programs/services

reason	% respondents
Funding environment has changed	51%
Student eligibility criteria have affected programs/services offered	18%
Demand for programs/services has changed	69%
Programs/services made a loss	33%
Organisation's direction has changed	13%
Organisation's capacity/capability has changed	15%
Other*	15%

* Other includes competition from other organisations and loss of skilled volunteers.

Sample comments

Reasons for adding new programs/services

Some of the pre-accredited programs that we had in 2013 were not well attended so these were omitted from this year's programs. After talking to people, businesses and professionals in the community we realised that there was potential for different programs due to community need.

A trial to provide training in a supported environment gave us the opportunity move into a new area.

The organisation's capacity has changed with an increase in the skills of volunteers who support the organisation.

The organisation has and will continue to change and update both our accredited scope of registration and pre-accredited programs to align with current skill trends, participant needs and funding requirements. The organisations capacity/capability has also changed over time as new staff has brought in new/differing skill bases providing further opportunity for broader delivery.

Working within the RTO competitive market we have recognised the need to communicate to the community the high quality of our courses and to make a very distinct offer that differs from many of the for profit providers that have moved in around us. As a result we have a greater focus on community consultation and we are clearer on what it is possible to achieve.

The rising cost of vocational training is a barrier to many in the community and we are always finding new ways that are within their means to deliver the skills required.

In 2014 we have made a conscious effort to be more inclusive of the CALD and Koori communities in our offering. These groups have particular challenges with respect to language and computer literacy and with understanding workplace culture.

We have had new tutors approach us with ideas for introduction courses. We have had consultation with careers advisors as to what requirements school leavers might need.

During 2013, the centre hired a new manager who has been proactive in securing grants and extending the range of courses and leisure activities provided.

Reasons for discontinuing programs/services

Loss of skilled volunteers, unable to recruit replacements.

Another organisation in town started offering these activities as well.

People facing financial hardship.

It has always been difficult to recruit students for [program] as not required by industry.

Respondents whose organisations had added new programs/services were asked about impacts of adding these new programs/services on various aspects of their organisation (see Table 6). Ratings of impacts were broadly consistent with previous years.

Table 6 Impacts of adding new programs/services (% respondents giving high, medium, low rating to each aspect)

aspects	rating	% resp.	sample comments
Staff	high	43%	Increased administration staff, reviewing policies, procedures and processes, contracts etc. We have new trainers and tutors delivering the new courses. Development of existing staff – broadening their teaching base.
	medium	30%	Staff costs have increased as we employed a higher skill level of teacher to deliver these classes. The addition of new programs has been part of our planning therefore the development of and hiring of staff with differing skill sets to match has taken place over time.
	low	28%	We already have qualified practitioners to deliver these programs. These courses are still in development and establishment. We have replaced tutors from courses we no longer run with those to run the newer ones.
Organisational costs	high	30%	Introducing new accredited programs comes initially with high organisational costs which include purchasing all required resources, course development costs and scope addition and audit costs. Developing, marketing, administering these courses all impact on overheads. It is difficult to get sufficient enrolments in a small town to cover the course tutor costs as well as the overheads. Increase in tutors' wages.
	medium	44%	We try to keep things neutral cost or make a little and build community good will and capacity. Financial sustainability has been a key consideration in the development of new courses and leisure activities and new appointments have been associated with a new revenue stream.
	low	26%	Organisational costs have risen, but new students bring funding to cover costs. Costs are remaining the same just having to do things differently.
Promotion/ marketing	high	49%	Expanded the marketing of the program extensively. Radio, print, Facebook and flyers. A considerable amount of time has been invested to promote the new classes. Our promotion/marketing has been expanded to enhance our on-line presence.
	medium	23%	Marketing and promotion often completed by volunteers who assist with making flyers and then distributing to local residents. New programs always require a lot of promotion, however, most of this was done reasonably cheaply and efficiently.
	low	28%	Marketing was not required as the students are already part of a group. We have employed a person to market on our behalf.

Note: Rating of impact on 5 point scale – high (4 or 5 rating), medium (3 rating), low (1 or 2 rating).

Respondents were also asked if they had made any other changes to programs/services over the last 12 months. Over a third (40%) of the organisations indicated that they had made other changes to programs/services. Comments included adjusting/changing existing products and services, changes to delivery models, and changes relating to client base.

Sample comments

We have the opportunity to use a couple of spaces off-site for free through a partnership... This is a new centre and we are trying to build a presence in this space.

…We are constantly looking at new outreach services for the local community that will assist in meeting their needs and reducing travel time to major centres.

We are trialling delivering our Introduction to Computers over four weeks rather than eight weeks in response to client feedback expressing that an eight week commitment was too long.

We always make changes for continuous improvement and to tailor to the needs of the clients/community.

As we are funded by federal, state, local and various other funding sources, programs may be rolled over, refunded, discontinued... This has a profound effect on services as many programs act as supplement programs for clients to segue into other learning, training and volunteering opportunities.

We are delivering a lot more interstate delivery including online.

Combined classes in order to reduce our tutor costs. Increase in room hire that supplements losses from classes.

Our community program is constantly changing to reflect the needs of the community.

