



National Apprentice
Employment Network

SUBMISSION TO THE EXPERT REVIEW OF AUSTRALIA'S VOCATIONAL EDUCATION AND TRAINING SYSTEM

January 2019

Hon. Steven Joyce
Chair
Expert Review of Australia's
Vocational Education and Training
System



25 January 2019

Dear Mr Joyce,

The National Apprentice Employment Network (NAEN) is pleased to respond to this most important examination of Australia's vocational education and training (VET) system.

VET remains a critical pathway for thousands of Australians each year into rewarding jobs and careers, and is the centrepiece of national skills creation.

As the member body representing the largest network of employers of apprentices and trainees across Australia, NAEN is committed to a flourishing apprenticeship system that can adapt to meet the needs of individuals, employers and industry.

Apprenticeships and traineeships have been the bedrock of skills development in Australia for many decades and should continue to play an important part in a modern workforce undergoing immense technological change.

NAEN members represent the unique Australian practice of Group Training, whereby apprentices and trainees are recruited and placed with host businesses for the duration of their training, overseen by field officers who provide mentoring and support.

Over some four decades, more than a million apprenticeships and traineeships have been delivered through Group Training.

NAEN believes strongly that change is needed in the way that apprenticeships are viewed, supported and promoted to those aspiring to a skilled career. The future skills make-up and competitiveness of the Australian workforce also relies on an apprenticeship system that can produce skills capabilities of the highest order.

This review is a chance to create a framework for a VET system that puts apprenticeships on a renewed trajectory – one that rekindles interest and sets a climate to put vocational skilling at the forefront of the national policy agenda.

Yours sincerely



John Liddicoat
Chair, National Apprentice Employment Network

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EXECUTIVE SUMMARY

The National Apprentice Employment Network (NAEN) is Australia's largest employer network of apprentices and trainees. Across metropolitan, rural, regional and remote Australia, the network employs some 25,000 apprentices and trainees in a diverse range of industries. First established during the 1980s, the member businesses, generally known as Group Training Organisations (GTOs) have employed approximately one million apprentices. No other organisation has employed more apprentices in Australia.

The practice of Group Training entails GTOs employing apprentices and trainees under Contracts of Training with the various state and territory governments and placing them with host businesses. GTOs are responsible for selecting and recruiting apprentices and trainees, matching them to host businesses, meeting all employer obligations including paying wages and entitlements, arranging formal training and assessment, and providing pastoral care and support throughout the engagement. The GTO is the legal employer.

GTOs have come to occupy a pivotal role in many communities through their links with enterprises, training providers and schools, as well as in Indigenous and remote communities where they play a central role in careers and training.

It is the common view of GTOs that the workforce-building capacity of the vocational education and training (VET) system has been impaired by many years of failure and neglect. It's time to strengthen through reform, learn from past missteps, and restore faith through a revitalised system.

Despite criticism of the VET system contained in this submission, NAEN recognises and is committed to the idea that for persons wishing to enter the job market, successfully completing an apprenticeship is the pathway to a world of opportunity.

The national GTO network is concerned at the long-term decline of apprentices and trainees commencing training and completing full qualifications, despite there being thousands of job vacancies open to apprentices or trainees in many parts of Australia. In the Group Training network alone, there are an estimated 5000 apprenticeship or traineeship vacancies that could be filled promptly with the right candidates.

Perversely, there are thousands of graduates being churned out by universities. This glaring policy anomaly is putting Australia's future workforce at a significant disadvantage, globally, while the skills crisis has exposed an over-reliance on imported labour.

The Australian apprenticeship system was once highly respected both locally and internationally as a bedrock of technical and vocational skills, fuelling a thriving and prosperous economy.

An apprenticeship or traineeship pathway is now burdened by increased stigma and uncertainty for employers, prospective apprentices and trainees, and their parents. The simple fact is that we have the jobs, but we don't have the candidates well-prepared to commence a trade or traineeship.

NAEN has grave concerns about the funding crisis facing the national VET system, with member GTOs communicating that this is at the core of many problems experienced by both users and deliverers of VET.

Overall, the VET system has limped from one policy experiment to another over the last decade. It has been beset by policy and program changes that have created an atmosphere of confusion and uncertainty – the last thing that businesses need when taking on the normal risks typically associated with an apprenticeship.

NAEN strongly supports a comprehensive review of the VET system so that stability and confidence return to this most important pillar of national skills development, and also to prepare the Australian workforce for the future.

