

Skilling Australia

for the future

Discussion Paper 2008

A response to the discussion paper from

Group Training Australia Ltd

April 2008

Introduction

Group Training Australia (GTA) welcomes the opportunity to respond to this discussion paper.

GTA represents the national network of over 150 group training organisations (GTOs) which between them employ 40,000 apprentices and trainees who are hosted out to anything up to 100,000 host employers during the course of their training.

More importantly, the group training network currently employs:

- 20% of all traditional apprentices in Australia, a figure which can rise to as high as 40% in specific trades in individual States and Territories
- 20% of all Indigenous apprentices and trainees
- 17% of all Australia School-based Apprentices (ASbAs); and
- 10% of all apprentices and trainees with disability.

Behind this effort lies considerable experience in preparing and recruiting young people for the positions that are available with host employers, as well as supporting them throughout the duration of their training. This experience includes working with students while still at school to improve their transition from school into further education and training. It also includes working with candidates to improve their capacity to undertake an apprenticeship or traineeship.

This preparatory work often involves the use of pre-vocational and pre-apprenticeship training of the kind that is currently available under either the Australian Apprenticeship Access Program (Access) and the Group Training in the Trades Program (GTTP), or a range of other State and federal government programs. GTA itself is one of the largest and most successful brokers of Access and GTTP which are both Commonwealth-funded.

The considerable expertise of our network in working with school students and recruiting and supporting candidates for apprenticeships and traineeships, and the experience of GTA as a major broker of prevocational programs, has all informed our response to this discussion paper.

This expertise has also been recognised by other stakeholders in the employment and training sector. The Australian Industry Group (AiG) and the Dusseldorp Skills Forum (DSF) in their paper ***It's Crunch Time: raising youth engagement and attainment*** point to the benefit of making more use of the group training network to provide early intervention for disengaged students.

Strengthening the use of intermediaries like group training is also one of the cornerstones of ***Facing Up to Australia's Skills Challenge: setting priorities and delivering results***, a 10 point plan for a reinvigoration of Australia's investment in vocational education and training, launched recently by the National Skills Policy Collaboration of which GTA is a partner along with AiG, DSF, the ACTU and the Australian Education Union (AEU).

Issues for Discussion

How should Skills Australia interact with industry groups to ensure that it has access to the most appropriate and up to date data?

What sources of data on skills shortages should Skills Australia access?

Response

We assume that Skills Australia will need to work closely with the Industry Skills Councils (ISCs). The ISCs are currently responsible for the development of Training Packages for their industry sectors.

They are also responsible for the development of VET skill plans in which they attempt to forecast skill requirements for these sectors. In doing so they no doubt have recourse to all the usual sources of publicly available data including:

- Australian Bureau of Statistics (ABS)
- NCVET
- state and federal labour market analysis and research;
- training providers and industry associations.

However, skills forecasting is a notoriously imprecise science. We would arguably not be in the middle of a skills crisis if forecasting could be undertaken with any degree of accuracy.

The data is often presented at too high a level to give more than a broad picture to funding bodies and training providers. The lead times involved in the development of VET skill plans mean that even a forecast of the number of new entrant workers and the full qualifications they will require may prove wildly inaccurate if there are sudden or unanticipated changes in economic circumstances which affect the labour market. Who for argument sake can be said to have accurately predicted the extent of the resources boom and its impact on skills shortages?

In relation to the existing workforce, where full qualifications are likely to be of much less interest to employers or even employees, and where the emphasis is likely to be on additional skill sets to meet immediate workplace demands, it is likely that the ISC skill plans will capture this information with even less precision.

These will be critical issues to take into account if the large number of training places that has been earmarked for existing workers over the coming quadrennium is to be deployed efficiently and effectively.

While ISCs are expected to be provided with additional resources to ensure that they are able to gather the intelligence that is needed to guide the distribution of training places under the Productivity Places Program (PPP), there may be other entities like group training that are well placed to assist their endeavours. We elaborate on this suggestion in our response to the next discussion question.

Issues for Discussion

How will ISCs ensure that their environmental scans take full account of workforce issues in their areas of industry coverage?

What is the best way to ensure that state based industry advisory bodies are engaged in the model without duplication of roles?