Have trialled areas of potential employment pre-accredited 'taster' courses.

Needed to adjust some programs to meet changing needs – e.g., computers moving more towards iPads and social media. Developing slightly different emphasis to meet program guidelines.

More flexible delivery and online.

We have been trying to offer more diversified courses for upskilling.

Approximately two thirds (69%) of respondents who added new programs/services indicated that they measured their return on investment. Comments about measuring return on investment varied in terms of methods used.

Sample comments

Every course in this organisation is costed in relationship to hourly rental where applicable, which is on top of the annual rental, administration and tutor costs against the income. If the course does not break even then it cannot run.

In a loose way. All programs must run to cover costs. This program is not doing that yet, but will keep going in an effort for this to happen.

Have a budget set for each program. They are evaluated each month to check viability.

We run courses at a breakeven point. We need sufficient enrolments to pay tutor costs and overheads. There is no further analysis after this.

Yes we are measuring return on investment but at this stage again due to many courses planned for early next year we will not see this until then.

Budget is monitored on an ongoing basis, also formally on a quarterly basis.

A budget for each program is always worked out as well as a business case with parameters to measure its success.

In an ongoing monitoring kind of way. Return on investment includes student engagement, student attendance, interest in other programs.

The centre is constantly evaluating the efficacy and financial sustainability of new courses and leisure activities.

At this stage we are breaking even and in some cases losing money, however, we anticipate [that] in the not too distant future we will have a financial gain. Of course the personal gain is great for all staff involved.

We are monitoring time and costs to promote the classes and using these comparative figures against enrolments.

We match the income and expenses of our courses and programs.

Anecdotally and recording through moderation process.

Through budget and new student referrals.

Learners

Respondents were also asked about the types of learners their organisation currently services (see Table 7). This profile is consistent with previous years. (Note – response categories were slightly finetuned relative to previous years.)

Table 7 Types of learners currently serviced by organisations in the sample

types of learners currently serviced	% respondents
Young people aged 16 – 24 years	36%
Learners without Year 12 or equivalent qualification	73%
Unemployed	85%
People returning to work	76%
Employees from business/industry	29%
Learners with a disability	73%
Culturally and linguistically diverse learners (CALDs)	57%
Retirees	69%
New arrivals	37%
Koories	16%
Other*	6%

* Other includes people with mental illness, people in corrections programs, asylum seekers and specific interests/skills.

Training delivery

Respondents were asked a series of questions about challenges their organisation faces in terms of adjusting delivery to suit client needs and cost pressures.

In terms of challenges relating to adjusting delivery to suit client needs, frequent responses included the following.

- Accommodating different skill levels, cultural backgrounds, language and literacy levels and/or disabilities.
- Issues implementing online delivery (e.g., suitability for client target groups, development costs/challenges).
- Issues gathering information about clients or promoting courses to clients.
- Logistical issues including location of delivery, client travel requirements, delivery times and class sizes.

Sample comments are provided below relating to challenges of adjusting delivery to suit client needs.

Sample comment

Accommodating different skills levels, cultural backgrounds, language and literacy levels and/or disabilities

Many of our clients have complex communication needs, and these must be dealt with on an individual basis.

Depending on their literacy & numeracy and speaking skills. Some are quite good others have never had the chance to learn.

Ongoing issues about engaging those who have many barriers; client needs are changing in relation to their Centrelink obligations, which influence the classes we offer.

Responding to the diversity and different needs of clients. For example the participants in our EAL classes range from a beginner level to moderate level of English language. The addition of an intermediate class responded to the diversity of our local learners who range from a beginner level to moderate level of English language and will increase the pathways to further courses, accredited training or employment.

...Some of our clients have barriers such as: depression, anxiety, disabilities, willingness.

We are a small house and run small groups. The tutors frequently have students with different skill levels, particularly for literacy programs. It is challenging for them to meet everyone's needs at the same time.

People with language and literacy issues. People with disabilities. Mental health issues.

A main challenge is to change the diversity of programs to either attract new clients or to retain existing client base.

Client cohort is changing – diversity within refugee and humanitarian backgrounds necessitates a constant evolution of training materials to match cultural literacy & numeracy, values and needs. Homework & language support is needed to supplement programs learning to ensure information is absorbed and that participants can learn from the process.

Issues implementing online delivery

We have to consider the level of computer skills our potential students may have. How can we ensure we cater to those needs and not effectively deny them the opportunity to undertake a course due to not having the skills required.

We are thinking of introducing some e-learning, but clients are generally not computer literate and often have low literacy skills so face many difficulties.

As all of our learners have barriers to learning, the most comfortable way for them is face-to-face learning.

Online delivery (or a mix), which some clients may prefer, would require a large outlay of resources to establish so is a big financial risk for an uncertain return.

Our learners...require teacher led and supported learning activities, other delivery models do not suit this group. We integrate an online component into our face-to-face delivery.

Issues gathering information about clients or promoting courses to clients

Gathering solid information regarding what our clients needs really are is difficult. We are currently working with a group of marketing students from [organisation] to assist us with this analysis.

We constantly try to offer different programs and pick up on new things but sometimes it is hard to get people interested in new things. If it has been requested we do not have problems but if it is something we hope will work it does not necessarily always work.