RECOMMENDATIONS

ENHANCING AND BROADENING APPRENTICESHIPS

NAEN recommends that the expert review consider the decline in apprenticeships and examine options for elevating their status in a modern Australia. The place and structure of apprenticeships across broader disciplines should be considered in the context of a dynamic, highly skilled workforce of the future.

UTILISING GROUP TRAINING FOR ALL NEW APPRENTICESHIPS

NAEN urges the review to recommend that all first and second-year apprentices be signed up through a Group Training arrangement. GTOs would systemically provide access to screening and pre-vocational training prior to an offer and placement in a formal training contract, plus focussed additional support and pastoral care for each individual trainee or apprentice. Group Training's completion rates and a more focussed approach to supporting both apprentices and employers during the critical early period of engagement would benefit both parties and help redress the loss of investment in training from early dropouts.

INTRODUCING FLEXIBILITY TO MEET THE NEEDS OF A FUTURE WORKFORCE

The review should consider how the current VET framework including qualifications, training packages, competencies and skillsets are meeting the needs of the current and future workforce, and whether the system is sufficiently robust, forward-looking and flexible to meet new industry needs and workforce demands. Industry is undergoing a transformation, driven by artificial intelligence, machine learning, big data and robotics, requiring skills and knowledge on an unprecedented scale. This will need to be delivered in new formats, locations and integrated with workplace needs. It will require a new approach to learning, training and skills formation.

PLACING THE FOCUS ON JOB GENERATION – NOT JUST MORE TRAINING

NAEN believes the future direction of VET needs to be squarely on employment, supplemented by workplace training. The core expertise of GTOs lies in matching prospective apprentices and trainees with employers and overseeing the relationship to ensure a successful outcome through to the completion of training, both on-and off-the-job. We believe there is room for government to better direct VET initiatives to the needs of business and industry, thus preparing young people with skills for the present and the future.

WHO WE ARE



National Apprentice Employment Network

The National Apprentice Employment Network (NAEN) is Australia's largest employer network of apprentices and trainees.

Across metropolitan, rural, regional and remote Australia, the network employs some 25,000 apprentices and trainees in a diverse range of industries.

The employer network is unique, as it represents the practice of Group Training under which Group Training Organisations (GTOs) directly employ apprentices and trainees and place them with host businesses.

Under this arrangement, GTOs are responsible for selecting and recruiting apprentices and trainees, matching them to host employers, meeting all employer obligations including paying wages and entitlements, arranging formal training and assessment, and providing pastoral care and support throughout the engagement.

Importantly, apprentices and trainees may be rotated across host businesses when, for example, work has finished with one host, or new skills are needed by the apprentice or trainee. This agile response to managing apprenticeships and traineeships provides continuity and quality of training and assessment, and provides the flexibility that is increasingly demanded by industry.

Predominantly not-for-profit GTOs have been undertaking this skills development and job generating role for some 40 years, equipping an estimated one million apprentices and trainees with vital employment skills. GTOs also work with tens of thousands of largely micro, small and medium sized businesses, many of which would not be in a position to directly employ an apprentice or trainee without the support of Group Training.

While some GTOs specialise in particular industries, such as the traditional trades or hospitality, others cater to entire regions and cover a range of industries.

GTOs have come to occupy a pivotal role in many communities through their links with enterprises, training providers and schools, as well as in Indigenous and remote communities where they play a central role in careers and training. GTOs provide a safeguard to all the parties to a training contract, so that apprentices and trainees, host employers, and Registered Training Organisations (RTOs) meet their workplace and training obligations with good intent and under proper guidance.

With immense experience and knowledge of the needs of employers, jobseekers, and entry-level workers, GTOs have evolved into a central pillar of, and over time, the largest user of the VET system - providing numerous pathways for individuals into jobs and careers.

INSIGHTS THAT GROUP TRAINING BRINGS TO THE EXPERT REVIEW

Group Training has become, over the years, the largest user of Australia's VET system.

It functions at the intersection of skills creation and employment generation – where predominantly young people leaving school may enter a contract of training, acquire valuable skills, commence a job, and earn a national qualification through both on-the-job and formal training and assessment conducted by a TAFE or private RTO.

NAEN's submission to the Review is deliberately focussed on the element of the VET system where it operates and possesses expertise – Australian Apprenticeships. Our paper will not comment on the many elements of Australia's complex VET system, except where relevant to the proficiency of our member organisations. Although our GTO members have a deep interest and intimate knowledge of the VET sector, they are predominantly employers engaged in frontline workplace training and, thus, *users* of the VET system.

GTOs deliver jobs by working closely with small to medium enterprises (SMEs). Our members understand and respond to SME's immediate and longer-term skills needs through the employment of apprentices or trainees.

