

Group Training: Key Points from Recent Research & Reports

1. **Group Training Apprenticeships & Traineeships in Australia**
by NCVET for ANTA (September 2001)
2. **Review of New Apprenticeships Through Group Training Expansion Programme** – An Evaluation Study for the Department of Education Training and Youth Affairs
by Roger Mathers Consulting Pty Ltd (February 2000)
3. **Attrition in Apprenticeships** – An analysis of apprentices commencing between July 1994 and June 1996
by the Department of Education, Training and Youth Affairs (February 2000)
4. **National Marketing Strategy - Skills and Lifelong Learning** – Summary Community and Employer Research for the Australian National Training Authority by a consortia of Quay Connection, The Albany Consulting Group, Research Forum and David McKinna et al Pty Ltd (November 1999) (page 9)
5. **Training Brokers: Networks and Outcomes** research report
by the Centre for Research and Learning in Regional Australia (CRLRA) (November 1999)
6. **New Apprenticeships: Increasing Employer Involvement Through Group Training** – Evaluation Report for Group Training Australia (GTA)
by the Council of Small Business Organisations of Australia (COSBOA) (September 1999)
7. **Impact of the Growth of Labour Hire Companies on the Apprenticeship System**
for the Australian National Training Authority (ANTA) by KPMG Management Consulting Pty Ltd (November 1998)
8. **Barriers to the Employment of Apprentices in the Electrical, Electronic and Communications Industry**
for the National Electrical Contractors Association (NECA) by The Chessmen Group (August 1998)
9. **On the Brink of Crisis? The Employment of Apprentices**
for the Engineering Skills Training Board (Vic) by Bob Marshman & Associates (January 1998)
10. **Labour Market for Apprentices – Employer and Group Training Company Experience in Recruiting Apprentices**

for the Department of Employment Education Training and Youth Affairs
(DEETYA) (December 1997)

11. Group Training Funding Model

for the Australian National Training Authority (ANTA) by KPMG Management
Consulting Pty Ltd (November 1997)

12. Report to the ANTA Board on National Principles for Group Training

by the ANTA Board Advisory Committee on New Apprenticeships (May 1997)

13. Group Training Australia Growth Strategy 1996 – 2000 (Volume One)

by Dench McClean Associates (November 1996)

**14. A Best Kept Secret - Report on the Role and Effectiveness of Group
Training Companies**

by the House of Representatives Standing Committee on Employment,
Education and Training (March 1995)

1. Group Training Apprenticeships & Traineeships in Australia

by NCVET for ANTA (September 2001)

Chapter 1: Introduction

Group training's contribution to growth is particularly important in the role that it plays in giving opportunities to specific groups in the community, including young people, Indigenous apprentices and trainees, and people with a disability. It is this mandate which has strengthened the value of group training at a time of market diversification and expansion. So too, has been its continuing commitment to young people. Despite the 'niche' that group training occupies, it has nevertheless increased its market share by one percentage point, no mean feat in a time of rapid change and growth in an increasingly volatile environment. (page 1)

Chapter 2: Development of group training in Australia

Currently there are 182 group training organisations operating nationally (ANTA 2001). This is the total number registered by the State and Territory authorities. Those organisations which have multiple sites within a State or Territory are counted only once. However, where the organisation has established an office in another State or Territory, it has been counted in the State or Territory in which it operates. The network of companies collectively employs around 38,000 apprentices and trainees, or 14% of the national total, making it the largest employer of apprentices and trainees in Australia. (page 5)

The financial support of the ACTU-Lend Lease Foundation was critical in the development of GTCs, and latterly the activities of Group Training Australia has led to the establishment of group training as a permanent institution in the apprenticeship and traineeship system. (page 7)

Chapter 3: Structure of group training apprenticeships and traineeships in Australia

The growth of group training in Australia

The growth in group training commencements slowed in the 12 months ending June 2000, implying that the high levels of growth seen in recent years for group training apprentices and trainees is unlikely to continue. (page 9)

The vast majority (over 80%) of all apprentices and trainees in Australia are employed by the private sector. Group training is the second largest employer type, employing almost 14% of all apprentices and trainees, while the entire public sector employs less than 6%. (page 10)

There has been a notable decline in the importance of the public sector, particularly in relation to the Commonwealth Government which now employs less than 1% of all apprentices and trainees in Australia. On the other hand, there has been an increase in the number of apprentices and trainees employed by government business enterprises. (page 11)

While the growth in group training apprentice and trainee numbers appears to be slowing, its numbers continue to rise at a rate higher than that for all apprentices and trainees in general. (page 12)

Group training companies and host employers

The vast majority of group training companies are large. Of those providing their employment size, almost 60% stated they had more than 100 employees. Around 20% stated they had 20 employees or less. (page 13)

Originally, most of group training's activity involved placements with small businesses. However, the use of group training companies as an alternative to direct employment of apprentices and trainees by larger businesses is not uncommon and indicators are that such practices are becoming the norm rather than the exception in some industries. (page 15)

Between 1995 and 2000, there was strong growth in the number of group training apprenticeships and traineeships in the clerical, sales and service occupations. Increasing numbers in these occupations has seen their share of all group training apprentices and trainees increase from less than 8% in 1995 to almost 22% in 2000.

Labourers and related occupations also grew as an avenue of employment for group training apprentices and trainees. By 2000, the proportion of group training apprentices and trainees in such occupations reached 7%, rising from around 2% in 1995.

There was also growth, from very low bases, in the proportion of group training apprentices and trainees in managers and administrators, professional and associate professional occupations. From only 2% in 1995, the relative share has increased to more than 6% in 2000.

However, with more than 62% of all group training contracts, the skilled trades and related occupations remain the major focus of group training apprentices and trainees. (page 16)

By 2000, the top 6 group training apprenticeship and traineeship occupational categories were construction tradesperson (20.6%), electrical and electronics tradesperson (10.4%), automotive tradespersons (10.2%), intermediate clerical workers (8.9%), food tradespersons (8.4%), and mechanical and fabrication engineering tradespersons (8.1%). (These are) the exact same (top 6) occupational areas (as in 1995), although their order and relative shares have changed. While the 'top 6' made up 85% of all group training apprentices and trainees in 1995, they accounted for less than 70% in 2000. This drop reflects the extent to which group training has broadened its occupational base in recent years.

8 of the top 10 apprenticeship and traineeship occupations for group training are in the skilled trades and related areas. This compares with only 5 out of the top 10 for the entire apprenticeship and traineeship system. This suggests that, although group training has broadened its occupational base, it has been far slower in expanding outside its traditional trade base than the sector in general. (page 18)

While the analysis indicates that group training has been slow to expand outside its traditional trade base, this is also a positive feature. As indicated in the previous chapter, group training remained afloat during the recession in the early 1990s, primarily as a result of its strong base in the trades. However, there is clearly scope for group training to further expand into other areas of the labour market, in particular, emerging service industries such as tourism, information technology and communications. (page 20)

Intensity and level of training undertaken

Apprenticeships and traineeships under group training display a similar distribution in contract duration to that for all apprenticeships and traineeships, with the majority being

over 3 years' duration. ... This is to be expected when one considers that group training has maintained a strong trade focus. (page 20)

The increasing numbers of part-time apprentices and trainees has an effect on the apparent duration of training, with most part-time apprenticeships and traineeships being of more than 1 year's duration and ranging up to 3 years. (page 21)

In terms of qualifications being sought by apprentices and trainees employed by group training companies, 72% are undertaking training at AQF certificate III, with a further 1% at certificate IV, diploma or advanced diploma levels. Some 26% are at AQF certificate II, while programs at the certificate I levels are an insignificant element of the group training system. While these proportions are similar to those for total apprentices and trainees, it is interesting to note that there is a higher proportion of AQF certificate II apprentices and trainees within group training than in the entire apprentice and trainee population. This is a little surprising considering the greater proportion of trades and related occupations. (page 22)

Emergence of part-time apprenticeships

Part-time apprenticeships now form a very significant feature of the overall apprenticeship and traineeship system and represent 15.8% of all apprenticeships and traineeships.