Although we have been striving to meet client needs in a holistic approach, collecting the required data and feedback is a continuous process and the implementation of these programs mfay sometimes take time.

Logistical issues

Some students request more hours of training which we do not have the capacity to meet when trying to balance this with the needs of others and the availability of resources including training spaces.

Only small numbers are interested in any one course, many still want short courses at little or no cost.

Time and place... [is] important for difficult to reach learners. Mix of learners and group dynamic. Support and mentoring of difficult to reach learners.

Increasingly unable to meet smaller and more remote groups needs due to financial pressures.

In terms of challenges relating to cost pressures of training delivery, frequent responses included delivery/administration costs (e.g., maintaining resources, tutors/trainers and support services) and pressures to reduce costs of training/services (e.g., making courses more affordable for people on low incomes and competition from other organisations).

Sample comments

Delivery/administration costs

Keeping digital media equipment up to date is costly, and we also have to factor in additional costs of large file storage for artworks and animations.

The amount of unfunded support we need to provide our students e.g., housing, referral to specialist support agencies, mental health and financial.

Huge cost pressures due to trainers' wages and resources. We are looking at putting some units online but that takes time and money as well.

Cost pressure is probably the most significant factor affecting the ability to deliver quality courses and leisure activities while remaining financially viable.

There are cost pressures [in] the delivery of courses involved with continuously updating the materials to reflect changes in training and improvements required, [as well as] class sizes along with funding rates continuously changing. There are also cost pressures involved with the reporting and compliance requirements.

Reporting and contract requirements, especially for accredited courses.

Costs associated with researching the viability of offering e-learning and other delivery models. The set-up of any technology needed with e-learning.

Financially, offering mixed-mode courses or solely online delivery can be very costly in the first instance.

As always it is a challenge to establish and sustain programs if they are not viable. Insufficient numbers create a challenge in affordability to run a program over a period of time.

Insufficient funds for administrative staff time to promote the alternate delivery model and answer student questions regarding online delivery.

The increase in compliance has resulted in increased staff hour costs as well as auditor costs. Increased costs in administration time for teachers to complete audit requirements.

Costs involved regarding additional resources to be made available to deliver programs.

Pressures to reduce cost of training/services

Increases in the funding available have not kept pace with increases in staffing, resources and general expenditure. Some courses are no longer offered as they are not financially viable – we are not able to increase fees substantially to make up for the shortfall as our community is made up of people who are from low-socio-economic backgrounds.

Bigger organisations offering some of our classes for free to gain new students makes it very difficult for us.

We are under pressure to reduce costs of delivery in order to remain viable. But in the short term, not sure if blended delivery will enable this – we think that initially it will be cost neutral moving to savings as we embed the practice in our delivery.

The cost of providing appropriate programs for students at secondary college, or people who are currently unemployed or close to reaching retirement age and no longer have an income.

Majority of our participants are retired, or of very low income. So it is hard to find the balance to charge, particularly for those that could really benefit but have no agency to support their enrolment.

Competition from private providers who can often cut costs, offer incentives, and who have an advertising budget puts pressure on our fees. Compliance, reporting, accountability, uploading, meeting requirements of different funding bodies is a huge administrative cost to a small not for profit community organisation.

Cost has always been an issue as we are now competing with other smaller providers who come into town offering training for nothing and we cannot compete. We want to offer a quality service and to do this we need to charge.

In addition, respondents were asked to characterise their training delivery models for both accredited and pre-accredited programs in terms of different modes used (face-to-face, online, blended, etc).

Most respondents (over 80%) indicated that their organisation offered only face-to-face delivery for both accredited and pre-accredited training. At the same time, comments indicated that many organisations were interested in introducing online delivery.

Working with other organisations

The majority of respondents (83%) indicated their organisations were working/partnering with other organisations to provide programs and services. Respondents who indicated they were doing so were asked about the organisations involved (see Table 8).

Table 8 Type of organisation worked/partnered with

type of organisation	% respondents
Other Learn Local providers	72%
Other not-for-profit organisations	72%
Schools	34%
TAFEs	12%
Private sector RTOs	24%
Private sector companies	19%
Other*	23%

* Other includes local council/government (8%), universities, health providers, employment agencies, disability service providers and churches.

Specific areas of work/partnering with other organisations included education and training programs, administration, finance, marketing, and other specific services (e.g., employment, health, etc).

Respondents also provided comments on the benefits and disadvantages of working with/partnering with other organisations.

- Benefits included potential to access wider experience and skills; shared costs/resources, offering additional programs and services, and extending reach of programs and services.
- Disadvantages included unclear division of responsibility and control, increased time/cost demands to maintain partnerships, and balancing of different goals.

Sample comments

Benefits of arrangements

To work with other organisation broadens our capacity to provide local services and education to our community. It gives us an opportunity to make many different courses available without having to extend our scope or write an A Frame.

Sharing of corporate services saves all organisations money and enables all staff to have access to HR services and EAP services.

Being able to provide services that we otherwise wouldn't. Drawing on expertise from other fields. Sharing resources.