GTOs, for the most part, are responders to the Australian VET system and assist both host businesses and apprentices and trainees to actively engage in work-based training programs that meet pre-determined VET course requirements. As prolific users of a highly complex VET system, the collective network of GTOs considers their intelligence as a crucial influencer on the effectiveness of both the current and re-imagined VET system.

This submission represents the collective views of Australia's national Group Training network, derived from consultation with members on their lived experience as employers of apprentices and trainees. GTOs' day-to-day business is managing employer-employee relationships, helping enterprises to understand and plan their workforce development to meet important skills needs, and juggling a sometimes bewildering array of rules and regulations across the Commonwealth, states and territories.

With a deep understanding of Australia's apprenticeship system acquired over four decades, GTOs are well placed to play an even greater role in a reformed VET system. GTOs are expert at adapting to change, responding to new business trends, and meeting demands in flexibility. They are highly agile operations that respond to both market demands, policy shifts, and changes in the VET system. This bridge between VET and industry is a unique and precious commodity that can facilitate and trial unique employment and training arrangements that may suit a future VET landscape and a future world of work.

With the insight from GTOs around Australia, NAEN believes this submission provides a unique and valuable perspective from indispensable users of the VET system.

THE STATE OF THE VET SYSTEM - A VIEW FROM GROUP TRAINING ORGANISATIONS

Australia's VET system has undergone major reform efforts over the last decade.

There are significant challenges to implementing the current national VET system when policies between jurisdictions can be disjointed, national programs once established and producing results can be cut, where funding is inadequate, and outcomes across industries, states and territories are uneven.

VET is also constantly challenged by its 'poor cousin' status in comparison to the more highly regarded and well-resourced higher education sector.

VET's reputation has also been battered as a result of the VET FEE-HELP scandal where numerous new entrants took advantage of the taxpayer largesse attached to the VET training market.

It is the common view of GTOs that the VET system's workforce-building capacity has been impaired by many years of failure and neglect. It's time to strengthen through reform, learn from past missteps, and restore faith through a revitalised system.

The present state of VET is far removed from the ideal of a high-quality system offering nationally consistent qualifications across state and territory borders and delivering essential skills for a highly tuned workforce. Yet, this ideal, is what GTOs across Australia work hard to achieve. In spite of a lack of government funding, GTOs still maintain their services aimed at providing the best apprenticeship and traineeship support for both participants and host businesses.

The national GTO network is concerned at the long-term decline of apprentices and trainees commencing training and completing full qualifications, despite there being thousands of job vacancies open to apprentices or trainees in many parts of Australia. In the Group Training network alone, there are currently an estimated 5000 apprenticeship or traineeship vacancies that could be filled promptly with the right candidates.

Perversely, there are thousands of graduates being churned out by universities. Many of these face unemployment or under-employment. Some realise an uncertain outlook as industries deal with an excess supply of graduate applicants, while many will enter the workforce with a significant student debt. It seems bizarre that public policy (demand driven university funding) underpins this bulging tide of university graduates, at a time when countless vacancies for skilled trades could be met from the VET sector.

This glaring policy anomaly is putting Australia's future workforce at a significant disadvantage, globally, while the skills crisis has exposed an over-reliance on imported labour.

The Australian apprenticeship system was once highly respected both locally and internationally, as a bedrock of the technical and vocational skills, fuelling a thriving and prosperous economy. Apprenticeships were viewed as a jewel in the crown of a VET system that operated with support from the highest levels of government. This was a source of great pride for GTOs as they facilitated the employment of hundreds of thousands of apprentices in nation-building projects and in enterprises.

Sadly, today, VET as the basis for a career path to long term employment is under-recognised and under-promoted. An apprenticeship or traineeship pathway is now burdened by increased stigma and uncertainty for employers, prospective apprentices and trainees, and their parents. The simple fact is that we have the jobs, but we don't have the candidates well-prepared to commence a trade or traineeship.

One consequence of this failure is that the high demand for skills needed to keep the country's infrastructure, construction, services and businesses running cannot be met by our own workforce. Instead, we have an oversupply of highly qualified yet unemployed university graduates with crippling HECS debts. Data released by the Good Universities Guide in 2017¹ revealed that about 30 per cent of undergraduates left university without any job prospects and were struggling to make inroads in the competitive job market.

This has wider repercussions, whereby a high proportion of university graduates struggle to generate the incomes anticipated, unable to play a part in the economy through home ownership, for example.