How can ISCs encourage and highlight responsive RTOs delivering high quality training for their industry

Response

As stated in the introduction to this paper the group training network employs over 40,000 apprentices and trainees and in doing so has contact with anything up to 150,000 businesses, the vast majority of which are still small and medium enterprises, despite an increase in the number of larger employers using group training arrangements in recent years.

This contact is made by the network's field staff who are in the frontline of dealing with employers and gathering intelligence about their business and particularly their staff and training needs. They are in effect consultants who are analysing business needs and proposing training and employment solutions. Not all of the businesses with which contact is made will become hosts to a group training apprentice or trainee but for many this will be their first contact with the training system.

Policy makers have often grappled with how to identify and then meet the training needs of small business, although solutions have often proved elusive. This largely stems from the fact that small business operates in something of a knowledge vacuum about what is needed, what is available and how to access it.

GTA believes that the group training network may be able to assist the ISCs to gather some of the information they will be required to provide as part of their new charter.

Our suggestion is based on the experience of our Victorian association which is being funded by the Victorian Office of Small Business under the ***My Business My People Program*** to provide just such a service to small business. The funding has enabled a number of experienced group training field staff to be released from their usual duties to provide local employers with a workforce development plan for their business.

The training need that is thus identified is then met from any number of sources including the recruitment of an apprentice or trainee through to the provision of specific skill sets for existing employees, owners and managers. The consultant is able to identify the need, make the link with a training provider or other service provider such as a GTO and monitor the outcome. As already indicated, for many of these businesses this service is their only exposure to the training system and it remains the case that many such businesses remain entirely outside it.

GTA believes that a variation of this initiative might be of assistance to the ISCs as they try to grapple with the difficulty of identifying skill needs in small and medium businesses in the industries for which they are responsible.

We understand that some consultancy work along the lines of this suggestion may already be taking place and we would be pleased to explore this proposal, and its resource implications, further with policy makers.

Issues for Discussion

What can be done to ensure that the training outcomes for individuals and enterprises translate into appropriate employment outcomes?

Response

The issue raised by this discussion question is particularly pertinent in respect of those places in the Productivity Places Program that are reserved for people who are disadvantaged in the labour market. This group will presumably consist of new entrants to the labour market who meet certain criteria for disadvantage, as well as those seeking to return to the labour market after a period on income support.

We have a number of concerns about the capacity of the program, as we understand the guidelines, to meet the needs of these cohorts. Specifically, our concerns can be summarised as follows:

Jobseeker Preparation

The guidelines appear to require that RTOs deliver full qualifications at either Certificate II or III level. We believe that anyone who meets the disadvantaged criteria and qualifies for a place under the program is very likely to lack important foundational skills such as literacy and numeracy without which they will struggle to complete their qualification. This is even more likely to be the case at Certificate III level in a trade related field.

We do not see how these foundation skills will be acquired as part of the standard qualification on offer under the PPP. There is nothing that we can see in the guidelines to suggest that additional funding is available to approved PPP providers to enable them to provide the preparatory or pre-vocational training that will be necessary for most of these people if they are to have any chance of completing. It is hard to imagine that RTOs will want to meet such costs from their own pockets and it would be a tragedy if participants fail to complete their courses for want of sufficient preparation.

Programs such as the Australian Apprenticeship Access Program (Access) mentioned above may be one way in which such preparatory training can be delivered. If so, we have not yet been able to establish how such a program might be used in conjunction with the courses being provided under PPP. More detail needs to be provided on how PPP will interface with programs such as Access, if at all, and how outcome payments will be structured if it is intended that jobseekers should be able to move seamlessly between the programs.

Post-placement support

Our experience of labour market programs over many years suggests to us that training which is targeted at people with employment barriers does not necessarily translate into sustained employment without further intervention and support. Recent research from the NCVET would appear to bear this out.¹

While completion of a qualification should provide some level of confidence that a disadvantaged jobseeker has the wherewithal to secure employment, there is still the distinct possibility of a failure to remain employed. Much will depend of course on the nature of the original disadvantage and the cause of the employment barriers.

GTA believes that there will be a need for a form of case management to provide workplace support and mentoring for these jobseekers if we are to ensure that, once in employment, these people are not deterred or dispirited by other factors.