The ability to share your experiences with other sector experts means that you can collaborate to deliver better courses and services, increase participation amongst the centres/businesses involved, share compliance burden.

Reduction of costs by combining marketing of offerings and sharing printing and distribution costs with other not-for-profit service provider.

We are able to reach more clients, and clients with higher needs.

Able to deliver a wider variety of courses to the community.

Benefits of partnering especially in 2014 without HESG funding is that we can still provide accredited training to our clients at a reasonable cost to them. Also we have the option of providing courses we would not be able to offer normally at varying levels.

Provides access to groups of people who do not usually access our centre. Formal arrangement with another organisation enables us to recruit volunteers at no cost to our organisation.

Training delivery, access to information about identified client needs, increased knowledge on the issues faced by some of our clients, increased quality of training, awareness of Learn Local training advantages opening up more opportunities for the future.

Working collectively creates a stronger community, through collaboration, shared use of resources, human resource sharing.

...sample comments continued on next page

Sample comments *cont.*

It is always good to gain a greater knowledge of other services and their area of expertise. Working with others also provides for a better referral flow for students/program participants where needed. It also creates greater confidence when referring to those services as you have a true understanding and belief in the services/programs they provide. Working informally with other RTOs is excellent to gain ideas, support one another, discuss understanding of changes/regulations etc to make sure we are on track. We often work together when competing internal audits and validations. Our formal partnerships with our youth programs have also been beneficial with staff and organisations working together to complete the commitments of each program.

Building partnerships has meant we can increase delivery, consult on RTO compliance, reduce red tape reporting and therefore reduce the financial impact on all organisations.

Disadvantages of arrangements

Time to maintain relationships. Confusion regarding boundaries. Responsibilities not shared evenly.

Coordination, communication and expectations about roles and responsibilities are areas that require significant attention.

Can be with communication. The importance of having face-to-face contact with the various partnerships is vital so that you can build the important trust for the partnership to be sustainable.

The different levels of accountability amongst all organisations. To ensure the relationships withstand a variety of opinions and clear policy and procedure with resolving conflict.

Do not have full control.

Pressure on availability of shared facilities. Increased demand on administration and front of office.

Program content has to be negotiated to ensure that the partner organisation is happy that it meets their needs whilst we also have to have client and ACFE needs in mind.

Given that so many of the project officers we work with work part time, it takes time just to meet.

Vulnerable to changes or funding reductions of partner organisation.

Coordination and administration add to time and cost pressures.

Disadvantages if some [organisations] don't 'pull their weight'.

Almost half of respondents (46%) indicated that the arrangements with other organisations had been profitable, 11% indicated arrangements had not been profitable and 43% indicated a mixed scenario. Sample comments are provided below.

Sample comments

Arrangements have been profitable

We have been able to participate in community and educational projects that we would not have the capacity to conduct on our own.

The partnerships enable the centre to increase the number of courses and leisure activities provided and broaden its impact. It also enables the centre to reach a broader community demographic.

Yes, have allowed access to groups who otherwise may not have accessed our organisation. Able to attract volunteers to a wide range of positions without additional cost to organisation.

Yes sharing knowledge, resources etc not only provides a benefit in terms of support but also can be very cost effective when not having to always invent or create alone.

One of the organisations we have a partnership with pay a fee for room hire which benefits our organisation.

Arrangements have not been profitable

Direct inputs are often not returned immediately. Sometimes there are indirect benefits that are not seen immediately.

Too early to determine. We intend to develop a business case to determine if a formal partnership is warranted.

Mixed scenario

Dollars versus impact on own centre by increasing the workload. The money is made available but is consumed by having to employ someone to manage the extra work load.

It has not been done for a profit, rather to provide a service to our community that otherwise might not be available.

It really comes down to the deal that you negotiate on how profitable it is. Some organisations are prepared to offer more of the pie than others. There are many different models when it comes to dollars.

Direct inputs are often not returned immediately. Sometimes there are indirect benefits that are not seen immediately.

Of those respondents already working with/partnering with other organisations, almost all (97%) indicated that these arrangements would continue. Comments related to the benefits of the arrangements and the strength of the partnerships.

Sample comments

In order for us to respond to community needs we need to maintain relationships both informal and formal with other organisations. Some of these are short-term, one-off partnerships, others are more lengthy. The partnerships will change but [it] will continue.

Long-term relationship should continue. We will always be on the lookout for opportunities to form partnerships with organisations where we see a benefit for our students.

Both organisations benefit from the collaboration and the publicity generated. It also presents a united position on improving health and well-being in our community.

These programs will continue to assist us in raising our profile and increasing the awareness of the organisation and its services within the community. With increased awareness will come the opportunity to offer more services in response to community needs and requirements.

Each year we are seeing better results and receiving more positive feedback as we improve our services.

Yes our partnership over the years has strengthened.

Arrangements will continue until such point that it has a detrimental effect on our existing client base.

The extent is only hampered by our time to nurture the relationships.

Respondents whose organisations were not working with/partnering with other organisations (17%) were asked about reasons for not engaging in these types of relationships. Comments included no identified need, barriers to setting up partnerships (e.g., lack of time or connections), referrals to other organisations replacing the need for partnering, or that partnerships were being considered or set up.

