

ACTU VET FORUM – Melbourne 24 June 2003

It is good to be here today at this ACTU Forum on School based New Apprenticeships and Group Training issues.

Particular thanks to John Ingram, my travel companion in Germany last year, for the invitation to attend and participate today.

Today's Forum is particularly important as there is no doubt in my mind that the introduction of School Based New Apprenticeships by the Commonwealth some years ago has represented one of the more challenging VET policies over the past decade.

And Group Training has been and will continue to be, central to it's progress.

However, there is clearly much work to be done for school based apprenticeships to be fully accepted into the national culture of vocational education and training.

Again, group training will play a key role.

I am acutely aware of some ongoing union concerns in some quarters over the application of the school based new apprenticeships policy – and this clearly has to be dealt with.

As Adrian has already alluded to, the Allen Consulting Report done for ANTA identified some "Key Models" for implementation of School Based New Apprenticeships.

They did this by focusing on Best Practice and highlighting what works and what doesn't.

Not surprisingly, the role of group training was featured strongly and positively throughout the report.

However, before discussing in more detail the relationship between group training and school based apprenticeships and the issues that have arisen over the years, I think it appropriate to briefly remind you of the multi faceted role that group training plays in many schools and training communities.

It will hopefully help to put my later comments into perspective.

The Group Training network of companies collectively employs over 37,000 apprentices and trainees – some 13% of the national total. It the largest employer of apprentices and trainees in the country.

Group Training is **critical** to the survival of the traditional trades.

Analysis of recent NCVET data bears this out:

17% of all trades-persons and related workers,

24% of all construction trades-persons and electrical and electronics trades-persons,

and on a state by state basis, these figures rise even more dramatically with, for example,

33%, 40%, 43% and 46% of all construction trades-persons in Qld, SA, the ACT and WA respectively, employed through group training arrangements.

The latest NCVET commencement figures also confirm group training's pre-eminence in relation to traditional trade training with 67% of all 15-19 year olds in trade training undertaking it through group training arrangements.

Importantly, Group Training's capacity to "industry profile" also allows it to play a critical role in identifying and alleviating skill shortages.

Its presence is fundamental to hundreds of local communities.

It builds social and training infrastructures.

It is committed to delivering what many know as “pastoral care”.

In that regard, it is no “ordinary” employer.

It has a key role to play in school to work transitions and in managing and coordinating structured workplace learning programs; and

It is a leader in the implementation of school based apprenticeships and traineeships.

It is these latter two points that I wish to focus my remarks on today.

Group Training organisations find themselves increasingly involved with schools and the range of issues affecting school to work transition.

This is not surprising of course in view of their need to ensure that there is a steady stream of quality candidates willing and able to fill their apprenticeship and traineeship vacancies.

This involvement with schools takes a number of forms and includes:

1. The provision of careers advice
2. The management and coordination of structured workplace learning programs
3. Participating on “VET in schools” management committees
4. Providing training as an RTO to VET in school students; and
5. Employing school based apprentices or trainees

Group Training organisations involve themselves in these activities as they see the benefit of these programs to the students and also recognise that cultivating the “school to work” pathways are something of an investment in their own future.

And the key development in this area has of course been the introduction of school based apprenticeships and traineeships.

As made very evident in the Allen Report, Group Training Organisations have been prominent players in this educational initiative.

One of the very obvious benefits of a school based apprenticeship to the many group training organisations that participate in the program is that the student is in the workplace from beginning to end – unlike other vocational programs with little or no structured work placement.

Moreover, a number of GTOs have remarked to us about the many “spin-offs” that have accrued to the students involved – not only gaining valuable “work skills” but “social” and “life” skills as well.

And contrary to common perception in some less enthusiastic quarters, group training organisations have found that school based apprentices and trainees need to be very focused and competent individuals so as to be able to manage the very different and demanding roles placed before them.

I have no doubt that school based apprenticeships and traineeships have the definite advantage of providing a better opportunity for skills acquisition than other vocational programs involving minimal work placement.

However, as we all know, they still meet with resistance from a range of employers who are not convinced they add significant value to their business.

Indeed, many GTO's report that employers will ask why they should pay wages for a relatively unproductive student under a Training Contract when they can get much the same labour under one of the other programs free of charge.

The management of this tension between pathways can present quite a challenge to GTOs but there is growing evidence to suggest that it can be done to great effect.