The use of part-time programs was one of several key indicators of the group training expansion programme introduced in 1996. It is therefore pleasing to see the noticeable increase in part-time apprenticeships for group training, with the proportion of part-time contracts increasing from 2.1% in 1997 to 12.8% by June 2000. (page 23)

Introduction of school-based apprenticeships

The number of school-based apprentices and trainees within group training has grown from less than 50 in the mid-1990s to almost 3000 by 2000. In percentage terms, the proportion of school-based apprentices and trainees in group training has risen from less than 1% of all group training apprenticeships and traineeships in 1995 to just over 7% in 2000. Group training now accounts for almost half of all school-based apprenticeships and traineeships, a quite significant proportion considering that it only makes up 14% of all apprenticeships and traineeships. (page 24)

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Chapter 4: Characteristics of group training apprentices and trainees

Age and gender of group training apprentices and trainees

The 1984 Committee of Inquiry into Labour Market Programs found that 'females still only comprise about 10% of all apprentices, the vast majority of whom are employed in hairdressing'.

One of the key reasons for establishing traineeships to complement the apprenticeship system was to diversify the range of occupations covered by contracts of training, partly to ensure that occupations with higher levels of female participation might also be included in the apprenticeship and traineeship system. In addition, age restrictions for entry to apprenticeships and traineeships were lifted in 1992.

The situation described by Kirby had, however, changed very little by the early-to-mid-1990s. For instance, by May 1993, only 12.8% of all apprentices and trainees were

female. By the early-to-mid-1990s the introduction of traineeships and a number of attempts by governments to increase the proportion of females entering trades apprenticeships had failed to raise the level of female participation much over the participation levels of the early 1980s.

Since the mid-1990s, there had been a substantial increase in both the absolute numbers of females and the relative proportion of females in the entire apprenticeships and traineeship system and the group training sector.

Since the mid-1990s, the number of female apprentices and trainees within group training has increased markedly...from around 13.1% of group training apprenticeships and traineeships in 1995 to 23.1% by 2000. (page 25)

Around 70% of females in group training apprenticeships and traineeships are clerical sales and service workers, whereas over 75% of males are tradespersons and related workers. Females share a slightly higher representation than males in group training apprenticeships and traineeships in managerial and administrative, professional and associate professional occupations. Males have higher proportions than females in group training intermediate production and transport and labourer occupations. These patterns are similar to the occupational segregation by gender found in the entire Australian apprenticeship and traineeship system. (page 26)

There is a far larger gap in the proportion of females at certificate III level within group training than there is for the sector as a whole. This again reiterates the greater dominance of the male trade 'apprentice' in the group training network.

While the proportion of apprentices and trainees aged 40 years or more has increased from less than 1% of all apprentices and trainees in 1995 to over 12% in 2000, the proportion of people aged 40 years or more undertaking an apprenticeship or traineeships with a group training company has increased from 0.3% of all group training apprentices and trainees to only 2%. A similar trend can be seen for the 25 to 39 year-age group.

While absolute numbers of teenage apprentices and trainees have increased, the impact of removing age restrictions for entry to apprenticeships and traineeships saw the proportion of all apprentices and trainees who are teenagers fall dramatically between 1995 and 2000. By contrast, the proportion of teenage group training apprentices and trainees increased from 53% in 1995 to 55% in 2000. In particular, there has been a noticeable growth since the introduction of new apprenticeships, suggesting group training has been particularly proactive in providing contractual opportunities for teenagers.

Some 60% of teenage group training apprentices and trainees are undertaking their apprenticeships or traineeships in skilled trades and related occupations and around a quarter in clerical, sales or service worker occupations. Just over 7% are in labourer and related occupations, and another 7% are in management or professional occupations. (page 27)

Educational background of group training apprentices and trainees

The proportion of apprenticeships and traineeships and new apprenticeships taken up by people who have a previous tertiary vocational or academic qualification has increased markedly from less than 3% in 1995 to almost 14% today. Most of these hold a trade or other certificate-level qualification. This indicates that more people are

finishing school and some other tertiary study before entering an apprenticeship or traineeship. (page 29)

The proportion still entering apprenticeships and traineeships directly from school is slightly higher for group training than the general apprentice or trainee. (page 30)

Geographic location of group training apprentices and trainees

The share of total apprentices and trainees in jurisdictions employed by group training companies is lower than the national level in SA (8.6%), Vic (10.8%), NSW (11.4%) and the ACT (13.1%). On the other hand, group training in WA (23.2%), Qld (20.4%), the NT (16%) and Tas (14.5%) has shares relatively higher than the national figure.

This suggests that there is definitely scope for group training to increase its presence in some jurisdictions, in particular SA, Vic and NSW. (page 31)

The proportion of group training apprentices and trainees living in rural areas or remote areas is proportionately higher than that for the entire apprenticeship and traineeship population; that is, 40.7% for group training compared with 30.8% for all apprenticeships and traineeships. Considering that rural and remote Australia comprises only 27% of Australia's working age population, rural and remote areas are being particularly very well served by group training.

By contrast, capital cities are not well served by group training. While two-thirds of the Australian working age population live in capital cities, only 48% of group training apprentices and trainees live in capital cities which is even less than that for all apprenticeships and traineeships (58.3%). (page 32)

There has been very little change in the proportional distribution of the geographical location of group training apprentices and trainees. This is certainly one area which group training needs to target, particularly in those occupational groups where its share lags behind that of the corresponding labour market. (page 33)

Growth in Indigenous group training apprentices and trainees

The proportion of Indigenous apprentices and trainees of the total rose strongly from 0.8% in 1995 to reach a peak of 2.4% in 1998. The proportion who is Indigenous fell in 1999 to 1.8% but rose in 2000 to some 1.9%. Within the group training movement, the proportion of Indigenous apprentices and trainees increased from 1.5% in 1995 to a peak of 4.5% in 1998, and has declined since to 3.4% in 2000. (page 33)

It is also worth noting that around one-quarter of all Indigenous apprentices and trainees are employed with a group training company.

Indigenous peoples still do not enjoy equitable access to higher education and senior secondary schooling in Australia. Bearing this in mind, group training is doing very well in serving Australia's Indigenous population. (page 34)

...Indigenous people still don't have the same opportunities as other Australians to access apprenticeships and traineeships as skilled tradespersons or related occupations under group training.

Indigenous peoples are also more likely than other Australians to be undertaking group training programs at AQF certificate I or II. Again, the situation for Indigenous peoples is better under group training than for other apprenticeships and traineeships. (page 35)

Importance of group training for people reporting a disability

The total number of people in apprenticeships and traineeships or new apprenticeships reporting a disability has increased five-fold over the past 5 years from only 1000 (or 0.8% of all apprentices and trainees) in 1995 to 5600 (or 2%) in 2000. The growth within group training has been even more dramatic, with numbers increasing nine-fold from just over 1000 (or 0.8% of apprentices and trainees employed with group training companies) in 1995 to almost 1300 (or 3.3%) in 2000.

Of the major employment groups, group training has been the most successful in advancing the cause of apprenticeship and traineeship opportunities for people reporting a disability. (page 36)

People of non-English-speaking backgrounds in group training apprenticeships and traineeships

The proportion of group training apprentices and trainees who are of non-English-speaking backgrounds has risen from 2.2% in 1995 to 3.8% in 2000.