Sample comments

We will refer clients to another organisation for specialised services. We are looking at developing partnerships to enhance both our product and deliver a better service to the client.

We are thinking of working with another Learn Local but it won't be till next year in a new course.

We have not had a need to do so.

Time constraints to facilitate meetings. Finding other local organisations that have a similar cohort/course structure.

We are quite satisfied with our current delivery, but always open to working with other agencies.

Difficult to find time and common interest which we can work on together – we have more collegiate relationships.

We are starting this process and have commenced discussions with some other organisations. We acknowledge that this is a way forward for us to remain sustainable.

We are in the process of developing partnerships with other organisations.

5 People

As in previous years, respondents provided information about the workforce mix in their organisation. Similarities/differences across years are indicated below where relevant.

The number of people employed and volunteering across 124 organisations in the sample is shown in Table 9 – including paid employees and general volunteers.

Table 9 Workforce snapshot – employees and volunteers across 124 organisations in sample

financial turnover	number of organisations	employees		general volunteers	
		total	median	total	median
>$1 million	32	2587	42.5	1258	15
$500,000 – $1 million	21	494	21	459	12
$250,000 – $500,000	22	448	18	457	15
$100,000 – $250,000	35	265	5	509	11
<$100,000	14	78	4.5	264	15
total sample	124	3872	15.5	2947	14

The total number employed (full time, part time, casual and sessional) in the sample was 3872. As in previous years, the median number of employees increases with increasing financial turnover.

The total number of general volunteers at organisations in the sample was 2947. The median numbers of volunteers in each financial turnover category were generally within ranges of previous years.

Employment status

Figure 3 shows employment status of staff for organisations in the sample.

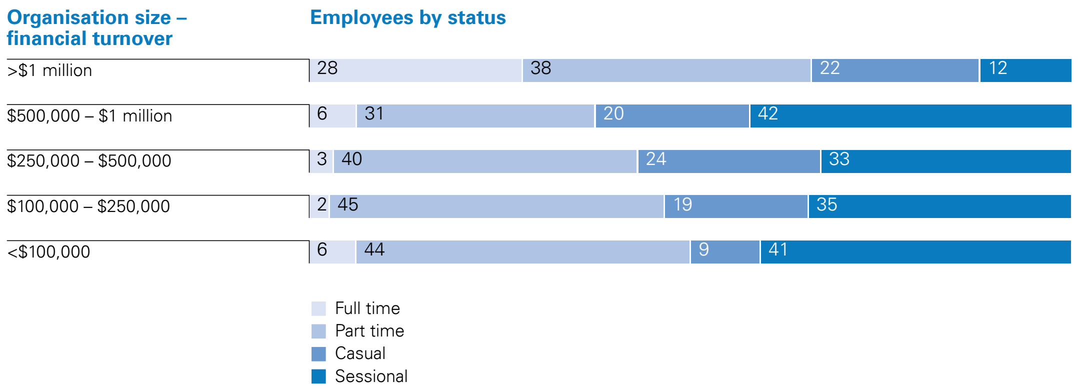
As in previous years, 'larger' organisations in the sample (financial turnover >$1 million) had a greater proportion of employees employed full time/part time (66%), compared to 'medium' organisations (financial turnover $250,000 – $1 million) and 'smaller organisations' (financial turnover <$250,000) (40% and 47% respectively).

Over a third (35%) of respondents indicated that the mix of full time, part time, casual and sessional employees in their organisation had changed in the last year. Of these, 8% indicated an increase in full time staff, 55% in part time staff and 55% in casual/sessional staff.

In 'larger' organisations the proportion of full time employees was 28%. This is slightly lower than previous years (32% – 40% from 2007 – 2012). Furthermore, nearly half (44%) of respondents in larger organisations indicated that the mix of full time, part time, casual and sessional staff had changed. Over half of these respondents indicated an increased proportion of part time staff (57%).

The staff profile across 'medium' and 'smaller' organisations in the sample is consistent with broad trends of employment mix over the years of the survey.

Figure 3 Workforce snapshot – proportion of employees by employment status across 124 organisations in sample