One member company involved in the building and construction industry reports that they have found their lowest attrition of apprentices has come from creating a pathway that involves students embarking on a Structured Workplace Learning program in Year 11, articulating into a school based apprenticeship in Year 12 followed by conversion to a full time apprenticeship with the company after graduation from school.

Effectively, this GTO "locks in" the student from year 11 and does not let them "go" until maybe 4 years later, following graduation from school and on completion of their apprenticeship.

This is an extraordinary commitment of not only time but considerable resources.

This particular GTO is located in Queensland where there has been considerable success with school based apprenticeships and traineeships.....compared with some other jurisdictions where there are still a number of barriers to their implementation.

Major Hurdles continue to be:

Difficulties in establishing suitable industrial arrangements,

Employer resistance to paying wages, albeit at the discounted rate, while students are doing their off the job training,

Opposition by some industry parties to school based arrangements in the traditional trades; and schools that do not see these programs as "core business" and will consequently only accommodate students wanting to pursue them, if and when, it suits the school.

On this latter point for instance, I believe schools need to have regard to local job markets and ensure that students are not encouraged into programs that suit the school, or even the student, but for which local job prospects may be very limited.

In Queensland, where a third of all school based apprentices and trainees are employed by GTOs, a number of these problems were resolved early in the development of the model. Particularly the industrial arrangements, giving that jurisdiction the "length of the straight lead" it still enjoys over the others in the take-up of school based apprenticeships and traineeships.

However, over and above these "systemic" issues, there are a number of other issues that GTO's are experiencing in the process of implementing school based apprenticeships and traineeships in schools.

In charting our way forward, it is worthwhile airing these concerns:

They are:

Increased occupational health and safety risks arising from a high risk group being in the workplace, whether under a Training Contract or not,

Travel to and from the workplace, supervision and insurance cover,

Ensuring students don't choose a school based apprenticeship or traineeship because of the potential income when an alternative pathway might be more appropriate,

Knowing when it is appropriate to allow a student's casual "after-school" job to be converted to a school based traineeship,

Managing duty of care when it is shared between multiple parties; and

Managing different expectations arising from two very different cultures – school and industry.

The different cultures of school and industry do appear as something of a constant in discussions with GTOs on this subject and perhaps it is not such a surprise.

From the perspective of many in Group Training who have come up through the trades, and see the benefits of a skilled vocation, schools can appear overly protective and somewhat preoccupied with tertiary education.

Schools for their part undoubtedly see many Group Training organisations as commercial in outlook, if not aggressive.

This is not helped by a view amongst some in the school sector that, as not-for-profit companies in receipt of government funding, GTOs should seek to do no more than cover costs.

Nothing could be more financially imprudent of course

There is another interesting illustration of how differently these two cultures view the world.

There are a number of instances of students undertaking a school based apprenticeship or traineeship who decide, whether in Year 11 or 12, to leave school before graduating and convert their apprenticeship or traineeship from part-time to full time.

They might do so because they dislike school or because their employer (or host employer in the case of a GTO) has found them highly suitable and offers a full time position which they find attractive.

Whilst Industry would be pleased with such an outcome – many schools would not.

I believe that dealing with these issues is fundamental to the future success of school based apprenticeship and the promotion of the group training model within that program.

Whilst the "group training model" has been a key driver of the School Based New Apprenticeship program, it would be fair to say that the "embracing" of school based apprenticeships by group training organisations across the nation has been "patchy" to say the least.

The most recent data from NCVET on school based apprenticeships and traineeships available to GTA indicates that group training organisations account for 23% of the total numbers "in training" or just under 3,500.

67% or nearly 2,300 of all SBNA's employed through group training arrangements are in Queensland.

Yet it is a somewhat different story across jurisdictions.

In NSW, group training organisations account for less than 6% of the total number. – indeed that jurisdictions' commitment to SBNA's overall is "questionable".

In Victoria, where there is very strong support from the State government for the program, group training accounts for 17% of the total number and Group Training Victoria remains confident of doubling their numbers over the next two years.

SBNA's employed through group training arrangements represent 43%, and 30% respectively of the total number in WA and Tasmania.

So while "outcomes" have varied greatly across jurisdictions, it is obvious to me in talking to Group Training organisations, that there are a number of "common concerns" regarding efforts to promote and expand the program's reach within the group training sector.