While the observed growth is positive, less than 7% of all apprentices and trainees who are of non-English-speaking backgrounds are employed with group training companies. This is the same proportion as in 1995 and represents a decline from 1998 when more than 10% were involved in group training. (page 38)

If we consider the working-age population, some 14.6% of residents in Australia are from non-English-speaking backgrounds.

Thus the number of apprentices and trainees of non-English-speaking background, both as a whole and within the group training movement, would need to increase dramatically for equity to be reached with Australians of English-speaking backgrounds. (page 39)

Chapter 5: Completions and employment outcomes from group training apprenticeships and traineeships

A successful completion requires 3 different steps to be taken:

1. completion of formal off-the-job requirements
2. completion of the indenture period
3. notification to the State/Territory training authority. (page 41)

The administrative requirements are substantial and as a result, some apprentice/trainee indenture periods reach their 'expiry date' without a withdrawal, cancellation or completion being reported and recorded.

The total number of group training apprenticeship and traineeship completions since 1995 has increased markedly from 2,500 in 1995 to 11,800 in 2000 at an annual rate of more than 36%. This compares with an annual rate of growth for all apprentice and trainee completions of just under 21% over the same period. In terms of annual growth rates, apprentice and trainee completions from group training employers are the highest of all major employer types since the mid-1990s.

On the other hand, the public sector's share has dropped to less than 9% in 2000 while the proportion of completions from private employers also declined slightly. This highlights the growing importance and contribution of group training in enhancing Australia's skilled workforce. (page 42)

Group training's proportional share of total apprentice and trainee completions: 1995 = 7.5%, 1996 = 11.6%, 1997 = 14%, 1998 = 14.9%, 1999 = 15.9%, 2000 = 14%.

The decline in market share for group training during 2000 is worthy of note. It is too soon to tell if this is just a one-off aberration or the beginning of a longer-term trend as potential reasons behind the decline are as yet not clear. Perhaps it is simply a result of the general slowdown in the entire apprenticeship and traineeship system in recent times following a period of particularly rapid growth. However, there is concern that changes to federal government adjustments to training incentives in the 1996-97 and 1997-98 budgets have resulted in a negative impact on the group training sector.

Group Training Australia raised these concerns in their submission to the Senate Employment, Workplace Relations, Small Business and Education References Committee. They suggested that the decrease in incentive payments and the withdrawal of a completion payment for not-for-profit companies was having a negative effect on group training companies. Furthermore, they have argued for a reversal of the changes since competitors now use this against the, claiming that employers will not receive the payments. Ongoing analysis over the next few years will be required to ascertain whether these changes have had a negative impact or not. (page 43)

The annual growth in the number of group training apprentices and trainees has followed a similar pattern, with levels of growth slowing over recent years. Again, the question is whether this is the result of the general slowdown in the apprentice and trainee system observed in recent times, or whether it is due to other factors such as those raised by Group Training Australia. This organisation also raised concerns over the new tax system introduced in 2000, arguing that many host employers are only involved in employment-based training because of the service and convenience provided by group training companies. They are concerned that many host employers will ultimately abandon employment-based training rather than suffer the additional costs, not withstanding the availability of input tax credits. Again, time will tell whether such concerns are justified.

The growth in group training apprentice and trainee numbers that has occurred in recent years has not been accompanied by a decline in group training completions. (page 47)

All trade occupational groups showed growth in group training completions over the period 1995 to 2000. Apprentice and trainee completions in the construction trades are the largest group, with almost 1,100 completions in 2000. Completions from the mechanical and fabrication engineering, electrical and electronics, and food occupations were next with just over 700 completions each. Completions in the automotive trades (600) were also substantial. In all cases, the annual rate of growth for group training completions was significantly higher than that for all apprentice and trainee completions.

Characteristics of people completing group training apprenticeships and traineeships

The gender and age of completing apprentices and trainees

It is interesting to note that the gap between male and female completions for group training is somewhat wider than for all apprentices and trainees in general. This is due to the greater dominance of apprenticeships and traineeships in the skilled trades and related areas within group training, occupations traditionally dominated by males.

More than 80% of all group training apprentices and trainees are aged 24 years or less when they complete their contract of training. This compares with less than 60% of all apprentices and trainees being aged 24 years or less when they complete their contract of training. This is again consistent with the greater dominance of skilled trades and

related occupations within group training. Such occupations have a history of attracting a younger constituency. (page 49)

Highest level of educational attainment

There has been a notable increase in the proportion of group training completors who had finished Year 12 prior to commencing their training since 1995, while the proportion for all apprentices and trainees has remained the same.

In simple terms, it appears the highest previous educational attainment of group training completors has remained much the same except that there has been a shift from Year 10 or 11 as the highest level to Year 12. In other words, while group training has continued to attract people directly from secondary schooling, they now tend to complete Year 12 rather than leaving school at the end of Year 10 or 11. (page 51)

Completions by Indigenous apprentices and trainees

The share of group training completions by Indigenous people increased from almost nothing (0.4%) to 5% in 1999, significantly higher than for all apprentice and trainee completions. As for completions in general, the share of group training completions by Indigenous people declined sharply during 2000, to 3.1%. (page 53)

In terms of overall Indigenous completions, it is worth noting that group training has increased its share from 12% in 1995 to almost 27% in 2000. This again highlights the growing importance of group training in providing training opportunities for Australian Indigenous peoples. (page 54)

Completions by apprentices and trainees reporting a disability

In terms of overall completions by apprentices and trainees reporting a disability, it is worth noting that group training has increased its share from less than 8% in 1995 to just over 17% in 2000. This is primarily a result of a notable decline in private sector's share of completions for people reporting a disability.

Completions by apprentices and trainees of non-English-speaking backgrounds

People of non-English-speaking backgrounds made up only 5.6% of total apprentice and trainee completions in 2000. This proportion has risen from 3.3% in 1995. Within group training, people of non-English-speaking background made up 4.9% of apprentice and trainee completions in 2000, having risen from only 1.4% in 1995. (page 55)

Group training apprenticeship and traineeship completion rates and attrition

Preliminary results obtained to date suggest there is little difference in attrition for apprentices and trainees employed by group training companies and those employed with private employers. There does however appear to be a marked difference for those employed within the public sector where attrition was found to be much lower. (page 57)

Recent research undertaken by the National Institute of Labour Studies...determined the main reasons for non-completion, in order of ranking were:

- dissatisfaction with the job or employer (53%)
- employer-initiated reasons (19%)
- dissatisfaction with the training component of the job (19%)
- personal reasons (11%)

A comparison with completion rates attained by people from other forms of education and training... show that apprenticeship completion rates are high relative to other forms of education and training. While traineeship attrition rates have improved in recent years, their rate of attrition remains low. However, available evidence suggests that traineeship attrition rates are similar to general employment attrition. (page 58)

Employment outcomes for group training apprentices and trainees

Employment outcomes from apprenticeships and traineeships are in general very good. Over 90% of all apprentices and trainees who successfully complete their apprenticeship or traineeship in the 12 months to March 2000 were retained by their employer, or had found employment with a new employer in an unsubsidised job 3 months after completing their apprenticeship or traineeship.

Employment outcomes for group training apprentices and trainees appear to be comparable with apprentices and trainees in general. Similarly, the employment outcomes of group training apprentices and trainees who had not finished their apprenticeship or traineeship also appear comparable with those for all apprentices and trainees. (page 59)

While there are benefits to be gained from partial completion, the benefits are clearly higher if an apprentice or trainee successfully completes their apprenticeship or traineeship.
(page 60)

Chapter 6: Off-the-job training undertaken by group training apprentices and trainees

Group training apprentices and trainees have the same off-the-job training opportunities as apprentices and trainees outside the group training scheme.

