

GROUP TRAINING AUSTRALIA

RESPONSE

TO

THE DISCUSSION PAPER

***THE FUTURE OF EMPLOYMENT SERVICES IN
AUSTRALIA***

JUNE 2008

Introduction

The Group Training Network and its members have participated in and supported the Job Network since its inception in 1998. Like the Job Network, Group Training is a national network of providers however its specific interest is in the promotion and provision of vocational education and training for individuals, communities and business. The Group Training function has been a natural parallel activity to that of the Job Network however in the past, structures and policies developed for the Job Network has not enabled these natural synergies to be fully developed.

GTA LTD is strongly of the view that the group training network has been very successful in getting people into their first start in the trades and at supporting them to stay there. Importantly, it is a network highly skilled at identifying career pathways matching this with training solutions.

This paper supports the view that the current Job Network structure and design does not suit the current economic context or the current labour market supply and demand situation. In particular, given our associations and our network's number one priority i.e. the creation of employment and training, GTA LTD warmly welcomes the foreshadowed heightened focus on *skills development and training*.

GTA LTD has chosen to only respond to Discussion Points that it considers relevant to its national association interests and those of the group training network.

Discussion

Discussion Point 1

When discussing job search, training, work experience, past efforts and achievements of prospective job seekers, GTA LTD believes that it is very difficult to have a "one size fits all" approach to provider and information services. Arguably these are all specialist areas in which to drill down, requiring certain skills and experience unlikely to be found in any one generalist provider.

GTA is of the view that future providers of employment services should not be expected to contain and supply all specialist skills from within their own organisation but should be able to purchase specialist support for participants from external organisations on a customized arrangement for each participant.

If this approach was adopted the workforce management skills and labour market experience of Group Training Organisations could then be accessed by employment services providers to add to their capacity.

Discussion Point 2

Attempting to make the job placement experience as meaningful, relevant and real for the individual job seeker should be a primary aim of any new system. The establishment of criteria to guide the development of the relationship between the employment placement provider and the job seeker is clearly desirable. Such criteria could address such issues as minimum contact requirements. The development of a reasonable employer relationship should also entail flexibility but also establish limits for unacceptable performance.

Discussion Point 3

Our experience with the administrative processes of the current system is that for a very long period they prevented the development of partnerships between Group Training Organisations and Job Network Providers. The cultural and structural barriers ensured that these two essentially complementary systems never developed the level of partnership and cooperation that was potentially available.

This unsatisfactory situation was particularly highlighted when it came to the Job Network working in with so-called “complementary programs”. From GTA LTD’s point of view and that of the national network, this was at its worst when trying to encourage the use of such vital pre vocational training programs such as the Australian Apprenticeships Access Program.

In 2004 GTA was funded by the former DEWR to develop material to assist GTOs and members of the Job Network to partner more effectively. The material can be viewed at www.grouptraining.com.au >National>Projects>Collaborative Partnerships.

The employment service of the future must be a flexible structure within which it is attractive and beneficial for other organisations to form constructive partnerships

Discussion Point 4

Given the obvious increase in the level of disadvantage and the degree of difficulty in finding placements for participants, responsibility for identifying the requirements and application of the EPF should rest with the specialist on the spot. If the intention is to provide a real service with a lasting employment outcome, prescription and limitation should be removed.

The under-utilisation of the EPF may stem from an absence of acceptance and understanding of the application of training solutions as a means of resolving

gaps in employability readiness. Successfully dealing with this attitudinal and cultural “bias” will be absolutely critical to the ultimate success of the new Job Network.

This is certainly an area where Group Training Organisations could partner with or consult to employment service providers.

Discussion Point 5

Perhaps this question needs to be rephrased. How often are job seekers in a position to know who is the best provider in their area of need or location? A second question relates to how many choices need be available to ensure choice? A final issue may be how to ensure the provision of choice from a single provider in a region (because the region may be too small for more than one provider)?

GTA’s position is that there is no one correct answer. If choice is to be feature it should only be provided when it guarantees the quality of the service. It is our strong belief that in some respects, the “old” Job Network offered *too* much choice to the detriment of job seekers. The market simply became too crowded with some players and providers occupying a space simply for commercial reasons.

Choice should be seen as a driver of quality not a driver of price competition. Clearly difficulties will occur if the product is limited by budget – an issue which seemed applicable to the former system.

A further area to be addressed is capacity and motivation of the job seeker’s interest or willingness to utilise choice of provision. For choice to become a “box to be ticked” there needs to be confidence that participants are able to exercise choice correctly.

The lead into discussion point 5 also makes reference to the need to encourage skills and training, particularly into apprenticeships and traineeships, as well as the need to improve connections between employment service providers and vocational education and training.