As businesses prepare for more advanced technologies and a volatile global economy, different scenarios have been advanced by futurists about the outlook for skills, post-school, in a disruptive labour market. GTOs watch this space with great interest and are ready to respond to VET policy that may throw up new models of work-based training.

For example, the 2018 paper "Can the universities of today lead learning for tomorrow? The University of the Future"², Ernst and Young (EY) proposed a Virtual University model, in which an activist government may restructure the tertiary sector to integrate universities and vocational institutes, prioritising training and employability outcomes as humans begin to be replaced by machines. "Continuous learners are the majority, preferring unbundled courses delivered flexibly and online. Universities restructure into networks that share digital platforms," it said.

If such a scenario plays out, the GTO model will remain an important connector between industry and education, and should be considered as the cornerstone of entry-level job creation and management as young people pursue skills acquisition with concurrent employment.

It's worth noting that GTOs operate at the coalface of skills development and witness, daily, the evolving focus of skills across industries, as well as fluctuations in supply and demand. This makes the national network of GTOs an indispensable resource for government to test the effectiveness of the VET system in job creation and the development of future workforce capabilities.

Finally, governance responsibilities shared between Commonwealth, state and territory governments present a complex and opaque picture to the uninitiated. The differences between jurisdictions' regulations are a barrier to licensing and labour mobility between the states and territories.

GTOs operating nationally deal with these day-to-day complexities, and therefore have developed strong connective relationships with state and territory training authorities, licensing regulators, RTOs in each jurisdiction, and many local VET related intermediaries. A truly national VET system with consistency across state and territory borders is an aspirational vision, however experienced GTOs understand that the highly regulated industries undertaking high risk work are very closely aligned with their state and territory regulators, and these are highly protected by state and territory governments. Past attempts at introducing a National Occupational Licensing system have clearly failed.

1 Olivia Lambert. New data reveals which universities have the worst employment outcomes. NewsCorp 29 August 2017 <https://www.news.com.au/finance/work/careers/new-data-reveals-which-universities-have-the-worst-employment-outcomes/news-story/cb074c851dae4bfd2c86c39baf9f2350>

2 Richard Cawood. Can the universities of today lead learning for tomorrow? The University of the Future, Ernst and Young. 2018 <https://cdn.ey.com/echannel/au/en/industries/government---public-sector/ey-university-of-the-future-2030/EY-university-of-the-future-2030.pdf>

ADEQUATE FUNDING IS CRITICAL FOR REFORM

The nation's impaired VET system is in a dispirited state, recovering from the VET-FEE-HELP scandal, and struggling to produce relevant qualifications which meet the Training Package Standards of 2012. This is a disappointing outcome, particularly as Australia's VET system was once regarded as one of the best in the region, if not the world. As VET expert Professor Peter Noonan noted, "Australia has gone from VET leader and innovator in the Asia-Pacific region, to scandal and cutbacks."³

GTOs across Australia are concerned about the sector's standing, but also the skills development of young people in gaining meaningful and sustained employment in a future world of work.

NAEN has grave concerns about the funding crisis facing the national VET system, with member GTOs communicating that this is at the core of many problems experienced by both users and deliverers of VET. Significant funding loss has been exacerbated by the introduction of demand-driven funding for universities in 2012 – effectively sapping both students and resources from elsewhere in the tertiary space. The early entrant opportunities offered to completing Year 12 students before their ATAR is also robbing industries of potential apprentices and trainees, as the university pathway is presented on a platter before a student sits their final secondary school exam.

The Mitchell Institute at Victoria University has pointed out that public spending on VET has fallen by 5 per cent since 2005, while it has increased by 45 per cent in higher education.⁴ In Australia's federal system, where universities are funded directly by the Commonwealth, and VET is predominantly funded by the states, there is substantial opportunity for cost shifting.

The former Labor government's national partnership agreements were set up to govern the distribution of Commonwealth VET funding to the states, but many states effectively withdrew funding, forcing the Commonwealth to increase its investment in VET.

NAEN, as the direct employer representative of thousands of apprentices and trainees, has seen first-hand the impacts of this cost shifting. GTO members have witnessed declining numbers of participants, fewer high-quality applicants who have been diverted to university, a persistent image problem associated with VET, and a bias against apprenticeships and traineeships that persists in some schools and parts of the community.

Another important issue revolves around adult rates of pay for apprentices. Many industries are reluctant to take on apprentices over the age of 21 because of the higher pay rates. The federal government recently announced planned changes to the Adult Apprentice Payment to allow the \$4000 incentive to be paid to apprentices aged 21-24 (as well as to those over 25). However, the incentive will only be paid to employers where the apprentice's wage is equal to or greater than the minimum wage. Many modern awards have adult apprentice rates that are just below the minimum wage, for instance, the Restaurant, Club and Hospitality General Awards, meaning employers in this industry, won't qualify for the incentive payment.

