



Australian Government

Department of Education, Employment and Workplace Relations

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# Language, Literacy and Numeracy Program

2010-2013

## Overview Paper

Produced by: Foundation Skills and Pathways Branch

## **Purpose of the Overview Paper**

The purpose of this Overview Paper is to inform stakeholders and potential tenderers of changes to the Language, Literacy and Numeracy Program (LLNP) and outline arrangements for the next round of contracts. The Request for Tender (RFT) for new contracts is expected to be released in October 2009.

## **Context of the Overview Paper**

The Government believes all Australians should have the opportunity to realise their full potential and build a rewarding social and economic life. Workforce participation and productivity is a foundation that creates opportunities for financial independence and personal fulfilment.

At their meeting on 26 March 2008, the Council of Australian Governments (COAG) saw the Commonwealth and all State and Territory governments agree a common framework for workforce participation and productivity reform. The framework contains a comprehensive set of the aspirations, outcomes, progress measures and future policy directions across early childhood, schooling and skills and workforce development. COAG's aspiration that "Individuals are assisted to overcome barriers to education, training and employment, and are motivated to acquire and utilise new skills" and that gaps in foundation skills are reduced to enable effective educational, labour market and social participation are key contexts. COAG has also set a target to halve the proportion of Australians aged between 20 and 64 years of age without qualifications at the Certificate III level by 2020.

Aligning with these goals is the Australian Government's commitment to 'Closing the Gap' between Indigenous and non-Indigenous Australians, particularly in the areas of educational opportunity and attainment, employment, health and housing.

The global recession has impacted upon the Australian economy, adversely affecting industry, business and individuals. The Australian Government has implemented strategies which aim to minimise the impact of the global economic downturn on Australia. Through a range of workplace, jobs and training initiatives, the Government seeks to build the national skills and capability base, allowing Australia to grow and take advantage of emerging business opportunities as the economy recovers.

Practical measures taken by the Australian Government to assist Australians through a difficult economic period include support made available to redundant workers. A comprehensive package of support includes an additional 4,138 language literacy and numeracy training places for redundant workers to 30 June 2010. This will enable recently redundant Australians to improve their skills to levels where they are competitive in a tight employment market or can successfully undertake further training to up-skill or re-skill and achieve employment with their new skills.

Directly linked to the Australian Government's Energy Efficient Homes Initiative and to reinforce planning for future skills needs, the Green Skills Package provides an additional 2,000 language, literacy and numeracy training places for low skilled and disadvantaged insulation workers to help them transition into permanent and skilled jobs.

A key challenge to delivering the Government's skills and economic agenda and achieving COAG targets will be addressing the foundation skills barriers - particularly language, literacy and numeracy (LLN) barriers - confronting a substantial number of the Australian working age population. Findings from the *Adult Literacy and Life Skills 2006 Survey*<sup>1</sup> suggest 40 per cent of existing workers and 60 per cent of unemployed Australians have less than effective English language, literacy and numeracy skills. The survey further reports there is a strong association between LLN skills and an individual's labour force status. Therefore,

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<sup>1</sup> ABS •2006 ADULT LITERACY AND LIFE SKILLS SURVEY

increasing a person's LLN skills can be expected to provide them with more choices in life including the workforce.

The LLNP contributes to building Australia's productivity and inclusiveness by providing high quality LLN training to assist job seekers address LLN barriers to obtaining sustainable employment and/or undertaking further education and training. The Australian Government has confirmed its commitment to LLNP by increasing funding to the program to see a total amount of funding of approximately \$294.8 million over four years as detailed below:

**Table 1**

2009-2010	2010-2011	2011-2012	2012-2013
\$79.9 million	\$72.6 million	\$70.9 million	\$71.4 million

This will see the LLNP placed to respond appropriately to the needs of industry and Australians with low LLN skills including those who have recently been made redundant, Indigenous Australians, and young Australians identified under the COAG Youth Compact.

The Department of Education, Employment and Workplace Relations (DEEWR) will therefore be approaching the open market to tender for 2010-2011 to 2012-2013 LLNP Training, Assessment and Independent Verification services.