The trades sector is still taking, under contract, the majority of Australia's apprentices and trainees. As a result, the statistics for the off-the-job training undertaken by apprentices and trainees employed with group training companies show a majority of enrollments in the engineering and surveying, and architecture and building fields of study, with numbers increasing in the business, administration and economics field of study. (page 62)

Provider-based training load

In 1999, apprentices and trainees on average undertook 279 provider-based training hours per person, substantially more than the average VET hours undertaken by the general VET student population (201 hours). Apprentices and trainees under contract with group training companies showed an even slightly higher training load (an average of 285 hours).
(page 65)

Conclusion

The enduring strength of group training is its capacity to continue to grow and attract customers, its support for small and medium-sized companies, its responsiveness to government and its capacity to create opportunities for some groups who might normally be less successful in gaining apprenticeships. Its record of achievement in terms of completions and outcomes is a testament to the capacity and quality of the program.

The growth of group training is unlikely to be sustained at its current pace without increased diversification into new and emerging occupations.

The trades area, the traditional focus of group training, while a strength in terms of the industry sectors it services, is likely to be a limiting factor in terms of overall capacity to expand and meet the needs of newer firms looking for different skills.

Perhaps most significantly, the increasing attraction of group training for employers who may otherwise be reluctant to take on apprentices and trainees, can and should be harnessed in newer areas of the economy.

In 2 decades group training has come a long way. It has kept pace with growth and change in the sector, and indeed, outpaced it in important areas such as completions. It has a promising future while facing the challenges of all business in a rapidly changing economy - to continue to grow and diversify to meet the needs of Australia's businesses and industry, group training's clients and customers. (page 68)

2. Review of New Apprenticeships Through Group Training Expansion Programme – An Evaluation Study for the Department of Education Training and Youth Affairs by Roger Mathers Consulting Pty Ltd (February 2000)

The lack of knowledge within the community of Group Training being an employment option is a major impediment to New Apprentice employment growth. Awareness raising and promotion of Group Training, targeted to a variety of audiences, needs to be undertaken in order to build a stronger demand and supply of New Apprenticeships within this employment sector. (page 5)

During the course of the review, several issues were identified for which further research is required to inform policy and practice. The issues raised include:

- significance and incidence of rotation
- impact of factors, such as company size and nature of program, on completion rates
- information on the size and nature of host employers
- understanding and awareness of Group Training by employers in capital cities.

The literature review has identified few research reports which focus on Group Training and there appears to be little significant contribution from the vocational education and training (VET) research community into this important sector. The Commonwealth, in association with other key stakeholders, should encourage research agencies and funding bodies to undertake research and evaluation work to further develop this sector. (page 5)

Group Training Companies are well placed to help improve completion rates and establish intervention strategies. (page 13)

Group Training Companies need an enhanced capacity to identify diversity in their catchment area and to develop the ability to manage that diversity in their business plans. The appointment of field officers sensitive to equal employment opportunity should be utilised in this process. (page 14)

One State questioned whether Group Training actually does focus on the small business sector. The National Centre for Vocational Education and Research (NCVER) has no reliable data on this issue. Further research is required to gain a better understanding of the size of the host employer organisations supported by Group Training. (page 15)

The evidence is that little rotation is occurring. While it is known that it has little application in traineeships, the occurrence in traditional apprenticeships is also limited.

The cost to Group Training Companies of arranging and managing rotation was raised in the literature as a possible factor working against it. Also, in rural and remote areas, distance and sometimes insufficient numbers of host employers reduces rotation opportunities.

Historically, the notion of rotation of apprentices amongst a variety of employers has been fundamental to Group Training. As this appears no longer reflected in practice, a review of this underlying assumption of Group Training is required. Further investigation into the occurrence of rotation and the factors affecting its use is required. (page 15)

There is potential for considerable growth (in the number of New Apprentices employed by Group Training Companies) in Sydney and Perth. (page 17)

Awareness raising and promotion of VET and Group Training opportunities, particularly to young people, is a continuing and priority need.

Increasing the numbers of school-based New Apprenticeships is considered an essential strategy to increase numbers in Group Training. In this way both the number and quality of trainees will be improved. Furthermore, the standard of VET in schools will be increased as will the awareness of Group Training as an employment option by parents, teachers, students and employers. (page 26)

The lack of knowledge within the community of Group Training being an employment option was seen as a major impediment to employment growth. While direct marketing by group training companies was recognised as essential, it was considered an incomplete strategy. The promotion of Group Training, aimed at different segments of the market, such as parents, teachers, trainees and employers, was strongly encouraged.

Awareness raising and promotion of Group Training targeted to a variety of audiences and segments is needed to build strong demand and supply for New Apprentices.

The literature review, the employer study and the statistical analysis all pointed to the relatively low awareness of group training by metropolitan employers. The review has also identified that several industry sectors could be targeted by Group Training. Consequently, the national marketing strategy should include a focus on employers in metropolitan areas and in priority industry sectors.

Making better use of industry and employer bodies to develop a better understanding and support for Group Training, as well as a means of informing employers about Group Training as an employment option was also raised.

The recent AIG study of three industry sectors showed that 49 per cent of employers prefer to use Group Training while 50 per cent said they would use it in the future. The study showed that medium-sized employers showed strong support for Group Training.

Working more effectively with industry and employer bodies to promote awareness of Group Training as an employment option should be included within an overall national marketing and promotional strategy for Group Training. Networking between group training companies, employer bodies, schools and the community should be encouraged and promoted to increase the penetration of Group Training into the wider community.

State bodies emphasized the benefits of Group Training – its competitive edge as an employer in terms of its capacity to train, to develop the supply side, to take on the risk,

particularly for small business, to reduce bureaucratic processes, and to maintain/expand trade employment and training. They viewed Group Training as being ideally placed to take the lead in key areas of VET reform by making strategic use of group training companies to facilitate skill development and employment in challenging areas, areas the private sector may not be willing, or is not yet ready to enter. The example of their role in maintaining trade apprentice numbers was often cited.

The AIG survey also pointed out that most employers were confused about the VET reforms, finding them complex and inaccessible, and that industry-based intermediaries were needed to assist companies, especially smaller ones to gain value from the reforms. Group Training companies with their wide range of services are well placed to satisfy these needs.

Greater involvement of employer associations in promoting Group Training as well as their potentially increased role in providing Group Training services was strongly supported by ACCI. Such associations should be advised of the revised program. (Section 3.4.6, page 27)

While substitution of New Apprenticeships from other employers into Group Training is not to be supported, a greater strategic use of Group Training by government to ensure growth in key areas, areas in which other private sector employers are neither as active nor as committed, may see a higher level of activity by Group Training. The ACCI supports the active involvement of Group Training in all industry sectors thus suggesting potential for further growth in this employment sector. (page 28)

Companies should consider developing or expanding markets in areas where Group Training had relatively low activity. The most obvious are occupations and trades within the ASCO categories of Other Tradespersons & Related Workers, Hairdressing, Associate Professionals, and Managers and Administrators. (page 29)

It should be noted that only about half of the Group Training Companies are members of GTA; however, the bulk of Group Training activity is conducted through those members. Most of the newer and industry-specific companies are not members of GTA. (page 31)

Group Training should continue to focus on the small and medium-sized business sector. ... Both part-time and full-time traineeships should be encouraged. ... The participation of older trainees – 25 years and above – should be encouraged. ... Increased participation by equity groups should be continued, in particular ATSI and those with a disability. (page 34)

Does the title “Group Training” adequately reflect its main function as an employer? ... The title of Group Training appears not to accurately reflect its main function of employment. Many Group Training organisations use “employment” or “employment and training” in their business names. ... Any plans to actively promote this employment sector should consider a change in name, for example to Group Employment and Training. (page 41)

The promotion of Group Training nationally, aimed at different segments of the market, such as employers, parents, teachers and trainees is strongly encouraged. The review has identified several audiences that should be targeted in the promotion of Group Training. They include:

- industry and employer bodies
- employers in capital cities
- employers operating in ethnic communities

- industries and employers associated with industry developments in rural and regional areas
- industry sectors where Group Training has traditionally had little involvement. (page 42)

Many companies observed that Group Training has a low profile in our society. Most people have no knowledge or understanding of the concept of Group Training, including those in business and industry who may be potential users of Group Training services. The hope was frequently expressed that a comprehensive marketing campaign would assist in promoting Group Training. It was also suggested that the New Apprenticeship Centres (NACs) might be encouraged to promote Group Training more vigorously.