Over time, there has been a trend of the Commonwealth gradually stripping away a range of employer and apprentice incentives. It is perhaps no coincidence that apprentice commencements have been on a steady downward trend.

³ Peter Noonan, 'What Australia could learn from Hong Kong and Singapore about rebuilding VET' June 2017. <http://www.mitchellinstitute.org.au/opinion/what-australia-could-learn-from-hong-kong-and-singapore-about-rebuilding-vocational-education-and-training/>

⁴ Mitchell Institute, Australian tertiary education cannot flourish without effective vocational education, March 2017. <http://www.mitchellinstitute.org.au/opinion/australian-tertiary-education-cannot-flourish-without-effective-vocational-education/>

More recently, the current government's flagship Skilling Australians Fund has aimed at creating new apprenticeships via funding from a skilled migrant levy. Its project-by-project approach and reliance on state and territory agreements (Queensland and Victoria have not signed up) means it is far from ideal.

Overall, the VET system has limped from one policy experiment to another over the last decade. It has been beset by policy and program changes that have created an atmosphere of confusion and uncertainty – the last thing that businesses need when taking on the normal risks typically associated with an apprenticeship.

NAEN strongly supports a comprehensive review of the VET system that can ensure that stability and confidence return to this most important pillar of national skills development, and also to prepare the Australian workforce for the future.



GROUP TRAINING'S PLACE IN A FUTURE VET SYSTEM

Group Training is renowned for its role in enriching the lives of young Australians, guiding and supporting their journey to rewarding careers. The concept of Group Training offers a uniquely Australian contribution to the training of apprentices and trainees essential for our skilled workforce.

NAEN strongly believes that the role of Group Training in the apprenticeship system is powerful and effective, yet has been under-utilised, nationally, as a means of attracting apprentices and improving rates of retention and completion.

The original concept of Group Training was designed to provide greater opportunity for businesses to support the training of apprentices and trainees. This was promoted under a legislated framework that established Group Training as the 'common law' employer, while assuming responsibility for administration, compliance and many of the risks attached to apprentice employment.

Today, GTOs have experienced staff that inform the management of apprentices on matters such as industrial relations, workplace health and safety, compliance, retention and formal training obligations.

They have a vital link to enterprises, training providers, schools, employment service providers, and communities. They place great value on supporting apprentices and trainees through mentoring and pastoral care via field officers who are responsible for managing any issues that arise.

There are several areas where Group Training can play a more active role in a reformed VET system:

INTERFACE WITH SMALL AND MEDIUM ENTERPRISES

The core expertise of GTOs lies in matching a prospective apprentice or trainee to a host business and overseeing the relationship to ensure a successful outcome through to the completion of training, both on and off-the-job.

This is especially important in the SME sector where many firms do not have the expertise or resources to directly employ apprentices and trainees, and who would not otherwise engage in the training system if it were not for Group Training.

For many SMEs, keeping abreast of relevant laws and requirements while trying to run a business is an onerous task.

Employment through a GTO means apprentices have more support than the alternate direct employment, with access to a team of people tasked to help them complete their apprenticeship, including mentors, trainers, and specialist administration support.

Typically, the SME sector experiences greater business volatility than larger firms, meaning that the flexibility of Group Training is well-suited to the training needs of this market, and could be extended further to SMEs under a reformed VET program.

Because of this volatility and the possibility of a business downturn affecting SMEs, the flexibility afforded SMEs through the rotation of apprentices is often *the* deciding factor in them taking on an apprentice. Working with a GTO provides them with the confidence to take this risk, particularly in industries that work contract-to-contract.

As SMEs evolve and redefine jobs and processes so that their organisations can take advantage of potential automation of tasks in the future, GTOs may assist in the provision of entry-level workers who can meet the agile needs of changing business operations. To carry through apprentices and trainees in a disruptive job market, GTOs will be important managing agents for both host businesses and apprentices and trainees.

The combination of training with employment may increasingly move to skill sets rather than full apprenticeships as young people pick and choose their necessary formal training to meet minimum entry-level work requirements. The GTO model can facilitate the increasingly flexible demands of both host businesses and entry-level workers enrolled in VET courses of the future.



SOUTH AUSTRALIAN GTO, PEER, ACHIEVES A 90 PER CENT COMPLETION RATE

PEER is a non-profit industry-based GTO and RTO in South Australia that won the Small Training Provider of the Year Award at the 2018 Australian Training Awards.