## **Current LLNP**

The LLNP seeks to improve clients' language, literacy and/or numeracy skills with the expectation that such improvements will enable them to participate more effectively in training or in the labour force and lead to greater gains for them and society in the longer term. The LLNP provides up to 800 hours of tailored LLN training for eligible job seekers whose language, literacy and numeracy skills are below the level considered necessary to secure sustainable employment or pursue further education and training.

### *Type of Training*

The Program provides initial, basic and advanced accredited English language training, as well as basic and advanced literacy and numeracy training. Each assessed and recommended client has an individual training plan. This outlines the tailored training a client is to receive to meet their needs and forms the basis for recording the client's progression through training. Client learning outcomes are reported against the Australian Core Skills Framework (ACSF).

Complementary Training supports the most disadvantaged clients to achieve their learning outcomes in an environment, which they find conducive to learning. An example of such a course may be where a number of mature aged clients are preparing to return to the workforce and a course is developed to be relevant to their circumstances. Complementary Training allows Providers the flexibility to develop innovative training courses that are parallel to the core delivery of the Initial, Basic and Advanced streams of training.

Advanced Vocationally-Oriented Training assists the more advanced clients to participate in vocational training and can include elements of workplace experience and observation. This training is delivered using vocational competencies from endorsed training packages and/or accredited curricula which meet local business and industry needs. The duration of these courses may extend up to 450 hours. Upon satisfactory completion clients may receive a recognised qualification.

Small Group Training allows those participants who are uncomfortable or struggling in a larger class to build their confidence in a class of no more than five individuals, before returning in larger classes.

### *Coverage*

Providers are contracted to deliver either training and assessment services (TA Providers), or verification services (IV Providers). Current face-to-face services are available from 40 training and assessment providers at over 300 sites around Australia. LLNP services are also available by distance education, across Australia. IV Provider(s) conduct on-site and off-site verification visits and deliver professional development and moderation workshops nationally.

### *Quality*

The Program is structured to provide flexibility in delivery, while achieving clear, measurable outcomes and measurable improvement in client LLN competencies. It is supported by a robust performance management and quality assurance framework, namely:

- Key Performance Indicators to be met by providers which relate to participation; retention; attainment and quality;
- Quality Assurance undertaken by Independent Verifiers. The IV Provider's role includes:
  - Conducting on-site and off-site verification of client portfolios and claimed outcomes;
  - Providing professional development to trainers through moderation workshops and the provision of constructive feedback to trainers following client portfolios verification; and
  - Providing advice to trainers on the development of assessment tasks and other resources.
- Reporting client learning outcomes against the ACSF. The ACSF has been developed by expert LLN practitioners and updates the well-regarded National Reporting System (NRS) which had been used to measure and report the outcomes of LLNP provision since 1995. This framework provides a consistent

approach to the identification of core skills requirements in diverse personal, community, work and training contexts and is a common reference point for describing performance in the five core skills areas, namely speaking, reading, writing, numeracy and learning strategies.

- an IT system which confirms client LLN skills and improvements, client individual training plans, client status and attendance; and
- a network of DEEWR State Office staff who undertake site monitoring visits to ensure that, among other things, appropriate records management protocols are being followed and suitable accommodation and resources are available to clients.

#### *Monitoring and assistance*

The *LLNP Guidelines* set out the requirements for the delivery of Program services and revised guidelines will be included in the RFT. LLNP contracts are managed by DEEWR State/Territory and National Offices. Other support available to providers includes a policy and IT assistance mailbox and an IT sharespace to encourage information exchange between providers.

#### *Funding*

The Program is funded through annual appropriations. Approximately \$79 million is available for the Program in 2009-10. Places in LLNP are limited by the Program budget and providers are allocated a notional budget, based on client demand for training in their location, for each financial year.

#### *LLNP Performance and Improvements – 2006-07 to 2009-10*

In 2005, LLNP was reviewed and recommendations implemented to improve the Program's performance. The key changes to the Program focused on three main themes: improving educational outcomes, streamlining administration and improving financial management. The implemented changes have resulted in 83 per cent of clients who have completed a block of LLNP training achieving the satisfactory progress benchmark - two NRS indicators in a 160 hour block of training.