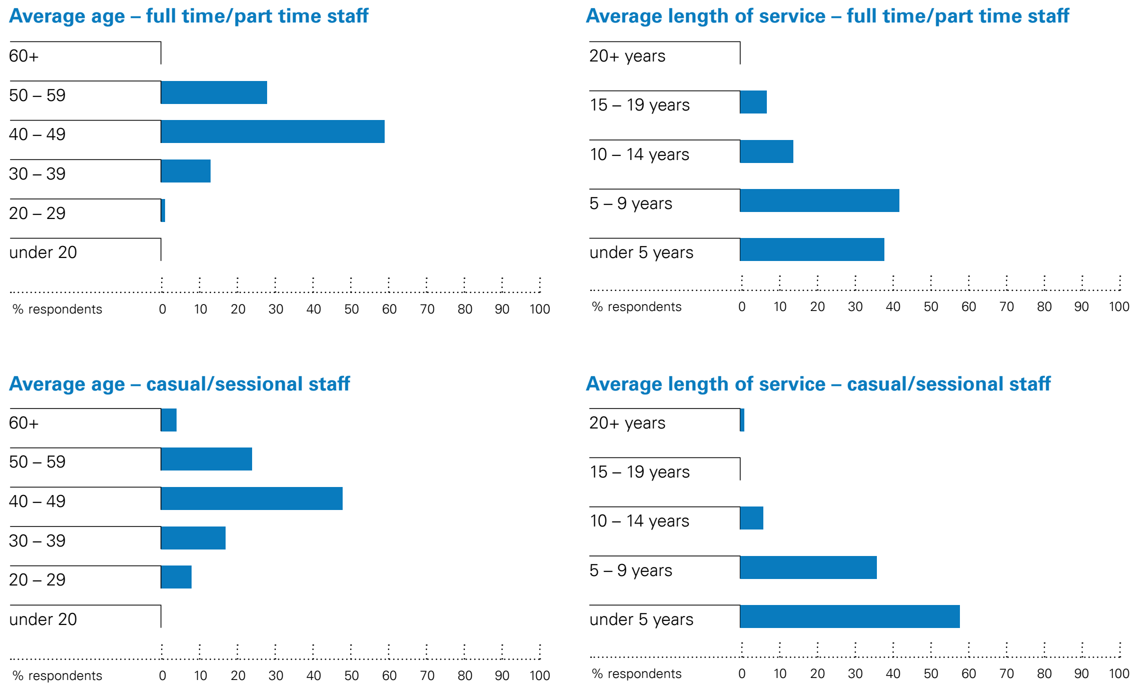


Demographics & length of service

Respondents were also asked about gender, age and length of service of staff. The profile is similar to previous years.

- In terms of gender, most organisations (93%) have greater than 50% female staff and over half (63%) have greater than 80% female staff. Some respondents (21%) indicated that the gender ratio had changed in the last 12 months.
- As in 2012, over half of respondents (59%) indicated that the average age of their full time/part time staff is 40 – 49 (see Figure 4). For casual staff, around half (48%) of respondents indicated an average age of 40 – 49.
- Around two-thirds of respondents (63%) indicated that the average length of service for full time/part time staff was 5 or more years. Over half of respondents (58%) indicated that the average length of service for casual/sessional staff was less than 5 years (see Figure 4).

Figure 4 Age and length of service of staff of organisations in sample



Managers/Coordinators/CEOs

Respondents were also asked specifically about Managers/Coordinators/CEOs.

The general pattern of length of service of Managers/Coordinators/CEOs is shown in Table 10 and is similar to previous years.

Table 10 Length of service of current Managers/Coordinators/CEOs

length of service	% respondents
Less than 6 months	10%
6 – 12 months	5%
1 – 2 years	15%
2 – 3 years	17%
3 – 5 years	16%
5 – 10 years	11%
More than 10 years	26%

Most (94%) 'larger' organisations (>$1 million turnover) indicated that their Managers/Coordinators/CEOs are employed on a full time basis (93% in 2012). The corresponding figure for 'medium' organisations ($250,000 – $1 million turnover) was 48% (37% in 2012), and 13% (12% in 2012) for 'smaller' organisations (<$250,000 turnover).

Respondents were also asked about the age of their Managers/Coordinators/CEOs (see Table 11).

Table 11 Age of current Managers/Coordinators/CEOs

age	% respondents
Under 25 years	0%
25 – 29 years	1%
30 – 39 years	4%
40 – 49 years	28%
50 – 59 years	54%
60+ years	13%

Recruitment & retention

A small proportion of respondents (15%) indicated that their organisation had current job vacancies – which is lower than in previous surveys (22% – 32% in 2009 – 2012). These respondents indicated job vacancies in the following roles: managers/coordinators, trainers/program deliverers, administration, case work/clinical roles, and childcare.

Respondents were asked to indicate any specific issues with recruiting staff for their organisation. As in previous years, key issues included pay (e.g., other organisations paying more) and a lack of suitable applicants in the area.

Respondents were also asked which types of organisations were their main competitors in recruiting new staff. Responses included other not-for-profit organisations, TAFEs, and private sector.

In terms of balance between roles, many respondents (80%) indicated that their organisation had the right balance between managers/coordinators, trainers/program deliverers, and administration.

Salaries & benefits

Respondents were asked about salaries and benefits offered by their organisation.

In terms of salaries in the past 12 months, half (50%) of respondents indicated that all salaries in their organisation had risen, and 37% indicated that some had risen. In previous years, corresponding figures have varied between 39 – 64% and 20 – 38% respectively.

Volunteers

This section contains information about 'general volunteers' (excluding Committee members).

Respondents were asked about the types of activities that general volunteers undertake in their organisation (see Table 12). The pattern of responses is similar to 2010 – 2012 surveys.

Table 12 Activities undertaken by volunteers

activity	% respondents
Administration (e.g., reception)	78%
Tutoring/program facilitation	56%
Maintenance/gardening	56%
Fundraising	34%
Childcare	25%
Customer service (e.g., Op-shop)	19%
Promotions	23%
Driving/transportation	15%
IT/technical support	14%
Aged care (incl 'meals on wheels')	5%
Other*	30%

* Other includes support for specific learner groups/programs (5%), event planning/running (4%), playgroups, financial/reporting, legal support, counselling services and men's shed facilitators. Note that some respondents also indicated Committee of Management.

