

Ms Susan Macpherson
Director
Partnerships and Operational Policy
New Apprenticeships Branch
DEST
GPO Box 9880
Canberra ACT 2601

Dear Ms Macpherson

I am writing on behalf of Group Training Australia (GTA) in response to the discussion paper on future arrangements for the provision of New Apprenticeships Support Services (NASS).

Consultations have already been held between Mr Jeff Priday of this office and Mr Ben Johnson and others from the department while I was on leave last week. I understand that these were very satisfactory, certainly from our perspective, and I would like to thank the department for giving us the opportunity.

While those consultations have covered all of our concerns about the current arrangements and how you might improve the next contract, I would just like to confirm in writing some of the principal points that we would like to make in regard to this matter.

Since the development of the New Apprenticeship Support Services contracts and the New Apprenticeship Centres (NACs) there has always been a degree of tension between NACs and Group Training Organisations (GTOs). While there have been a number of causes of this tension, I think it true to say that the principal cause has been the perception by GTOs that, for the most part, the NACs essentially duplicate the functions of GTOs.

I also think I can safely say that over the years the relationship has generally improved as NACs and GTOs have reached an accommodation, or indeed have developed mutually beneficial relationships, and that this improvement has also been assisted by all of us, the group training associations and the department working together to find solutions.

However despite this improvement, the view still persists that, with the exception of making or authorising payment of Commonwealth employer incentives and subsidies, the work of the New Apprenticeship Centres simply duplicates the functions of GTOs, particularly in relation to inductions and ongoing mentoring and support, without adding any value to the process.

Moreover, the fact that the NAC is paid a fee for this service almost certainly in excess of the fee a GTO would receive in funding under the Joint Group Training Program (JGTP) for providing an even higher level of service, is still a cause of some resentment. The suspicion that some NACs take advantage of the access they gain to GTO host employers to encourage direct indenture, or simply give wrong information about the operations of GTOs, only exacerbates the tension.

It is for these reasons that GTA does not favour an extension of the reach of NACs of the kind outlined in your discussion paper under the heading ***What services should the Australian government be purchasing?*** We fear that such an extension of their current role would be a retrograde step in our effort to improve the relationship between GTOs and NACs.

As a consequence of these difficulties, GTA has for some time advocated for GTOs to be automatically registered to provide New Apprenticeship Support Services to their own apprentices and trainees. This suggestion first appeared in our 2000-01 budget submission to the department and the Treasury.

We believe that such a proposal could be implemented without adversely affecting the integrity or viability of the NASS contract or the tender process. We assume that it could be done by taking account of the levels of group training business in each of the purchasing regions before going to tender and building in the safeguards that are necessary if GTOs are to authorise payment of their own employer incentives. These safeguards are presumably already in place for those GTOs that have NASS contracts.

We would of course expect GTOs to be remunerated for the provision of these services, even if at a lower level to take account of any funding already being paid to provide some of the current NAC service.

I appreciate that this proposal has not been favourably received in the past and you may still feel disinclined to support it on legal or other grounds.

In this event, I would like to suggest an alternative approach which you might find more acceptable and which I believe would go a considerable way to assuaging our concerns. It would also enable you to extend the current New Apprenticeship Support Service contract requirements without adversely impacting on the group training network.

Our proposal would call for GTOs to certify at the time they make their claim for employer incentives that they have delivered a range of services of the kind currently expected of NACs. As there will no doubt be a range of issues

even with this proposal, such as the fact that some of the services you would want to monitor are delivered after the time the commencement claim is ordinarily lodged, we would be pleased to work with you to develop suitable performance measures and protocols for this proposal to work.

I hope that this information helps clarify our position and that we are able to reach a solution that meets our respective needs.

I look forward to further discussions with you on this matter.

Yours sincerely

Jim Barron
CEO

13 May 2005