Many managers expressed the view that in any future expansion program, provision could be made for Group Training Companies to be funded to promote Group Training. It was generally argued that face-to-face contact is the only effective way to develop further placement opportunities. (Appendix 1, page 16)

There were two main reasons why host employers used a Group Training Company rather than directly employing the apprentices/trainees. First, was that it simplified the whole process of employing and arranging training for an apprentice/trainee, as the majority of administration was taken care of, in particular:

- the selection process
- wages and other administration relating to a New Apprentice
- organisation of training.

The second was that rotation gave the employer the ability to move a New Apprentice they found unsuitable. A few employers even said they thought it was a good way around the unfair dismissal laws. (Appendix A, page 3)

The following are elements that host employers cited as desirable attributes of Group Training Companies:

- good selection of trainee/apprentice
- regular forms asking about trainee/apprentice progress
- regular visits from field officers
- the Group Training Company works with the employer to arrange suitable off-the-job training and the timing of that training
- the field officer handle problems, both personal and work-related, on a one-to-one basis with the trainee/apprentice
- the Group Training Company's field officers were motivational, encouraging and supportive of the trainees/apprentices
- the Group Training Company understands the needs of the employer
- the Group Training Company was very approachable and were available at any time. (Appendix A, page 3)

When asked how the services by Group Training Companies could be improved, there were two comments made by the majority of host employers:

- better suitability of trainee/apprentice

- much more contact and monitoring by the Group Training Company. (Appendix A, page 4)

All host employers saw the advantages of using a Group Training Company and the majority were satisfied with the service provided. When delivered properly, the services of a Group Training Company make employing a New Apprentice easy and leads employers to consider taking on more New Apprentices.

Host employers have a high expectation of the quality of services that they are paying for from a Group Training Company.

Group Training Companies could do more to promote themselves in metropolitan areas. (Appendix A, page 9)

Of the entire host employers interviewed, only one apprentice had been rotated. Rotation only happens if there is a problem with the trainee/apprentice. Many employers commented that they liked the idea because they could get around the unfair dismissal laws and get rid of the trainee/apprentice. The level of satisfaction with the trainee/apprentice was usually high among those interviewed and this may have been a reason why rotation had not occurred. The literature also indicated that incidence of rotation were decreasing. (Appendix A, page 10)

National promotion of Group Training needs to be further developed by building on the work of Group Training Australia (GTA) and others. (Appendix A, page 3)

For successful sales and ongoing relationships, Group Training Companies depend on active, well-informed field officers with extensive local knowledge and people skills. Field Officers need good people skills, as well as industry and regional knowledge. (Appendix A, page 5)

3. Attrition in Apprenticeships – An analysis of apprentices commencing between July 1994 and June 1996 by the Department of Education, Training and Youth Affairs (February 2000)

The results of the (analysis) show a significantly increased risk of attrition for apprentices employed by group training companies, compared to non-group training apprentices, other things being equal. These results do not imply that group training companies are managing their apprentices poorly. There may be business factors which impact on this. The reasons behind the relatively high rate of attrition in group training is an area requiring further investigation. (page 32)

4. National Marketing Strategy - Skills and Lifelong Learning – Summary Community and Employer Research, for the Australian National Training Authority by a consortia of Quay Connection, The Albany Consulting Group, Research Forum and David McKinna et al Pty Ltd (November 1999) (page 9)

Promotion emerged as a surprising barrier - people identified a general lack of information about what is on offer and misleading advice or information about what different learning products offered. Compared with competitors for time and money, the

learning sector is not promoting its products well, despite the fact that providers have traditionally placed their emphasis on communications rather than marketing.

There is an over-emphasis on the low-cost media - suburban/regional print and radio - little emphasis on the 'emotional' media like television and cinema. There is increasingly use of the Internet as a promotional mechanism.

Information is also an issue for employers, who have indicated that their knowledge and information base is inadequate, particularly around issues like the AQF, quality control, and RPL. Both employers and private sector RTOs express concern about the volume of paperwork and the need to reduce the quantity of paper and improve its user-friendliness.

5. Training Brokers: Networks and Outcomes research report by the Centre for Research and Learning in Regional Australia (CRLRA) (November 1999)

The very thing that might detract from working with a broker is also the thing that keeps the provider in the relationship: namely, the cost of attracting students, or marketing. The broker does the marketing, will set up the venue and even produce the materials in some instances. All these savings in time and costs are an important factor in providers utilising brokers, keeping in mind that the work gained through the broker relationship was only a small portion of the provider's total workload and income in our case studies. (page 8)

A market focus requires brokers to focus on remaining competitive in the market place, and so this is where much of their effort is directed. A client focus, where the pressures of competition are not so pressing, allows brokers to focus on the development of the client. (page 9)

For market-focused brokers, financial and/or market share outcomes were imperative. They had to focus on remaining competitive in the market place and delivering a high quality product. They aimed to have clients come to rely on their services, that is, for clients to become dependent on the broker. For these brokers, knowledge was their currency, they needed to sell this knowledge rather than to share it. This inevitably lead to a hierarchical arrangement in relation to knowledge, where the broker was at the peak, holding the key to these knowledge resources ... Clients of these brokers received a service that they valued as it saved them time, effort and money. This service met their required needs, providing them with training or knowledge services that assisted them to meet their own goals. It did not actively encourage clients to take responsibility for their own learning, and so become lifelong learners. (pages 13 – 14)

Both market-focused and client-focused brokers were valued by their clients, and seemed to improve the outcomes of training by achieving a good match between clients and provider. However, if our concern is with the development of human potential and a skillful Australia, then the findings from this research appear to support the need for brokers with a client-focus and learning orientation. (page 14)

6. New Apprenticeships: Increasing Employer Involvement Through Group Training – Evaluation Report for Group Training Australia (GTA) by the Council of Small Business Organisations of Australia (COSBOA) (September 1999)

From the GTA perspective, several of the points raised are of particular relevance and value:

- the need for targeted direct marketing of Group Training to small business, based on a thorough analysis of target markets
- the importance of Group Training Companies actively broadening their host employer bases
- acknowledgment that direct marketing, although time-consuming and labour-intensive, is the most effective way to connect with small business
- acknowledgment of the lengthy lead times associated with the eventual placement of an apprentice or trainee
- the key benefits of using Group Training, as perceived by potential host employers, are (a) quality of service (b) quality of apprentices and trainees and (c) cost-effectiveness - and not the expected recruitment, paperwork and payroll
- Group Training Companies face a challenge with the comparably low level of interest shown by the service and hospitality industries - industries which exhibit the highest rate of employment growth - work needs to be done on ensuring that relevant entry-level training products are available and deliverable, and that a culture of entry-level training is encouraged in these industries.