The Access program, for example, while limited to preparation for an apprenticeship or traineeship, encourages providers to provide workplace support for at least 13 weeks because their major outcome payment is not payable unless the participant has lasted at least 13 weeks in the position. It is evident to GTA as a program broker that the best results are achieved by those providers who deliver this kind of support.

In fact we are of the view that employment-based training is often the best option for disadvantaged job seekers. The sooner a connection is made with the workplace, the culture of work and the rights and responsibilities that accompany it, the more likely it is that the training will lead to sustainable employment. A group training organisation can not only facilitate the employment and possibly deliver the training but more importantly can also provide the workplace or on-the-job support that is critical to the success of the training.

We believe it is essential that these factors be reflected in the provision of training places for disadvantaged participants under the PPP.

¹ Karmel, T and Woods, D *Second chance vocational education and training*, NCVET, January 2008

Delivery of Full Qualifications

GTA has some concern about the delivery of full qualifications as outlined in the guidelines and in the list of qualifications that PPP participants may access.

We have concerns about the delivery of full qualifications in respect of both the existing worker and the new entrant elements of the PPP. Our concerns go to (i) the need for full qualifications for existing workers and (ii) the delivery method for some of the approved qualifications for new entrants to the workforce.

Existing Workers

Existing workers often do not need full qualifications to make them more productive workers and hence more valuable employees to their employers. Most employers are looking for a training system that is responsive to the needs of their workplace and capable of delivering skill sets that their employees may need as technology and manufacturing processes change.

Innovation and higher level skills are now at the forefront of attempts to make Australia a high wage, high value-add economy. While increasing the number of people with post-school qualifications is an important part of that process, equally it will be critical that we develop a training system that can meet employers' needs to upskill their workers on a 'just enough, just in time' basis.

We do however believe that it will be important to make sure that the existing worker element of the PPP includes the capacity for training providers to provide a meaningful recognition of current competency to workers who have skills but do not have formal qualifications and to ensure, to the extent possible, that any new skill sets fill the gap that prevents a qualification being awarded. As more and more skills are acquired through this process they will be aggregated into qualifications with increasing numbers of workers credentialed and trained to higher levels of the AQF.

We therefore do not think it appropriate to insist, as it appears from the PPP guidelines, that nothing less than an approved full qualification must be delivered.

Trade Related Qualifications

Our second concern about the PPP based on our reading of the guidelines relates to the way in which it is proposed that some of the qualifications will be delivered.

The list of approved qualifications that may be delivered by RTOs has been developed with current identified skills shortages in mind. One of the lists that we have seen on the DEEWR website includes a number of traditional trade qualifications which is hardly surprising given the extent of shortages in most of the traditional trades.

However, traditional trade training would ordinarily be undertaken while in employment and under contract of training with the employer. It is regulated by State and Territory governments and generally requires employers to be involved at some level in the assessment of competency. As COAG pushes for implementation of a truly competency-based training system to facilitate early completions where the acquisition of competency can be conclusively demonstrated, there is at the same time increasing pressure to ensure that employers are meaningfully engaged in the assessment process.

From what we understand of the guidelines, there does not appear to be any requirement that PPP participants undertake traditional trade training under a contract of training with an employer. If this is correct it presages the introduction of an exclusively institutional pathway for the delivery of training in the traditional trades, which may or may not include the occasional work placement, which in itself would represent a major departure from long-standing traditional arrangements.

We could not agree to this without a major debate with employers on the wisdom of heading down this path.

Issues for Discussion

How can this program be managed to best meet the needs of employers?

Response

The answer to this discussion question is essentially answered in our responses to earlier questions. To recapitulate GTA believes that:

- there is scope for a range of players in the training market other than ISCs to gather intelligence on employers' training needs and feed this information back to an appropriate clearing house or program manager
- participants who are disadvantaged in the labour market must be given appropriate preparatory training before embarking upon technical or job-related training and they should ideally be placed in employment-based training with appropriate on-the-job support as soon as practicable to maximise their chance of benefiting from the PPP and being productive to employers
- the PPP should not exclusively prescribe full qualifications for program participants and should recognise employers' needs for flexibility, responsiveness, partial qualifications, skill sets and recognition of current competency; and
- if it is intended that PPP participants who wish to undertake traditional trade training should be able to do so without the need to be in employment and bound by a contract of training, there first needs to be a debate with employers and their spokespeople about the implications of such a move.

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