Founded in 1985, PEER has trained 48,000 people, including more than 3,000 apprentices.

While the average completion rate of apprentices across Australia sits at around 50 per cent, PEER stands out with a completion rate at an astonishing 90 per cent.

PEER's training is customised and personalised to accommodate the learning styles of each student, delivered by qualified professional trainers.

It is the largest employer of apprentices within the building and construction industry in the state, with more than 400 apprentices and trainees. It also delivers pre-vocational training, VET in Schools, short upskilling courses and skills recognition.

It's focused and personalised approach has made it a leader in Group Training apprentice development and one that serves as a benchmark, nationally.

PRESENCE IN THE REGIONS

The Group Training network provides extensive coverage and apprenticeship support services across large tracts of regional, rural and remote Australia. They have done this for decades, taking on the role of a critical employment and training linchpin for many small communities.

In states such as South Australia and Western Australia, almost 20 per cent of the GTO apprentices and trainees are in regions classified as 'very remote'.

Local GTOs in regional areas have an intimate knowledge of the employment market through their links with employers, training providers, schools and bodies such as chambers of commerce.

This presence provides an invaluable asset to governments and to the VET system, with infrastructure and expertise that can be utilised for longer term skills building, as well as industry or region-specific programs at short notice.

As decentralisation of businesses is proposed as a solution to population growth as new technologies allow people to leave overcrowded cities, and the prospect of fast trains connecting some of our regional centres, GTOs can play a greater role in the regional and remote areas - being a key connector for communities to access entry-level training and employment opportunities.

GROUP TRAINING TRIAL PUTS MORE THAN 100 NSW TRAINEES INTO REGIONAL AND RURAL JOBS

NSW Hunter Valley GTO, HVTC, has worked in partnership with Service NSW to place more than 100 Certificate III in Customer Engagement trainees in service centres across the state.

The arrangement has provided valuable employment and training opportunities to school leavers and job seekers in many rural and regional communities with traditionally high youth unemployment.

The 12-month traineeships allow participants to gain a nationally recognised qualification and real-world skills that will prepare them for ongoing employment.

Approximately 111 trainees have been placed in 65 service centres, from Tweed in the north to Broken Hill in western NSW, and Albury and Griffith in the south.

HVTC was initially engaged to run a pilot program at Goulburn and Parkes for five trainees to determine if it would work across the state. It was an enormous success, with the trainees not only completing the program and obtaining a qualification, but also being employed full time, and the program extended across New South Wales.



SUPPORTING COMMUNITIES

Individual GTOs operating in local communities provide valuable services and offer government reliable and widespread support in the development of VET, employment and social justice strategies and policy.

With more than a million apprenticeships and traineeships delivered over recent decades, there is an extensive community infrastructure that has been developed that assists many cohorts including school leavers, mature age workers, those with disability, indigenous communities, defence force personnel, youth, refugee and humanitarian entrants, and new migrants.

The pastoral care aspect of GTOs has a close synergy with small communities, particularly as many businesses are run by families residing in the region. Such support is highly valued by SMEs in these communities and can play an important role in nurturing entry-level workers through a changing employment landscape in their local region.



GROUP TRAINING MOBILISED TO PLACE RETRENCHED AUTO WORKERS INTO APPRENTICESHIPS

AGA Apprenticeships, a Victorian GTO, utilised the South East Automotive Transition (SEAT) program and back-to-work funding to develop a unique apprenticeship model to help retrenched automotive workers find apprenticeships and traineeships.

AGA has worked with employers such as North East Program Alliance, BMW South Yarra, Subaru Australia, as well as with local government and a range of host businesses to place mature aged apprentices and trainees into work across the South East region of Melbourne.

The program entailed the pooling of incentives to increase the wages of the apprentices and trainees, while reducing the cost of employment to host businesses, resulting in a smooth transition for the affected workers.

The program overcame one of the major obstacles to the engagement of mature age apprentices and was the winner of the 2018 GTO Excellence Award.

ACTION IN SCHOOLS

Group Training already plays a key part in the secondary school system in promoting apprenticeships and assisting in pre-employment and pre-apprenticeship programs to senior secondary students.

There has more recently been support for additional measures to support industry partnerships in schools to enable students to gain exposure to different job possibilities and to be able to connect these ideas with their studies.⁵

One of the challenges is that many schools and industry partners don't know where to start, while each state and territory has a different approach.

Group Training's existing involvement with schools and local industry means it is in an ideal place to advance this initiative, by assisting with the coordination and resources to enable teachers and industry partners to work effectively, overcome barriers and present information and materials for maximum benefit. GTOs are of enormous benefit to schools, both in careers advice, and leveraging connections with industry to offer work placements to school students in VET courses.