GTA concurs completely with this assertion and believes that there is considerable scope to increase the number of commencements in apprenticeships and traineeships through closer collaboration between the Job Network and group training organizations (GTOs).

In recent years GTA has conducted research into the pool of applicants for apprenticeships with Victorian-based GTOs. The research has shown that, while most GTOs receive multiple applications for each apprenticeship vacancy, many of the applicants are unsuitable for the positions for which they have applied.

Either the applicants' levels of literacy and/or numeracy are below that which is required to undertake their course of choice, or they lack some other requirement deemed essential for success.

GTA has no longitudinal data on what happens to these unsuccessful job seekers. While many can be assumed to find employment elsewhere, it is possible that many become part of the vast pool of people identified by the Dusseldorp Skills Forum in their report *It's Crunch Time* who remain only marginally attached to the labour market.

GTA believes it must be possible to keep these jobseekers, who have already expressed a willingness to undertake an apprenticeship or traineeship, in the recruitment cycle by taking whatever measures might be appropriate to make them more suitable candidates for apprenticeships or traineeships. These measures would likely include literacy and numeracy training, work experience placements this would

It seems to us that the new Job Network arrangements should ensure that members of the Job Network have the capacity to work with employers like GTOs to keep these jobseekers in the recruitment cycle while delivering a range of remedial measures.

The problem appears to be that for too long pre-employment training of this kind has occurred in isolation from the offer of a job and from the provision of sustained support of the kind that can be offered by a GTO.

Discussion Point 7

In line with comments made earlier it is critical that any new system recognises the role of the specialist providers and puts trust in their judgment. Rather than instituting arbitrary (and probably artificial) management parameters, a preference would be for "use monitoring" systems designed to identify where providers inadvertently or deliberately misapply resources to a job seekers needs. Similar systems are in place in the health sector to monitor prescription usage by doctors.

Discussion Point 8

Parents returning to the workforce may well be one of Australia's richest assets into the future. The difficulty is that this is a relatively little known cohort. The development of customised EPPs for this group would seem an essential element of success. The presumption is that the EPP will vary with each individual. If actual needs cannot be met there will be no trust in the system and the process of development will be frustrated.

Discussion Point 9

Most Group Training Organisations (GTOs) are involved in the delivery of one or more complementary programs; a number of which are managed under brokerage arrangements by GTA LTD (viz. the ACCESS program, Group Training in the Trades Program (GTP) and STEP ERS.

As alluded to earlier in this paper, GTOs widely report that many of the current Job Network Members (JNMs) do not actively identify and refer to complementary programs. Furthermore, some are seen as reluctant to do so. In the case of Indigenous programs, the reason for such reluctance is difficult to fathom, given that JNMs are able to receive employment outcome payments and a contribution to their star ratings following referral, where the subsequent work in placement and post-placement is undertaken by another entity.

We at GTA submit that funding provided to JNMs under the proposed Innovation Fund for Indigenous-specific projects be restricted to those projects that demonstrate both the intent to refer to complementary programs, and to work collaboratively with community organizations and other providers of vocational training and employment services.

In the current labour market, JNMs have a time-critical obligation to assist in meeting labour demands generated by complementary program providers. GTA submit that the current Star Rating System, or any subsequent JNM performance measurement, be enhanced to measure the degree to which JNMs refer to such programs.

Discussion Point 10

In a system which is designed to operate as a quasi market (choice and competitive pricing), notions of best practice and dissemination of innovative approaches are, whilst most welcome in theory, often difficult to prosecute in practice.

To achieve proper and productive transfer of ideas, providers need assurance that there is some benefit in doing this and that no loss in business levels will be incurred as a result.

Work in this area is best entrusted to the industry body which represents the service providers and who is known to represent their interest.

Discussion Point 12

The notion of a single labour market is an oversimplification. There are many labour markets with no uniform or single boundaries. Labour market boundaries do not have the rigidity usually associated with geographic regions and they may be impacted or distorted by a wide range of factors which can be quite fluid.

ESAs should replicate normally accepted communal and regional commercial boundaries. Sometimes these are not ordained geographical boundaries but by and large, LGA boundaries are the best fit (apart from border situations).

Conclusion

As indicated at the beginning of this written response, GTA has not attempted to address all of the issues raised in the discussion paper. It has addressed the selected issues not as an employment service provider but as a very interested party which operates close to the employment service arena and as a party which represents a network which if included in the discussion should be able to add value to the outcome.

GTA LTD and the group training network congratulate both Minister O'Connor and the Department on embarking on this exercise and we look forward to playing our part in delivering greater employment and training opportunities to job seekers.