Organisations were asked about the profile of their volunteers (see Table 13).

Table 13 Profile of volunteers

profile	% respondents
Retired	79%
Not in the workforce	52%
Seeking to re-enter/enter the workforce	55%
Unemployed	50%
Part-time employed	43%
Other*	14%

* Other includes school/university students (5%), full time employed and people undertaking community orders.

6 RTO status/context

As in previous years, respondents were asked specific questions based on their organisation's RTO status (RTO vs non-RTO). This section provides information split by RTO status.

RTOs

Respondents from RTOs in the sample (n=55) were asked specific questions about RTO status/scope and broader questions about advantages/disadvantages of being a Learn Local RTO.

In general, the majority of RTO respondents indicated that their organisation had been an RTO for a number of years and was planning on remaining one in the future.

- Almost all (98%) had been an RTO for 5 or more years.
- The majority (93%) were planning on maintaining RTO status in the next 2 – 3 years.

The majority of RTO respondents (91%) indicated that their organisation provided programs to the community that would not otherwise be available. Sample comments are provided below.

Sample comments

We are the only RTO for 30 kilometres. There is a very popular public transport service and a high unemployment rate in our district.

Hairdressing, Retail Make-up and Fashion Design are not delivered within an hour (travel time – car) in any direction.

Programs are available but often the services which we offer are not available elsewhere.

Community services – Centrelink, emergency relief, access to Job Service Agencies locally. Skills based and accredited courses.

We are the only RTO providing the courses we provide in our community.

We deliver quality programs in ESL...we provide services to newly arrived migrants and refugees.

Pre-accredited courses with specific course content and delivery to people with disabilities.

Tailored specifically to certain markets that otherwise would not be serviced.

We specialise in low-level courses and have done for 30 years.

...We pride ourselves on providing a quality program and offer a level of support that many providers may not be able to provide to our cohort of learners. We try to offer an integrated service and have had students access our support services in order to help them complete their course requirements.

We provide the start point for people with barriers to learning that would otherwise fail if enrolled straight into the larger organisations such as TAFE.

Many respondents viewed private RTOs and TAFEs as their main RTO competitors (see Table 14).

Table 14 Main RTO competitors

competitors	% RTO respondents
Other Learn Local RTOs	43%
Private RTOs	83%
TAFEs	74%
Other*	9%

* Other includes job search agencies (6%) and organisations offering free courses.

Respondents were asked about their perception of advantages and disadvantages of being a Learn Local RTO as opposed to a private RTO.

- In terms of advantages, comments included connections with community (e.g., can work closely with community, adapt to suit community needs); flexible/targeted training opportunities; and funding/professional development offered by ACFE. Other respondents also suggested that smaller size and/or community setting are appealing to many learners.
- In terms of disadvantages, comments included lack of funding/resources and difficulty competing with other RTOs more generally.

Sample comments are provided below.

Sample comments

Advantages

We provide thorough, quality training in a safe and local environment. We provide plenty of accessible support.

Not-for-profit organisations not driven by financial goals. Community managed and consultative. Non-heavily hierarchical structured organisations.

They have the support of government to a degree. The additional PDs etc offered by ACFE are vital to keeping our staff skilled.

As a neighbourhood house we offer educational opportunities within a community setting that is relaxed and flexible yet is of a high quality (according to our learner surveys). We are not solely driven to get a learner to complete a course in a given time and as a not-for-profit organisation our income (profit) is put back into providing services to the community.

The community-based education model promotes holistic personal development, particularly for newly arrived migrants and those disengaged from mainstream education, for example. Learners who would otherwise choose not to undertake a course at a private provider or TAFE, would feel more comfortable in the Learn Local environment.

Learners are in their local environment. Fees are generally cheaper. Delivery model is more flexible.

Smaller class sizes required for people with disabilities are more viable with Learn Local RTOs than large TAFEs or RTOs, ability to market to the demographics that would benefit from our courses as they engage in other community based programs.

Community setting is really important for people who have barriers to participation.

Easier to make changes to meet the needs of the community.

The advantages are the supports which can be offered, as well as providing a better service for clients who may not necessarily be interested in undertaking a full qualification yet are looking to enhance their skills and build on their confidence.

ACFE provides funding, support and information to assist us with delivery and keeps up-to-date with market trends.

We are closer to community and have a good knowledge of community needs and issues which improves the design of our training. We can link students into community and meet some of their non-learning needs whilst they are engaged with us. This is often the reason why our retention rates are comparatively higher than many other sectors.

I think we are becoming more respected as a quality training provider than external RTOs that come into our community. We offer a welcoming, non-threatening environment with small class numbers.

...More personal, able to assist learners with low LLN skills, able to build relationships with employers that enhance students' employment opportunities.

Ability to be more friendly and community orientated and flexible in approach to meeting individual learner needs.

Disadvantages

Perception by some that community houses do not deliver accredited courses. Perception by some that courses are poorer quality than private RTOs.

