

Transition time - best of both worlds

Employers and young people face new obstacles in dealing with the transition from school to the workforce. Jim Barron looks at the operation and legal aspects of an innovative apprentices scheme helping to bridge the gap.



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The transition from school to work is vital both for young people, whose whole career can be affected, and for business, which is constantly in need of committed young workers. The Australian Chamber of Commerce and Industry has identified access to suitably qualified employees as one of the top ten constraints on investment in Australia for businesses of all sizes.

In its recent report 'Overview of Transition Program', Allen Consulting Group pointed out that 'making a successful transition from school to working life is central to combating the multi-dimensional nature of disadvantage...young people today are facing difficulties not faced by previous generations. The persistence and severity of these obstacles... require a new and broad commitment by government, business and the community'.

That broad commitment can be seen in the innovative School-Based New Apprentices (SBNA) scheme.

THE BIGGER PICTURE

The SBNA is one element of 'New Apprentices', the overall term for new apprenticeship and trainee arrangements which started on 1 January 1998. 'New Apprentices' combines paid work with structured, off-the-job training to give nationally recognised qualifications under a formal 'Training Agree-

ment' (or 'Contract of Training' in some states).

There is no doubt that this has been very successful. According to Australian National Training Authority (ANTA) figures, 2.1% of Australia's working age population are employed in a 'new apprenticeship', which places Australia fourth in the world in terms of coverage of the workforce.

SBNA allows students to start a new apprenticeship during years 11 and 12 at school as part of their studies. Key elements of the SBNA include:

- A registered training agreement that is signed by both the employer (which can be a group training organisation) and the trainee or apprentice (and a parent where he or she is under 18);
- A formal training program with training delivery supported by a registered training organisation that leads to a nationally recognised Vocational Education and Training qualification under the Australian Qualifications Framework;
- Paid employment on a pro-rata basis under an appropriate industrial arrangement;
- Attendance at school and the attainment of a senior secondary certificate.

FINANCIAL INCENTIVES TO EMPLOYERS

There are a number of general

Federal Government financial incentives to employers for 'new apprentices' and these general incentives are also available for SBNAs. However, there are also two specific financial incentives for SBNAs which apply from 1 January 2003. These are a:

- a) School based commencement incentive of \$825 for employers who commence a new apprentice who is still attending school full time; and
- b) School based retention incentive of \$825 for employers who employ a school based new apprentice within six months of completing year 12.

TRAINING AGREEMENT

The training agreement is a legally enforceable contract and the central legal document in the scheme. It is the trigger for financial incentives and industrial relations arrangements. The agreement must be registered with the appropriate authority, usually the state department of education. Where the apprentice is under 18, it must also be signed by a parent or guardian.

The agreement must include a training plan that sets out the proposed mix of school, work and training to be undertaken. Where school based part time traineeships are proposed through group training arrangements, it is the responsibility of the group training organisation to ensure that appropriate employment and

Apprenticeships

training opportunities are available through host employers.

HOW MUCH WORK & MONEY

The number of hours per week for a part time traineeship are identified in the agreement or relevant award. They vary but generally range from an average minimum of 15 hours per week to an average maximum of 30 hours per week for on-the-job and off-the-job training.

School based part time trainees are allowed to spend less time at on-the-job or off-the-job training during examinations and exam preparation periods. They may work full time during school vacations.

School based new apprentices are paid under an appropriate industrial arrangement. The National Training Wage Award has been varied to provide for school based part time trainees. Provisions are being introduced progressively through variations to many industrial awards and agreements.

INDUSTRIAL RELATIONS

Under the training agreement, the students are subject to the terms and conditions of the relevant award or industrial agreement and the employer must ensure compliance. Particular care should be taken with the probationary period. Where possible, it should be no longer than three months and coincide with the school year.

DISPUTE RESOLUTION

There are dispute resolution mechanisms in each state to deal with disputes between an employer and a SBNA. They are broadly similar to the mechanism in New South Wales. The employer and SBNA must first seek third party advice from an approved person. If this does not resolve the problem, then the dispute will go to a specialist tribunal. The tribunal can determine the dispute, consider applications for cancellation of an apprenticeship or for variation of a training agreement.

GROUP TRAINING CONCEPT

Collectively, group training organisations are the largest employers of apprentices in Australia.

Group training is an arrangement where new apprentices are

employed by one company (group training organisation) but are in turn hired out to 'host employers' for part or all of their training agreement. They can rotate new apprentices through various workplace environments. This can be of great assistance to small businesses which can have new apprentices without the responsibilities of full time employment.

As the employer, the group training organisation conducts the recruitment process and handles the paperwork associated with such things as superannuation, wages, and workers' compensation.

'National Standards for Group Training Organisations' have been adopted from 1 January 2003 as the quality arrangements in each state and territory for group training organisations seeking government funding. These national

standards:

- Provide the framework for a nationally consistent, robust group training service brand;
- Assist group training organisations to monitor and improve their organisations' strategic operational and financial planning and performance;
- Provide federal, state and territory governments with a consistent basis for the recognition, support and monitoring of group training organisations.