In addition, the average retention of participants in the Program increased from 225 hours per client to 282 hours (which is still trending upwards). Further, preliminary information from a client survey conducted in June 2009 suggests that approximately 50 percent of LLNP participants progress to employment or further education and training following participation in the Program. This indicates that the Program is achieving strong outcomes against its objectives and is supporting the Australian Government's key policy initiatives.

The Department also released an LLNP Discussion Paper in mid-2008. Stakeholder feedback on the structure of LLNP and associated performance measures informed the decision to implement changes to the Program as part of the 2009-10 LLNP contract extension. These changes are geared to improve client outcomes, Program performance reporting and streamline payment processes, namely:

- the introduction of the ACSF as the new reporting framework of the Program from 1 July 2009;
- increasing the duration of the training blocks to 200 hours from 160 hours; and
- automating payment of the final milestone payment.

#### **Changes to the Program**

The LLNP will largely retain the current operational requirements with some enhancements aimed at ensuring the Program continues to provide high quality training; strengthens linkages and connections with the local community and business/industry and improves its responsiveness. As mentioned earlier in this paper, the Program's performance increased significantly when changes were implemented as part of the 2006-2009 RFT. It is expected that the changes introduced as part of the 2010-2013 RFT will build on these strengths to improve the Program's performance.

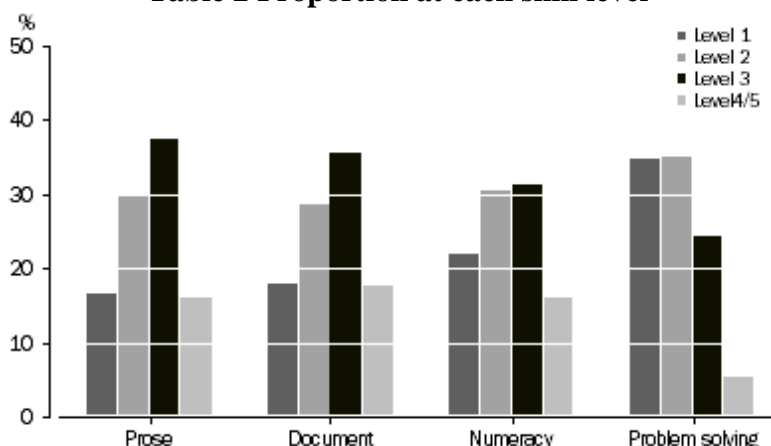
A particular focus is to improve participant engagement particularly given the perceived stigma associated with a pure LLN training program. The ALLS survey and other research confirm the strong social stigma associated with undertaking literacy/numeracy training and the often inaccurate self-perception individuals have about their own LLN skill levels. ALLS found that over half the survey respondents (53%) rated their

English reading skills for the needs of daily life as excellent, yet over a quarter of this group had results suggesting poor or very poor reading skills.

The other improvement is that a more strategic approach to delivering the program will capture a wider range of the Australian population needing LLN assistance. The new contract cycle provides an opportunity for LLNP to strengthen the literacy/numeracy stream of the Program outcomes in line with the success of the language stream. An extract from the ABS survey reports that most Australians have a need for some form of LLN training (see below).

*The 2006 Adult Literacy and Life Skills Survey surveyed Australians aged 15 to 74 years to assess their literacy and numeracy skills and the results indicated that approximately 7 million (46%) Australians had low levels of prose and document literacy (the ability to read newspapers or the ability to use the bus schedules) and that were 7.9 million Australians assessed as having the lowest level numeracy skills. Table 2 - below, outlines the need for assistance by the majority of the population.*

**Table 2 Proportion at each skill level**



Source: ABS, Adult Literacy and Life Skills Survey, catalogue no. 4228.0

Key changes to the Program will comprise:

- i. Performance framework;
- ii. Removing the 460 hour barrier between the Adult Migrant English Program (AMEP) and LLNP;
- iii. Participant engagement;
- iv. Work experience extension into Standard and Complementary Training;
- v. Contract arrangements; and
- vi. Information technology.

#### **i. Performance Framework**

##### Performance Initiatives

The Department is committed to achieving high quality LLN training for clients under the LLNP. To this end the following initiatives are proposed to strengthen the Program's performance and to contribute towards meeting COAG targets and key Government objectives.