Private RTOs are generally larger and can offer better incentives for learners and usually have a large marketing campaign.

Limited resources can sometimes make it difficult to ensure both sectors needs are met.

Being smaller we do have financial restrictions and our inability to compete with some of the resources that TAFE or larger private RTOs can have on offer to the student.

Not as well known or prestigious. Funding is more scarce.

We cannot compete with the many 'fly by night' organisations who are in it to make a quick buck.

Lack of contacts for tutors, marketing budgets, in-house knowledge about compliance.

RTO respondents were asked if they had considered partnership or amalgamation with other RTOs as a consequence of broader changes to VET and/or RTO regulation – and 39% indicated they had.

Respondents were also asked some general questions about their scope of registration as an RTO. Around 73% of RTOs in the sample indicated that they had changed their status/scope in the last 12 months. This is higher than in previous surveys (47% in 2011, 45% in 2012). Comments included unsustainability of maintaining some units on scope, audits, changing community demand, and transitions to updated qualifications.

Sample comments

The decreased demand for this course and the cost of delivery against the available student contact rate.

The necessity to transition to updated qualifications.

Identified lack of provision of this qualification in the local area at that time. Traditional courses in Retail and Hospitality no longer viable.

Qualifications no longer viable for us to deliver, less interest in some of these qualifications.

Cost of re-registration and other annual fees plus cost of compliance and administration against lack of community interest currently.

We spent a long time in consultation with industry, business, network providers and clients. These two courses were the ones which indicated a need.

The risk of being audited on courses we are not currently delivering and therefore couldn't afford to maintain to currency.

Course no longer relevant for needs.

Couldn't continue to offer old qualification.

Reduced funding and increase costs to keep on scope.

Organisations were asked how many programs they had on scope (see Table 15). Approximately two thirds of RTOs had 10 or fewer programs on scope.

Table 15 Number of programs on scope

programs on scope	% RTO respondents
1 – 5	46%
6 – 10	22%
11 – 20	15%
21 – 50	13%
51+	4%

Non-RTOs

Non-RTOs in the sample (n=70) were asked about their partnerships with RTOs. Just under half (46%) of non-RTOs reported partnering with RTOs to give access to accredited training programs. Partnerships with RTOs were made under a range of agreement types (see Table 16).

Table 16 Partnership agreement types

agreement type	% non-RTO respondents
Contract arrangements	20%
MoU	37%
Don't know	3%
Other*	40%

* Other includes informal/verbal arrangements (20%) and room hire to RTOs (10%).

The majority of non-RTOs (94%) who partnered with RTOs indicated that partnerships provided benefits to their organisation. Nearly all (96%) also indicated that the partnership provided benefits to the community. All non-RTO respondents (100%) who partnered with RTOs indicated that they expected these arrangements to continue for the next 1 – 2 years.

Sample comments

Benefits to organisation

We are seen as being able to provide/organise the training that our community needs, there is an increase in users of the centre and our relationship with providers is strengthened.

We have had people using the building and understanding what services we provide that had not been associated with the Neighbourhood House before.

Rental income provides salary for administrative staff to assist our students. Allows participants to ascertain other activities that are on offer at the centre.

We are able to offer the programs without the higher level of administrative burden.

It provides a wider knowledge of what our organisation and what we are able to provide.

We are able to offer more diverse training as we refer students to each other so each can offer different subjects.

Benefits to community

Learners have access to training in the local community instead of having to travel to larger regional centres.

Provides needed qualifications that we are unable to offer as we are not an RTO.

Community is able to access programs locally and at a lower cost.

The community appreciates that we provide courses for students who have a requirement to have these qualifications and who are not aware of how to arrange this for themselves.

More courses and opportunities available locally. Especially good for people without access to transport.

Non-RTO respondents were asked if they had plans to become an RTO in the next 1 – 2 years, with 4% responding 'yes'. (This figure has ranged from 8% – 15% in 2010 – 2012 surveys.)

7 Financial performance

As in previous surveys, respondents were asked some specific questions about financials.

Respondents were asked if they produced a surplus, loss or breakeven result in the last financial year. Over half (57%) of respondents indicated that their organisation had made a surplus, 29% indicated a loss and 14% a breakeven result. Corresponding surplus figures over previous years have been 73% in 2009, 69% in 2010, 63% in 2011 and 57% in 2012. It is not clear whether these differences reflect genuine variation or are due to sampling or other issues.

Annual financial turnover of organisations in the sample is shown in Figure 1 (refer page 4).

Analysis was undertaken to explore whether organisations had changed their financial turnover category between the 2012 and 2014 surveys.

This analysis involved 71 organisations that completed both 2012 and 2014 surveys.

- 56 organisations remained in the same financial turnover category (e.g., remained in the $250,000 – $500,000 category in both 2012 and 2014 surveys).
- 10 organisations had moved up one or more financial turnover categories (e.g., moved from $100,000 – $250,000 in 2012 to $250,000 – $500,000 in 2014). Of these, 4 were RTOs.
- 5 organisations had moved down one financial turnover category (e.g., moved from $100,000 – $250,000 in 2012 to $50,000 – $100,000 in 2014). Of these, 1 was an RTO.