

# **NCVER Research Priorities**

**2007-2008**

**Consultations with**

**Group Training Australia Ltd**

February 2007

## Research Topics

### 1. Traineeships

#### 1(a) – The contribution of traineeships to national skills formation

In early 2006, GTA commissioned Mark Cully to write a paper on traineeships to serve as a discussion starter for an industry round table hosted by GTA and Dusseldorp Skills Forum (DSF) in Melbourne in April that year. The paper was titled Kirby Comes of Age: the birth, difficult adolescence and future prospects of traineeships

The round table concluded its deliberations by calling for further research into the value of traineeships, in view of the considerable investment in public funding that they represent. In particular, the round table called for an analysis of the extent to which traineeships are contributing towards an increase in the stock of skills in the Australian workforce.

This is an opportunity for such research to be put on the NCVET agenda.

#### Possible research questions

- in what way do traineeships represent an improvement on the quality of training being delivered to trainees when compared to the training that once would have been delivered to the same employee without a contract of training?
- to what extent do people who undertake traineeships at AQF II entry level go on to undertake training at higher levels and to what extent can this willingness to progress be attributed to the traineeship model?
- to what extent are traineeships increasing the stock of skills available to the Australian economy?; and
- to what extent is traineeship development and uptake occurring in areas of labour market growth such as managerial and para-professional positions?

#### 1(b) – new models for delivering traineeships

One of the outcomes of research topic 1(a) might be to recommend further research on alternative modes of delivery of traineeships. This would be worth exploring if it could be demonstrated for example that there are alternative ways of delivering the same outcomes as traineeships at less cost.

We have in mind one such model for which more supportive evidence needs to be adduced.

In brief, all trainees undertaking AQF II programs could be trained on-the-job by their employers, as would once have happened, with their competencies assessed by an accredited assessor who would be paid to deliver this service. This would eliminate much of the cost of employer incentives and training delivery with the only funding being for assessment services.

At the same time, this proposal would preserve one of the key putative benefits of the system which is the issuing of a formal qualification and the opportunity to use it as a pathway to higher level training.

## 2. Competency-based completions

(a) - implications of early completions for employers' investment in training.

The concerted effort being made to ensure that the training system provides for completions based on the acquisition of competency, which is generally expected to see most apprentices complete in less than the nominal duration, even if some may take longer, has possible implications for employers.

Just as early completion may have implications for the way in which group training organisations calculate their charge out rates, it may also have implications for the way in which employers of apprentices by direct indenture calculate the return on their investment in the training of their apprentices. The implications may be serious for the training system if the calculation proves to be unfavourable.

While we have no evidence of this as yet, indeed anecdotal evidence suggests that employers are not fazed by the idea of early completion, although neither do they say it is advantageous, we believe that it may be something of a sleeper issue that warrants further investigation.

There is currently an NCVET research project on the cost to employers of employing apprentices. It may be possible to build on the outcome of this research to test the above hypothesis.

(b) – implications of early completions for apprentices' capacity for self-management

The move to early completion will potentially see apprentices graduating at anything from 19 years of age and subsequently assuming responsibility as supervisors or self-employed tradespeople. This raises questions about maturity and capacity for self-management.

It is true that 40 years ago most apprentices would have graduated at 19, having commenced at 15 years of age after leaving school at year 10 and completing the full four years of their trade training. However, this still gave them four years' exposure to the culture of the workplace, to working with adults, and to learning about themselves.

The current system will see an increasing number of young people who will have had much less exposure to the world of work, and arguably therefore less exposure to the kinds of experience that assist them to reach maturity. Changes at both ends of the system will contribute to this: on the one hand more apprentices will start vocational training at school, for which time credits

will be granted; while competency-based completions will accelerate completions at the other end.

Possible research questions

- how do apprentices feel about their capacity for self-management?
- what are their personal development priorities? career management? financial management?
- what is their experience of the workplace and relations with co-workers, bosses etc?
- what are employers' perceptions of their apprentices' readiness and ability to assume responsibility as supervisors and ultimately as self-employed tradespeople?

### 3. Apprentice completion rates

There has always been considerable debate, indeed confusion, about the true rate of completions for apprentices and trainees, particularly traditional apprentices. Each new report on the matter only seems to generate further controversy rather than settle the matter to anyone's satisfaction.

While we believe there is still a case for further research into the actual completion rate of both apprentices and trainees, by employer type, it would perhaps be useful to undertake such research in the context of a broader analysis of the phenomenon of non-completions.

Possible research questions

- what is the importance of measuring completion rates?
- what factors are causing separations from training contracts?
- what are the destinations of apprentices and trainees who have not completed according to official records?
- what do apprentices and trainees who have not technically completed think about their decision not to complete?
- what is the basis of our concern about completions?

### 4. Changing Nature of the Youth Labour Market

The youth labour market is changing and not just because generation Y has a different perspective on the world of work.

Many governments are now moving to increase the statutory school leaving age, or impose other minimum conditions for leaving. School-based apprenticeships, vocational training at school, trade schools and technical colleges are significant features of the landscape. These and other factors all affect the cohort of young people who are now available to undertake an apprenticeship or traineeship.

We appreciate that there is already considerable research on aspects of the youth labour market from disparate sources and it may be that additional research is not strictly necessary. If so, it might be useful if this research could be synthesised into key findings or messages to assist organisations like ours and our members to develop employment and marketing strategies.

#### 5. New and Emerging Skill Requirements

There is a view that more information is needed on the impact of climate change and drought, and decisions being made in response to this phenomenon on skills development.

While training package developers could be expected to reflect changes to skill needs in training packages, it would be useful to have some background research on which industries are likely to face change as a result of global warming and what the implications will be for skills formation within those industries.

The coal mining, energy generation, automotive and agriculture industries are the most obvious candidates and there is already evidence of group training organisations working with some of these industries to anticipate the impact on apprenticeship training.

#### 6. The Role of Apprenticeship and Traineeship Intermediaries in the Labour Market

We believe there is a need for further research into the role of intermediaries in the apprenticeship and traineeship labour market.

The national review of group training conducted by the former Australian National Training Authority is now 5 years old and in any case was more historical and descriptive of the role of group training. A more detailed analysis of the role of organisations like GTOs would be useful.

Possible research questions:

- what impact are intermediaries having on the apprenticeship and traineeship labour market?
- how are they influencing employers' employment decisions?
- how do their outcomes compare to apprentices and trainees employed through direct indenture?

#### 7. Ageing of the VET Workforce

The ageing of the Australian population and the retirement of many workers is expected to have a significant impact on the Australian economy in the next decade. The VET teaching workforce will be as adversely affected as any other part of the economy.

We know that many proposals are being made to mitigate the worst effects. These include accelerated teacher training for retired tradespeople; incentives for trainers to remain in the workforce and ways to enable existing tradespeople to both work and train.

We assume that further research into the ageing of the VET workforce is already on the NCVET agenda and that some of the proposed solutions such as those mentioned above will come under closer scrutiny in due course.

We would like to suggest that another possible solution would be an extension of the concept outlined in 1(b) above to trade training, or at least to some of the trades. In other words many existing tradesmen may have the capacity to provide more of the off-the-job training at the workplace than is currently the case. Public funding could be used in this instance for the provision of some of the training and, as in 1(b) above, would also be used to purchase assessment services.

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