7. Impact of the Growth of Labour Hire Companies on the Apprenticeship System for the Australian National Training Authority (ANTA) by KPMG Management Consulting Pty Ltd (November 1998)

The reduction in the length of and the unpredictability of contract cycles has led to an outsourcing or transfer of the apprentice training effort, and this may account for much of the growth of Group Training Companies in recent years. Group Training is one mechanism that enables individual employers to train apprentices, regardless of future workloads and contract cycles. In its turn, it is a specialised form of labour hire. (page 45)

In essence, Group Training is a specialised form of labour hire. A number of the labour hire firms ... already work with, or are interested in providing, Group Training facilities. ANTA, through Joint Policy arrangements with States and Territories, and with DEETYA through additional Group Training funding, should encourage Group Training Companies to work more actively with labour hire firms:

- encouraging a range of formalised relationships between labour hire firms and Group Training Companies
- encouraging Group Training Companies to target labour hire firms for apprentice placements
- Group Training Companies to negotiate with labour hire firms to provide an “opportunity spotting” function for a Group Training Company with labour hire clients who may be interested in supporting apprentice placements, which the labour hire firm cannot meet. This is a co-operative arrangement which is based on business referral
- formal alliances where the labour hire firm and the Group Training Company to provide a co-operative and integrated service to clients

- allowing labour hire firms to operate a Group Training arm, and providing similar incentives as are currently available to Group Training Companies. (page 56)

It is possible that there are features of training arrangements in traditional apprenticeship areas which are barriers to the nature of the labour hire business:

- the length of the employment and training contract
- the less than perfect integration of on and off-the-job training
- high dependence on off-the-job training
- inflexible sequencing of training
- limited up-front or accelerated training arrangements.

It is arguable that circumvention of these lies behind the success of group training. (page 57)

8. Barriers to the Employment of Apprentices in the Electrical, Electronic and Communications Industry for the National Electrical Contractors Association (NECA) by The Chessmen Group (August 1998)

Group Training...is seen as having a number of important advantages including access to a variety of on-the-job training and experience over a four-year apprenticeship. Additionally, such centralised training provides measurable training standards in a consistent training environment; better quality for training outcomes; acceptable retention rates; motivation of persons undertaking training; administrative simplicity leading to manageable training costs and value for the public training dollar, as well as the private employer investment in training. (page 4)

Recommendation: That group training companies be involved in promotional efforts to raise the profile of apprenticeships and that consideration be given to providing government sponsorship of promotional events, such as open days, that showcase the training competencies of these institutions. (page 6)

A 1997 study for EPIC, the Electro-technology, Printing, Information Technology and Communications Training Board in Victoria was aimed at promoting career opportunities in the electro-technology industry in Victoria. The report commented on the possibility of group training schemes becoming labour hire companies. This issue has drawn considerable comment in recent times. It is a disturbing possibility that the industry is concerned about. (page 19)

(NECA ACT) commented "There remains considerable debate on the progression of Group Training Companies towards employment agencies, instead of focusing on training. Should this continue, not only will the outcomes be unacceptable, employers will become disenchanted with the system...With the deregulation and reform of legislation applying to apprenticeship, group training operation should be seen to compliment, not replace, the direct employment of apprentices." (page 19)

9. On the Brink of Crisis? The Employment of Apprentices for the Engineering Skills Training Board (Vic) by Bob Marshman & Associates (January 1998)

Group training is one mechanism that overcomes problems associated with the uncertainties of shorter contract cycles and the outsourcing of functions to smaller firms. Group Training Companies also provide an opportunity for employers to outsource the recruitment of apprentices, and thereby avoid problems associated with so-called 'duds'. They can be moved if they do not work out. This is of particular relevance given the difficulties employers are experiencing in attracting good applicants.

The extent of the reduction in intakes generally has been mirrored, albeit to a lesser extent, in group training schemes. While group training has a major role to play, it is not the only panacea – many employers still prefer and need to train their own.

Group Training Companies also fear that recent government decisions to reduce employment incentives and to deny Entry Level Training Organisations an outcome fee if they refer a young person to a Group Training Company will further compromise their ability to maintain intakes of engineering apprentices. Most believe that engineering intakes will deteriorate further next year.

While many Group Training Schemes play an important role in the employment of engineering apprentices, a number play a critical role because of their history and specialisation in the engineering area. They include the ACM Group Training Scheme, Western Group Training and the Gippsland Group Training Scheme. In our view, these schemes, and perhaps others, are well placed to play a role in improving the status and image of the engineering trades, as one part of a more comprehensive program.

In SA, the group scheme run by the Engineering Employers Assoc. receives support from the state government to subsidise the employment and training of a relatively small number of young people to enable them:

- to receive state of the art training up to Associate Diploma level as part of an apprenticeship with priority given to skills which have their foundation in the tool making industry
- to become role models for their peers and for those undertaking engineering subjects in schools.

10. Labour Market for Apprentices – Employer and Group Training Company Experience in Recruiting Apprentices for the Department of Employment Education Training and Youth Affairs (DEETYA) (December 1997)

Many Group Training Companies commented that employer expectations of apprentice quality had increased over the last three years, although most felt that employers had realistic expectations.

Most Group Training Companies consider the quality of apprentices they recruit to be high, and experience very little rejection by employers of the applicants they refer.

The Group Training Company survey results indicate some possible tightness in the supply of applicants, with the lowest ratio of suitable applicants to recruitment of around two for metal trades and food trades. At the individual Group Training Company level, and in some regions, there could be some difficulty in obtaining sufficient suitable applicants. The ratios are much lower than for the employer survey, especially for metal trades and electrical/electronic trades. This suggests that perhaps there is scope for Group Training Companies to market their services more effectively to young people.

Employers felt that the trades needed to lift their image amongst students, teachers, parents and the community.

11. Group Training Funding Model for the Australian National Training Authority (ANTA) by KPMG Management Consulting Pty Ltd (November 1997)

Group Training providers have a very clear view of what it is they are there to achieve. Put simply, they see themselves as existing to:

- create employment opportunities for apprentices and trainees through their employment of the apprentice/trainee and subsequent placement with host employers
- ensure those apprentices and employees (sic.) acquire the appropriate skills to allow completion of the qualification defined in their Contract of Training.

In referring to their services, Group Training providers define the following activities:

- marketing the concept of Group Training (and of their own company)
- recruitment of host employers and recruitment and employment of suitable apprentices and trainees
- matching apprentices and trainees to host employers
- monitoring placements (a range of activities frequently described as 'pastoral care' and covering both the host employer and apprentice/trainee) and
- ensuring integration of on- and off-the-job training, and more broadly monitoring the training needs of the apprentices and trainees through appropriate rotations.