These can be summarised as follows:
It can be extremely resource intensive,

It can divert them away from "core business",

It lacks attractiveness to employers,

There are too many parties involved,

It is seen as a direct and less attractive competitor to ECEF funded structured workplace learning programs,

There are on-going "school timetabling" issues,

There remains confusion amongst some about the "place" of school based apprenticeships within the overall VET system; and

Some jurisdictions are only allowing for traineeships and not apprenticeships – which clearly curtails interest and involvement.

Obviously, many of these issues will only be resolved if all interested parties – group training organisations, schools, employer groups, unions, State Training Authorities and the Commonwealth can come together to find some common ground in the spirit of actively promoting the benefits of school based apprenticeships and traineeships.

School based Apprenticeships and Traineeships have been a success – due in no small part to the unique capacity of group training organisations in many areas to be the effective intermediary between a number of involved parties.

But many barriers still exist, many of which I have identified, which are preventing the program from being universally embraced across jurisdictions.

It is my view that group training organisations hold one of the keys to whether school based apprenticeships and traineeships meet with the kind of success originally envisioned by the Commonwealth.

But we will need to ensure that group training organisations continue to receive appropriate Commonwealth and State financial support which will allow them to devote the time and resources necessary to promote and expand the program.

On a wider policy front, I believe that the success of the School Based Apprenticeships program is critical to resolving some of the growing skill shortages faced by government and industry in this country – it is that important.

If we can iron out the many issues identified by the Allen Report, by ANTA and by many GTOs regarding barriers to Take-Up and enthusiastically promote the "models that work" – particularly the Group Training model - then the future of this program will be assured as will the futures of tens of thousand of school leavers across the country.

I would now like to briefly comment on some other issues that I know have been raised with you and indeed were the subject of some discussion in some of the recent Senate Hearings into Current and Future Skill needs.

The first one has to do with the placement of traditional apprentices by GTOs being too frequent and too short-term. It is argued that, if this happens, traditional apprentices are, in some instances, having to extend the duration of their Training Contract by up to 6 months before they can be signed off as competent.

A few comments:

Placements may often be short term in such disciplines as building and construction because of the very nature of the building game, with host employers, in some instances, only requiring an apprentice to assist with a particular job for a short period of time.

Whilst no one denies that too many short term placements might, in some ways, be inimical to skilling, one must ask: what is the alternative? One alternative might be to refuse any placement of less than 3-6 months. Yet, this, in turn, could seriously limit the GTOs ability to place its apprentices.

Under such a scenario of a 3-6 month “floor”, the apprentice might have to accept that the GTO would have to stand them down if a suitable placement could not be obtained. However, I believe it is likely that most apprentices would rather have their indenture extended than face constant stand downs.

Moreover, some critics have argued that the very existence of GTOs is enabling employers to avoid their training responsibilities altogether by using them to hire in a “spare pair of hands” for those rush jobs.

The problem, as we at GTA often highlight, is that many employers won’t engage in contracted training at all if they can’t use a GTO. In this context, I believe the apprentices might prefer the inconvenience of an extension of the Training Contract rather than be told that there is no job at all.

In any event, it is the view of many GTOs that it should still be possible to manage the short term placements in a way that ensures that the competencies are being developed appropriately.

Indeed, some GTOs offer a guarantee which states that once indentured, the apprentice will not be stood down and that this contingency is factored into the charge out rates.

Another issue has had to do with the claim that some GTOs drive down wage rates for apprentices by enabling employers to avoid having to offer above award rates to attract young people into their industry.

There is no doubt that some GTOs complain about the lack of candidates in some industries.

Some would argue – if there were no GTOs – the market might force employers to offer higher rates of pay to attract apprentices.

Of course, as we have said before, if employers simply don’t want to employ apprentices directly, there won’t even be an apprenticeship for the job seeker to take up.

It arguably becomes the responsibility of government to intervene in the market and provide more incentives and subsidies to both employers and prospective apprentices to make available and take up these positions.

I believe the role of group training in the national skilling agenda is unquestioned – indeed, in the current climate of growing skill shortages it is my view that it’s role should be upgraded and enhanced.

It is critical that we work with all key stakeholders to deliver quality outcomes to all young apprentices and trainees and that is why I so appreciate the opportunity to come here and talk to you today.