NATIONAL SBNA GUIDELINES

At the latest meeting of the Australian National Training Authority Ministerial Council on 13 June, it was announced that new national guidelines will soon be available to support SBNAs. Training ministers have asked their education minister colleagues to endorse the national

guidelines for SBNAs.

The upgraded guidelines follow a national evaluation to support growth in this pathway. They provide:

- Definitions of an SBNA;
- Principles to help implement the guidelines;
- Agreed objectives for SBNAs;
- Guidelines for delivery
- Key requirements, including occupational health and safety and pastoral care for students;
- The roles and responsibilities of the student, parent/guardian, employer, registered training organisation and the school.

SO FAR SO GOOD

The Allen Consulting Group report concluded that 'there has been moderate success with the introduction of the School-Based New Apprentices, which are now around

International Context

'Historically, the Germanic dual systems have been the world's biggest in terms of both the absolute numbers of apprentices and the coverage of occupations in the workforce... By 1998, that coverage had reached around 3% of the total workforces of the dual system countries of Germany and Switzerland and over 2% in Austria.

...the Australian system has grown so rapidly in recent years that it is now only outranked by the dual system countries in terms of the comprehensiveness and extent of its coverage of the workforce.

...in terms of proportional coverage of the workforce, Australia's new apprenticeship system is now fourth only to Switzerland, Germany and Austria. The very rapid growth in new apprenticeship numbers in Australia in recent years has seen the proportion of the working age population who are in new apprenticeships increase very rapidly from just 1.5% in 1998 to some 2.1% in 2000.'

International Comparison of Total Apprenticeship Numbers

Country	Year	Number of apprentices in training	Population in the 15 – 65 age group	% of working age population (15-64 years)
Switzerland	1995-96	164,500	4,824,000	3.4
Germany	1998	1,657,000	56,220,150	3.0
Austria	1997	121,629	5,480,820	2.2
Australia	2000	275,000	12,875,540	2.1
Finland	1997	36,289	3,424,100	1.1
Norway	1998	31,800	2,862,130	1.1
Netherlands	1997	115,000	10,681,340	1.1
Denmark	1997	31,494	3,556,340	0.9
France(a)	1998-1999	323,380	38,537,360	0.8
UK(b)	2000	217,400	38,851,090	0.6
USA	1999	431,797	179,403,380	0.2

a) Excluding agricultural apprentices

b) Advanced modern apprentices and foundation modern apprentices

Source: 'Australian apprentices – Facts, fiction and future', National Centre for Vocational Research Ltd, 2001

two per cent of VET in school enrolments, although structural and cultural barriers currently impede expansion. Queensland stands out in having 60% of School-Based New Apprentices although some other states have developed VET in schools to a greater extent. ‘

ISSUES TO BE RESOLVED

A number of issues need to be resolved for the SBNA to reach its full potential. One systemic issue identified in the Allen Consulting Group report was that the apprenticeships are ‘markedly skewed to those industry sectors that already employ large numbers of young people in casual employment such as retail and hospitality with very few in the areas of skill shortage and new and emerging industries’.

It is likely that the new SBNA specific financial incentives will assist in changing this.

Other systemic issues of relevance to employers include establishing appropriate industrial arrangements, some resistance to paying wages during off-the-job

training and opposition by some industry parties to school based arrangements in traditional trades.

More specific challenges for business include:

- Travel to and from the workplace, supervision and insurance cover;
- Managing the duty of care when it is shared between multiple parties;
- Managing different expectations arising from two very different cultures – school and industry.

CONCLUSION

On a wider policy front, I believe that the success of the SBNA scheme is critical to resolving some of the growing skill shortages faced by government and industry in Australia. I believe it is that important.

If we can iron out some of the challenges identified above and enthusiastically promote the models that work, then the scheme’s future will be assured, as will the futures of tens of thousands of school leavers across the country. ●ERA

Employer’s Checklist

The South Australian Department of Education and Children’s Services provides a checklist for employers interested in being involved in the School-Based New Apprentices scheme.

- 1 Identify qualifications required for SBNA position
- 2 Establish work tasks to be undertaken by the student and the competencies and desired AQF levels needed to achieve these
- 3 Contact the relevant vocational coordinator
- 4 Assist schools in promotion and marketing the program to potential students
- 5 Discuss industrial relations issues with ITABs/unions
- 6 Establish award arrangements and conditions
- 7 Select suitable students from the potential students identified by selected schools
- 8 Select a suitable registered training organisation (RTO) for the delivery of the training
- 9 Develop a training plan in conjunction with the schools and the chosen RTO
- 10 Develop mutually acceptable workplace arrangements with the student in conjunction with the school and the RTO
- 11 Prepare the contract of training and sign with the student (and parent or guardian if necessary) and send it to a new apprentices centre for lodgement for registration
- 12 Begin on-the-job training plans after the commencement date of the contract
- 13 Monitor student progress and report any concerns to the relevant parties