⁵ Mitchell Institute, Connecting the worlds of learning and work, July 2018
<http://www.mitchellinstitute.org.au/reports/connecting-the-worlds-of-learning-and-work/>





WEST AUSTRALIAN SCHOOL LEAVERS TURN TO GROUP TRAINING FOR CAREERS IN THE OIL AND GAS INDUSTRY

The National Energy Technician Training Scheme (NETTS) in Western Australia was developed to assist the oil and gas industry to help transition school leavers into the industry.

It is a collaboration between the group training organisation, known as Programmed, and the major oil and gas companies to build a skilled workforce for the future.

It entails the companies working together to share knowledge and experience so that apprentices have the best possible exposure to the industry.

For example, it might see a Shell apprentice going to Woodside LNG processing plant at Karratha or Quadrant's Domestic gas processing plant in the north-west or to the Northern Endeavour floating production and storage vessel off the coast.

The program has attracted some 38 per cent females, 31 per cent overseas-born, and 27 per cent Indigenous participants, with one awarded the Group Training 2018 Indigenous Apprentice of the Year.

INTRODUCING GOVERNMENT PROGRAMS

The extensive national network of GTOs covering regional, rural and remote areas represents a useful vehicle for any government wishing to promote, introduce or trial innovative workplace training or employment programs.

With around 120 GTOs and hundreds of skilled and knowledgeable field officers, the network has the capacity to serve as a conduit for the delivery of services and programs at short notice and under expert management.

NAEN stands ready to work with government to ensure that there is a more effective match between training and jobs, and that the skills Australia is developing are those most appropriate to industry





REMOTE AREA PROGRAMS BOOSTING INDIGENOUS EMPLOYMENT

The group training model is particularly suited to facilitating employment for those disadvantaged in the labour market.

While the group training network employs 11 per cent of all apprentice and trainees nationally, the network employs 20 per cent of all Indigenous apprentices and trainees.

Kimberley Group Training (KGT) in remote Western Australia was established some two decades ago by the local ATSIC regional council for the sole purpose of increasing Indigenous employment.

This remains the core goal of the organisation, with 80 per cent of its business attached to Indigenous employment. KGT's footprint extends to all of the Kimberley (West, Central, and East to the Northern Territory border).

The bulk of KGT professional staff are recruited from the Kimberley region and, as a result, grew up in Indigenous dominated communities or are themselves Indigenous.

KGT has been a partner in the delivery of the job-first VTEC (Vocational Training and Employment Centre) model developed by Generation One.

From the model's inception in mid-2014 to the present time, it has placed 450 jobseekers into employment in remote to very remote locations, with the bulk of those having little or no prior work history.

In NSW, the National Electrical and Communications Association (NECA) has an Indigenous engagement program that has engaged 87 participants from mostly disadvantaged communities.

To date, the program has achieved very strong outcomes with all the participants either graduating or participating in at least 75 per cent of the course. A total of 61 are in jobs – an outcome that would be difficult to achieve outside the group training model.

PROPOSALS FOR A FUTURE VET SYSTEM

ENHANCING AND BROADENING APPRENTICESHIPS

NAEN recommends that the expert review consider the decline in apprenticeships and examine options for elevating their status in a modern Australia. The place and structure of apprenticeships across broader disciplines should be considered in the context of a dynamic, highly skilled workforce of the future. Considering apprenticeships as a career choice demonstrates that work, opportunities and rewards flow from successful completion of a skilled trade apprenticeship. This concept is under-promoted and needs to change.

GTOs across Australia believe there is a serious flaw in the career options provided to secondary students, leaving many who aspire to a VET pathway without vital information (such as course requirements and subject choice advice, marks needed, study alternatives, and career options through a VET pathway). This is clearly not the case for students aspiring to attend university.

The vision of the on-campus university experience is heavily sold to secondary students as a sweetener to the university pathway.

Employability skills are often lacking at the end of a knowledge-based university course, with adverse consequences for graduates seeking to enter the workforce. With a VET pathway, however, the likelihood of a job combined with training ensures that productivity and employment begin at the outset. It is dumbfounding that with Australia facing critical skills shortages, and with apprentice enrolments and completions sliding year-after-year, that the university pathway remains the key goal for many students.