##### Community and Industry Linkages

Providers will be expected to build strong linkages within their communities including local business/industry to demonstrate awareness of local issues including labour market needs such as local area workforce development needs (for example Providers developing Advanced Vocationally Oriented Course to meet the growing and/or emerging local industries – like green skills).

Providers are expected to demonstrate local linkages to local community organisations, local business and industry, other Providers of government services – at local, state and national levels - such as Job Services

Australia providers. Providers are also encouraged to facilitate the innovative delivery of LLNP training such as, concurrent LLNP and Productivity Places training, work experience/workplace observation and training delivered in settings such as community volunteer organisations. Existing limitations on the concurrent participation in LLNP and other Australian Government programs such as Work for the Dole have been removed to give the Program additional flexibility.

Potential tenderers for LLNP training and assessment services will be invited to outline strategies for achieving strong community and industry linkages and innovative/good practice training delivery as part of their training and delivery strategies. For successful tenderers, these elements will be included as part of their contractual obligations and subject to monitoring by the Department. Outcomes and learnings are to be reported in annual reports and on the LLNP sharespace.

The extent to which community/industry linkages and innovative/best practice training delivery approaches are implemented and improved will be considered as a factor in the Department’s decision to offer contract extensions. Providers’ success in building and strengthening these linkages will be measured through the Provider Annual Report process.

In addition, it will be expected that the Training Assessment and Delivery Strategies (TADS) will be reviewed annually and reported to the Department through the Provider Annual Report process.

Client Satisfaction Survey

The Department is proposing to introduce a Client Satisfaction Survey that will complement the already existing Post Program Monitoring (PPM) survey. The PPM is a sample survey conducted on clients that have exited the LLNP and seeks to monitor the progress of those clients and the effectiveness of the program in the client gaining further education or employment.

The client satisfaction survey will gather intelligence on the perceived client satisfaction in the quality of the training delivered against their expectations. It is anticipated that the results will assist the referring agencies at better managing client expectations of the program. It is anticipated that the development of the survey and an initial pilot will be undertaken in 2010. The pilot survey will be evaluated to determine the benefits of conducting the survey on a regular basis. Successful tenderers will be invited to participate in the development of the survey and its evaluation.

Data Quality and Accuracy

Provider performance will continue to be assessed against the KPIs outlined in the Program Guidelines. This contract round will continue to monitor provider performance using the existing KPIs in the guidelines with the addition of a new KPI, namely:

- data quality and accuracy

This KPI is designed to ensure that providers record all required information in a timely and accurate manner. Program data that is not recorded in a timely and accurate manner can impact adversely on clients’ income support payments. This KPI will be introduced to encourage improved performance in this aspect of Provider Program administration.

**Table 3**

LLNP Provider KPIs	Data Source
<p><b>KPI Data quality and accuracy</b></p> <p>Program services are administered in an accurate and timely manner:</p> <ul style="list-style-type: none"> <li>• 90% of information is entered accurately and within the required timeframe as set out in the guidelines</li> </ul>	<p>Program system</p>

## ii. **Removing the 460 hour barrier between the Adult Migrant English Program (AMEP) and LLNP**

Following consultation with the Department of Immigration and Citizenship and consistent stakeholder feedback about a more streamlined pathway between AMEP and LLNP, the requirement of AMEP participants to complete at least 460 hours before they can progress to LLNP will be removed. Clients who are AMEP eligible and who progress to LLNP before using their full AMEP entitlement may return to AMEP to use the balance of their AMEP entitlement after participating in LLNP.

## iii. **Participant Engagement**

As mentioned earlier participant engagement is a key focus for improvement of the Program over the next contract cycle. Anecdotal evidence from referral agencies, providers and Program Contract Managers suggests that a possible barrier to client engagement in the Program is the negative connotations associated with the Program's title.

Stakeholder feedback indicates there is a level of shame associated with participating in the program, particularly for Australians that have either been born here or have been schooled in the Australian system. There is concern, therefore, that those in most need of assistance are choosing to decline the opportunity of LLNP training because of, among other things, fear of humiliation, negative peer perception and previous negative experiences in a formal learning environment such as school.