Other activities or services described, but not universally agreed, include:

- guarantees of employment to apprentices and trainees for the full term of their Contract of Training
- community liaison and marketing of vocational education and training
- assistance to schools in vocational placements, and careers advice and
- assisting successful transition to the labour force by the apprentice or trainee at the completion of a Contract of Training. (pages 8-9)

Possibly the most significant impact on the nature of the services provided by Group Training providers was the 1991 decision to move to self-sufficiency by Group Training providers. Although this decision was later rescinded by Governments, the shape of many Group Training providers has been irrevocably altered by that initiative. (page 10)

...there is little evidence that Group Training providers are deriving significant profits from the provision of Group Training services. (page 30)

Governments, at some point, will need to confront the likelihood that growth of the order they seek will require some funding support. (page 33)

Recent qualitative research for ANTA (The Employment of Apprentices: The Barriers by Bob Marshman & Associates 1997) based on interviews with more than 100 individual employers, industry associations, training providers and CES officers, suggests the following reasons for the growth of the role of Group Training:

- outsourcing of maintenance and other functions, and consequential shorter contract cycles
- the growth of sub-contracting in the building and construction industry to a point where it is now responsible for 75 - 85% of the product of the industry
- the growth of labour hire
- fly-in/fly-out work forces, particularly at mining sites
- an outsourcing of the apprentice employment function including selection and recruitment, administration, pastoral care and the coordination of on- and off-the-job training
- a perceived drop in the quality of young people entering apprenticeships and a corresponding reluctance to make a commitment to a contract of training, and
- a reluctance in the light of shorter contract cycles, to employ young people when they may have to be put off. (page 51)

While the reasons for the growth in group training are multi-faceted, one thing is clear - Group Training is the key mechanism available that provides some security of employment over the duration of the contract of training. (page 51)

Against this background it is reasonable to conclude that group training will need to play a major role if growth is to be achieved, new markets opened up and innovation encouraged. (page 51)

A large Group Training provider with 500 - 700 apprentices and trainees needs to maintain a host employer network of 1,000 - 1,200 companies. Our consultations suggest that one of the most important marketing tools is a simple wage structure. Anything that involves negotiation or complexity is not attractive to host employers, many of whom have only a marginal attachment to the training market. (page 53)

There is also widespread concern that the administration of Group Training has no focus at the national level. ANTA is responsible for the administration and distribution of funds under the Joint Policy, whereas DETYA has responsibility for the administration and distribution of new Commonwealth growth funds for Group Training. Group Training providers find this confusing. (page 55)

There can be no doubt that the growth in group training from 7% of the structured training effort to about 15% has been, at least in part, at the expense of employment of apprentices and trainees by individual firms. This has been the inevitable consequence of the restructuring of Australian industry, the growth of sub-contracting, the growth of labour hire, and the shortening of contract cycles. In our view, it is likely that, without the shift to Group Training, there may have been a major fall in apprentice intakes, particularly in the traditional trades. (page 56)

...trainees and first year apprentices cost more to manage than second, third and/or fourth (sic) year apprentices. The increased number of work assessments, monitoring, training and employer counseling required in the first year, especially within the probationary period, contributed to this cost. (page 70)

...first year apprentices and trainees may require approximately 50% more field staff time than a second, third or final year apprentice (page 71)

Group Training providers take a genuine interest in the well being of their apprentices and trainees, with the following practices potentially adding to the cost of employing apprentices and trainees...

- additional training complementary to the apprenticeship that may not be normally covered in the standard course curriculum
- additional training and site visits covering occupational, health and safety issues
- alcohol and drug awareness
- awareness on sexual harassment and physical abuse within the workplace (part of 'initiation rituals' and
- general counseling and mentoring of individuals for personal problems. (page 79)

12. Report to the ANTA Board on National Principles for Group Training by the ANTA Board Advisory Committee on New Apprenticeships (May 1997)

Since their inception, group training schemes have provided opportunities for small businesses to participate in the apprenticeship and traineeship system. More recently, changing economic circumstances and industrial restructuring (for example, greater global competition, shorter contract cycles, downsizing and outsourcing) have forced enterprises of all sizes to review their training practices. In traditional apprenticeship areas, this had led to a scaling down of apprentice recruitment. Group training schemes have played an important ameliorative role, their increased activity during this period countering the decline in direct apprenticeship employment.

The contribution by group training schemes also has qualitative aspects. For example, the rotation of apprentices and trainees among host employers of different sizes and specialties enhances the quality of training which a group training apprentice or trainee receives. In addition, as part of their core role, group training schemes provide pastoral care for apprentices and trainees, arranging and monitoring their training program and facilitating the resolution of any difficulties.

The core role of group training schemes also includes facilitating greater access to employment and training opportunities for members of client groups and by out of trade or unemployed apprentices, a role which has both quantitative and qualitative elements. (pages 8 - 9)

Small enterprises are increasing in importance as a source of employment opportunities. For example, small business as a share of total employment (including the public sector) has risen from 39% in 1985/86 to 45% in 1993/94 (Australian Bureau of Statistics). However, the employment of apprentices and trainees by these employers is often constrained by their inability to make the required employment or training commitments. It is widely recognised that group training schemes assist small business to overcome this constraint, and thereby expand apprenticeship and traineeship opportunities. (page 19)

Group training is well placed to assist the introduction of employment based structured training into new industries and occupations, drawing on the opportunities created by growth in the service industries and by the development of Training Packages. (page 21)

13. Group Training Australia Growth Strategy 1996 – 2000 (Volume One)
by Dench McClean Associates (November 1996)

With a network of 104 incorporated organisations, group training companies in 1995/96 employed over twenty thousand apprentices and trainees, placing them (the group training network) amongst the top twenty private sector employers in Australia. (page 6)

The economic impact of the Group Training network is highly significant, with aggregate revenues exceeding \$420 million in the year 1995/96. These aggregate revenues place Group Training, if it were considered a combined entity, in the top 360 organisations in Australia. (page 6)

The Group Training network has a strong and direct economic multiplier and supply chain effect on the 23,500 employers currently hosting apprentices and trainees. This multiplier effect will be magnified, as host employer numbers are forecast to exceed 43,000 in the year 2000. (page 6)

No other organisation, or network of organisations, has Group Training's level of direct, practical and financial impact and economic contribution to employment of young people. (page 7)

5% of host employers, however, take more than 5 apprentices and trainees from their Group Training service organisation, these larger intakes often being in the strongly growing service sectors. (page 7)

The name...is seen by some as confusing and not representative of the core activities of the network. (page 9)

The low penetration by Group Training companies of the employer base, and the generally low profile of Group Training with small to medium size employers, will inhibit rapid and strong growth in some sectors and regions. (page 9)

Recommendation: Group Training Australia and the Group Training network develop specific, generic marketing and support programs for each category of the access and equity segment, giving particular priority to ATSI, those with Non-English speaking backgrounds and people with disabilities. (page 16)

Recommendation: Conduct a review of the name and branding of Group Training Australia, involving Group Training Australia, its current members and the wider Group Training network and stakeholders in the process. Seek outside expert help as well. (page 17)

Recommendation: Group Training Australia and its State and Territory Associations develop and provide general marketing and market intelligence support to all Group Training organisations. (page 18)

Recommendation: Group Training Australia mount a national communication program, with best practice case studies as the catalyst, to increase awareness of the need for improved consistency and level of Group Training performance. (page 19)

104 Group Training companies currently operate in 161 locations in all states and territories of Australia. The Group Training companies employ approximately 1,190 full time equivalent employees to support the employment of apprentices and trainees. Of these support personnel, some 420 or 35% are field officers. (page 29)

...a high proportion of multiple apprentices and trainees going into cookery and hospitality hosts (approximately 30% of surveyed hosts taking on 3 or more candidates

from Group Training organisations), with a contrasting low per-host acceptance in the office and clerical areas (over 90% taking only 1 candidate). (page 45)

Group Training's share of the total employer market is a modest 2.5%, with New South Wales at only 1.2% having less than half this national average penetration. This New South Wales result is clearly influenced by its low Sydney regional share of 0.2%, half the level of the national average for capital cities of 0.4%. (page 47)

Despite these modest shares, Group Training is the premier group providing active and direct support of industry, as well as providing employment protection to its apprentices and trainees. (page 47)

...the great importance attached to direct selling as the primary means of expanding apprentice and trainee numbers. This presents natural limits to the reach and effectiveness of such selling, these limits being a function of factors including:

- the particular expertise of the person
- the number of personnel able to be involved in direct sales
- limitations in terms of distances, travel, related costs, and so on.