As previously noted, NAEN estimates that GTOs across Australia currently have up to 5000 apprenticeships or traineeships available for entry-level candidates – in essence, some 5000 jobs ready and waiting. With employers desperate to fill jobs through apprenticeships and traineeships, and keen to train the local workforce rather than rely on imported labour, there is the question of why school leavers and their parents are not given information that would lead to an apprenticeship or traineeship, and a real job.

Too often, GTOs are referred candidates who are pushed to the trades due to poor academic performance and disengagement at school. Although some trades can be suited to students who respond to hands-on learning and an interest in technical applications, trades also require high levels of motivation and often a strong aptitude in maths.

A trade course is not the time to restart high school maths training, and on-the-job training is not boot camp for disengaged individuals. The choice of a skilled trade or apprenticeship must be elevated and championed, not relegated to disengaged students. This information needs to get to schools, parents, and students so that there is clarity about career options through apprenticeships or traineeships, and an equal weighting with university choices.

UTILISING GROUP TRAINING FOR ALL NEW APPRENTICESHIPS

NAEN urges the review to recommend that all first and second-year apprentices be signed up through a Group Training arrangement.

GTOs would systemically provide access to screening and pre-vocational training prior to offer and placement in a formal training contract, plus focussed additional support and pastoral care for each individual trainee or apprentice. These two additional components can turn possible non-completions into full completions, particularly when young people may be unsure about their career choices at a time when they are coming to terms with new work relationships, especially with supervisors and managers.

GTOs would also spend significant time in the recruitment process to ensure candidates were matched correctly to their respective trades. These Group Training interventions would be a key strategy for the government to boost retention rates at this vulnerable training period for new starters.

The latest statistics for apprentices and trainees for 2017-18, show that while completions in direct employment fell 8.6 per cent over the previous year, completions in Group Training increased by 5.7 per cent.⁶

Group Training's completion rates and a more focussed approach to supporting both apprentices and host businesses during the critical early period of engagement would benefit both parties and help redress the loss of investment in training from early dropouts.

FLEXIBILITY TO MEET THE NEEDS OF A FUTURE WORKFORCE

The review should consider how the current VET framework including qualifications, training packages, competencies and skillsets are meeting the needs of the current and future workforce, and whether the system is sufficiently robust, forward-looking and flexible to meet new industry needs and workforce demands.

Industry is undergoing a transformation, driven by artificial intelligence, machine learning, big data and robotics, requiring skills and knowledge on an unprecedented scale.

This will need to be delivered in new formats, locations and integrated with workplace needs. It will require a new approach to learning, training and skills formation.

Group Training has currency for the changing world of work, and can build on its capabilities learned from past decades servicing apprenticeships.

A FOCUS ON JOB GENERATION – NOT JUST MORE TRAINING

A number of initiatives over recent years have focussed on training, rather than on employment.

NAEN believes the direction needs to be squarely on employment, supplemented by workplace training.

We believe that there is room for government to better direct VET initiatives to the needs of business and industry, preparing young people with skills for the present and the future.

Because every placement of an apprentice or trainee through Group Training is in response to the need of a host business, the process is entirely demand-driven, with the training directly linked to the job – there is no “training-for-training’s-sake”.

GTOs employ experts with real hands-on industry experience who can support individuals that may be struggling with traditional learning methodologies. This can, and should, be better utilised to boost employment in critical skills areas.

⁶ National Centre for Vocational Education Research, 'Apprentices and trainees 2018: June quarter – Australia', December 2018. <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2018-june-quarter-australia>

EXPERT REVIEW OF VET - TERMS OF REFERENCE

1. The Review will have regard to VET funding, policy and regulatory settings and how they can be optimised to support both school leavers and workers to maximise the achievement of relevant skills and employment outcomes from the VET sector.

2. It will examine skills shortages in VET-related occupations, in particular any tension between VET outcomes and the needs of industries and employers, and what might be done to better align these.

3. It will consider expected changes in future work patterns and the impact of new technologies and how the VET sector can prepare Australians for those changes and the opportunities they will bring.

4. The Review may consider the flexibility of qualification structures, particularly for mid-career workers, and for industries seeking rapid deployment of new skills.

5. The Review may have regard to community perceptions of the effectiveness of the VET sector and the accessibility and utility of information about VET options and outcomes, both for employers and students, including information linking training options to employment outcomes.

6. It may review whether additional support is needed for vulnerable cohorts, including those currently unemployed and at risk of unemployment, or those with low literacy and numeracy skills.

7. The Review may seek out case studies of best practice in VET, and consider whether specific trials should be undertaken to test innovative approaches likely to deliver better outcomes.

8. The Review should have regard to the scope and outcomes from any previous or forthcoming reviews, consultation to date, and inputs made by industry and peak groups.



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