As noted above, the ALLS<sup>2</sup> suggests many adults overestimate their actual literacy and numeracy skills. It follows that these individuals are unlikely to pursue literacy and/or numeracy training where they believe that their skills are excellent. This stakeholder feedback is also supported when reviewing the high number of clients (32%) who make appointments for a pre-training assessment but do not attend - 'no shows'.

Therefore, the Department is seeking to increase participant engagement by reviewing the Program's title. Some suggested options (but not limited to) for the program name are:

- Foundation skills
- Skills for life
- Learning pathways
- Transiting to work or study
- Pathways option program.

Should the program name change, it may not be reflected in the RFT but could be announced as part of the successful tender process.

## iv. **Work Experience Extension to Standard and Complementary Training**

Work experience and/or workplace observation is currently only available through LLNP in the optional Advanced Vocationally-Oriented Course. Again stakeholder feedback indicates there is client demand for the opportunity to undertake work experience and/or workplace observation in Standard and Complementary Training. It is proposed to remove the prohibition on work experience and/or workplace observation in LLNP Standard and Complementary Training.

This change aims to provide participants in all streams of training with the opportunity to acquire additional skills which can be gained in the workplace such as an understanding of workplace culture and the practical application of skills gained in training (particularly those key attributes such as numeracy and problem solving which are valued by employers).

The current guideline requirements for work experience and/or workplace observation would apply as these ensure appropriate insurance, occupational health and safety, and duty of care for clients.

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<sup>2</sup> ABS, *Adult Literacy and Life Skills Survey*, catalogue no. 4228.0

v. **Contract Arrangements**

Successful tenders will be offered three year contracts from 1 July 2010 – 30 June 2013 with the option to extend the contract by up to six years – most likely in two additional periods of three years, subject to Provider performance over the previous years, available funding and provider agreement. This extension option will give providers the certainty of continuing business and allow them to make necessary business decisions such as employing trainers and arranging premises leases at competitive rates.

vi. **Information Technology**

The Language, Literacy and Numeracy Program Internet System (LLNPIS) is currently used to administer, manage and report on the Program. The performance of the LLNPIS under the current contract cycle has been challenging for providers, referral agencies and the Department and there is considerable opportunity for improvement of the system.

The Department has been moving to align Vocational Education and Training (VET) Program systems where possible to a single platform over time. The Access Program IT supporting system (Access On-Line) has already been successfully implemented using this platform and early feedback has been positive with indications it is a reliable and stable environment. It is proposed that the supporting IT system for administering and managing the LLNP will also move to this platform and be operational from 1 July 2010.

Recognising and creating synergies with other VET programs within the Department provides opportunities for streamlining administration. For example, initial comparisons have been conducted between LLNPIS and other VET programs around attendance monitoring and claim generation for payments and these suggest alternative more streamlined approaches are possible. The Department recognises that the current arrangement of requiring LLNP providers to enter class details into LLNPIS creates a significant burden on providers and, further, numerous overpayments that have to be subsequently rescinded result from the underpinning assumption in LLNPIS that a client has attended the full hours of each day unless otherwise advised by the Provider.

Given this, the Department is considering to move to an approach where payments for achieving client milestones are not generated until providers explicitly record that the milestone has been achieved. Client attendance is critical to client achieving satisfactory learning outcomes, and its recording underpins government financial accountability and compliance for income-support clients who are activity-tested. To this end, the Department is considering changing the guidelines to allow greater flexibility about the way this attendance is recorded. These approaches are expected to streamline administration, ease compliance and reduce red tape for providers while meeting government accountability, monitoring and transparency requirements.

**Further Information**

For more information about the Program, including Frequently Asked Questions, see:

<http://www.llnp.deewr.gov.au>

If you would like to raise an issue or provide suggestions about the proposed LLNP changes, please email [LLNP2010tender@deewr.gov.au](mailto:LLNP2010tender@deewr.gov.au)

**Indicative Timetable**

The **indicative** timings for the RFT and enhanced LLNP are as follows.

Activity	Indicative Timing
Release of Overview Paper (this paper)	October 2009
Expected release of Request for Tender (advertised nationally)	October 2009
Tender information sessions	November 2009
Expected tender closing date	December 2009
Expected successful tenderers announced	March 2010
Start of new contracts	1 July 2010