This limitation will become proportionately more significant approaching the year 2000, as forecast numbers rise significantly, particularly in traineeships. This segment, with its annual turnover of trainees compared to the four year apprentice cycle, will present increased challenges in selling and support. (page 51)

Recommendation: Group Training Australia promote the awareness of selling and marketing tools and processes to complement the direct selling efforts of Group Training managers and staff. (page 53)

The middle word in the name (Group Training Australia), Training, provides mixed messages to many outside stakeholders, as the word does not capture the core activity of the network. (page 74)

There are no uniform standards of quality, products or processes across the Group Training network, leading to variations in performance, both actual and perceived. (page 75)

Group Training Companies are autonomous organisations independent of guidance or coordination by Group Training Australia. (page 75)

Recommendation: Change the name (Group Training) to reinforce promoting the core role of the group. (page 101)

Recommendation: Reinforce Group Training as the prime national network supporting apprentices and trainees. (page 101)

Recommendation: Use professional development programs to raise performance of Group Training company personnel. (page 103)

Recommendation: The need to increase the quality and consistency of Group Training's services and marketing message. (page 104)

(Volume Two and Appendices)

Recommendation: Present best practice case studies on a range of broadcasting media, both for internal communications and professional development, and external awareness raising and marketing. (page 150)

(There is a) clear need to strengthen the brand and awareness of the group, and thereby broaden the available market for apprentice and trainee placements. (page 151)

Recommendation: Boost the research, liaison and marketing resources at the national GTA level. (page 158)

Recommendation: A survey of all Group Training companies, similar or equivalent to the one underpinning this project, be conducted annually to enable a longer term view of the network to be developed and maintained. (page 172)

14. A Best Kept Secret - Report on the Role and Effectiveness of Group Training Companies by the House of Representatives Standing Committee on Employment, Education and Training (March 1995)

Taken together, group training companies are the single largest employers of apprentices and trainees in Australia. This makes them potentially one of the most powerful forces for the implementation of change. (page vii)

The great strength of group training companies is their diversity and independence, giving them an ability to quickly respond to the special needs of their business clients, their industries and the regions they serve. (page vii)

Group Training Companies are ideally placed to be major players in the training reform and employment initiatives, as they have community-based structures operating in every region of Australia and work closely with thousands of small and medium sized businesses across a wide range of industries. Group Training companies are well placed to persuade individual enterprises to undertake structured training, identify training needs and feed this information into the development of competencies and course modules which are relevant to the individual enterprise. (page vii)

...group training companies are ideally placed to provide the link between schools and the workplace (page vii-viii)

...most of the group training companies have developed business activities with entrepreneurial flare and enthusiasm. (page ix)

Group training companies occupy a particular niche in entry level employment and training in small and medium sized businesses in Australia. Group training companies employ apprentices and/or trainees and place these employees on a rotation basis with 'host' employers for the duration of their indenture or traineeship. (page 1)

An important element of group training is the rotation of apprentices and trainees between a range of host employers, which enables the employee to acquire a broad range of on-the-job experience which is often not possible to acquire in a single workplace. This experience of working with a number of employers also increases the apprentice's and trainee's range of contacts for potential job offers following the completion of the indenture or traineeship. The rotation system provides a further benefit in those instances where a particular placement may be unsuccessful, by providing the means for an apprentice or trainee to be relocated to a more appropriate workplace. (page 2)

Group training companies are particularly effective in assisting with school-to-work transition for young people. By monitoring the performance of the apprentice/trainee, providing pastoral care, intervening in disputes or rotating them when necessary, they are able to assist young people at risk and maximise completion of training contracts. In addition, group training can create positions for people who, for a variety of reasons, find difficulty in securing apprenticeships and traineeships themselves with individual employers. (page 2)

The natural market for group training is small and medium sized enterprises. Group training offers considerable benefits to these enterprises by reducing the time and costs involved in staff selection by providing a constant standard of employees, payment of wages and associated on-costs, and organisation of training. (page 2)

Enterprises which, through fluctuating work levels, may be unable to directly employ an apprentice or trainee themselves, can provide a placement knowing that if the work available decreases, the group training company will arrange another placement. The apprentice or trainee is not disadvantaged by the lack of work available with one employer. (page 2)

The group training concept envisages a partnership between the group training companies and small and medium sized enterprises, with the twin objectives of increasing employment of apprentices and trainees, and increasing skills training in those enterprises. (page 4)

Group training companies, with their close links with small business and the wider community, can play an important role in the national training strategy. (page 5)

...given appropriate resources, group training companies have the potential to greatly expand the training opportunities and commitment to training by small and medium sized business and facilitate the implementation of the training reform agenda. (page 5)

Australia must expand vocational training opportunities significantly over the next decade, and group training companies are ideally placed to ensure that this increase occurs. (page 5)

Group training companies have shown their potential to adapt to changing circumstances, most notably through the diversification of activities in response to changed funding arrangements. It is essential that governments and employers recognise the ability of group training companies to deliver quality employment and training outcomes and utilise their vitality and unbounded enthusiasm for the benefit of all Australians. (page 5)

One of the most consistent features of group schemes is the care and thoroughness with which apprentices and trainees are selected to guarantee quality and consistency. (page 16)

...if the group training company is satisfied that the full range of work opportunities is available in a single enterprise, it is up to the trainee and the employer to determine if rotation should occur. The only consideration should be the quality and breadth of training. (page 17)

Group training companies are also uniquely placed to take a leading role in establishing regional skills centres. (page 19)

Group training companies are well positioned to strengthen links with post-school pathways which will complement traditional apprenticeships and traineeships. (page 27)

Group training companies with access to small businesses can play a significant role in both changing attitudes and assisting in the development and delivery of training programs which are directly relevant to individual enterprises. It is disturbing that small business may not be aware of the benefits which group training can bring to their enterprises. It is apparent that many enterprises do not know that group training companies even exist. It is clear from evidence of the Council of Small Business Associations (sic) that knowledge of the benefits of group training are not well known by the small business community. (page 28 - 29)

They (group training companies) are well placed to bring the job seeker and the employer together for the benefit of both. (page 34)

The nature and objectives of the reforms now under way are not well understood, but group training companies seem to be one network which has a better understanding than others. (page 61)

While the group training concept may be well known to clients, the lack of awareness of group training among businesses and the public has been a serious impediment to its general acceptance as a practical alternative to traditional approaches to vocational education and training. (page 61)

The Committee is convinced that there is a fundamental need for group training companies to have a strong national voice. (page 64)

The Committee believes that individual companies and their State associations must be encouraged to accept that their growth and their role as a fundamental component of training reform, can only be enhanced by the strengthening of the role of Group Training Australia. (page 64)

Group Training Australia is ideally placed to bring a sense of local ownership to the processes of government. (page 65)

Recommendation 7b. Group Training Australia seek the assistance of small business associations to promote the services which group training companies can provide to small businesses.

Recommendation 8. The Australian National Training Authority, in consultation with Group Training Australia and State and Territory group training associations, facilitate closer cooperation and communication between Industry Training Advisory Bodies and group training companies.

Recommendation 12. Group Training Australia, in association with State and Territory group training associations, actively promote the implementation of strategies and measures to increase the recruitment of women to non-traditional entry level training in group training companies.

Recommendation 27a. The Commonwealth Government continue to finance the promotion of the concept of group training.

Recommendation 27b. Promotion be undertaken by both Group Training Australia and individual group training companies.

Recommendation 27c. The promotion recognise the importance of targeting secondary schools.

Recommendation 32. Group Training Australia, together with State and Territory group training associations and individual companies, as a matter of priority, develop national

quality assurance standards and review the Code of Ethics for Group Training Companies.

Ends