

## **MPA National Conference - Gold Coast, 10 August 2003**

It is a pleasure to be here today at the MPA Plumbing Industry Conference 2003.

Particular thanks to Group Training Australia Board Member Stuart Henry for the kind invitation to be here today.

I see this Conference as a unique opportunity for me to provide you with some insights into the group training network and in particular how we see the role of the network in providing training opportunities for young people and dealing with the growing skills shortage problem in this country.

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

Indeed, it is the largest employer of apprentices and trainees in the country.

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

Indeed, its contribution to the maintenance of the traditional trades and the “skilling of Australia” is unquestioned and fundamental.

Analysis of recent NCVET data bears this out with group training accounting for:

17% of all trades-persons and related workers;

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

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

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

In the area of plumbing – group training accounts for approximately 23% of the total national number in training.

In States like South Australia that number increases to 50% of the total.

Indeed - over the past five years – group training’s overall “national share” of plumbing apprentices has continued to increase.

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

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

Group Training's presence is fundamental to hundreds of local communities.

It builds social and training infrastructures.

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

In that regard, it is no "ordinary" employer.

It accounts for nearly 20% of all trainees and apprentices in the indigenous and disability areas.

In just over twenty years then – group training has established itself as a critical component to the national training effort.

It is "made in Australia" and in every respect a genuine "success story".

Undoubtedly, one of the more important roles that group training undertakes is in school to work transitions and in managing and coordinating structured workplace learning programs; as well as:

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

I believe these two latter policies are not only critical to the long term future of VET policy in this country but importantly, to the Future of Apprenticeship Training.

I have no doubt that Group Training will be central to their success or otherwise.

I would like to spend some time on this issue as I believe school based apprenticeships and related policies hold one of the keys to the future skilling of the nation.

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

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

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

1. The provision of careers advice
2. The management and coordination of structured workplace learning programs
3. Participating on "VET in schools" management committees

4. Providing training as an RTO to VET in school students; and
5. Employing school based apprentices or trainees

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

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

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

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

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

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

One member company provides an interesting case study:

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

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

This is an extraordinary commitment of not only time but considerable resources – on the part of both employer AND apprentice.

This GTO is located here in Queensland where there has been considerable success with school based apprenticeships and traineeships.....compared

with some other jurisdictions where there are still a number of barriers to their implementation.

Major Hurdles to expanding training opportunities for a number of young people in this key area continue to be:

Difficulties in establishing suitable industrial arrangements

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

Opposition by some industry parties to school based arrangements in the traditional trades; and

Schools that do not see these programs as “core business” and will consequently only accommodate students wanting to pursue them, if and when, it suits the school.

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

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

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

In charting our way forward, particularly when assessing the Future of Apprentice Training, I think it is worthwhile airing some of these concerns:

They include:

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

Travel to and from the workplace, supervision and insurance cover

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

Knowing when it is appropriate to allow a student’s casual “after-school” job to be converted to a school based traineeship

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

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

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

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

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

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

Nothing could be more financially imprudent of course.

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

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

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

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

I believe that dealing with these issues is fundamental to the future success of school based apprenticeship, the promotion of the group training model within that program **and** the consolidation of our skills base in this country.

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

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

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

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

One of the key issues that we at GTA will confront this year is of course that of “skills shortage”.

There is no question in my mind that shortages are beginning to appear in many of the skilled occupations – if nothing is done to address this problem – then we shall face a genuine “skills crisis”.

There is no question that the training system we now have in this country is vastly different from the one we had ten years ago.

It is more open – more flexible and provides far more opportunities to more young people than ever before.

Equally, there is no doubt that more people are being “trained” – but the question that is being asked in some quarters is:

Are they being “skilled”?

In many respects – Australia is at a critical “crossroads” as to how we go about training our young people.

As we roll on down the information highway – deal with the many IT challenges – become “knowledge workers” and propel ourselves into the 21<sup>st</sup> century and way beyond we MUST ensure that we do not lose sight of what is important for “skilling Australia” nor ignore the skills base that has virtually built this country and will surely go on doing so well into the future.

Australia’s traditional trade base must be better supported.

If it is allowed to wither on the vine we as a country will pay a very heavy price.

Supporting trade training does not have to be at the expense of any existing policies.

But it may mean government’s re-setting their priorities.

For apprenticeship training to be “re-positioned”, a number of things need to happen.

There needs to be a change of attitude and culture.

In the schools – with the careers advisers – in industry – and in the unions.

Somewhere along the way – we seemed to have become very confused with the messages we give our potential school leavers and future workforce.

We say that it is “critical” to our survival that we all join up to the so-called “New Economy”.

In doing so – we have somehow tainted and painted the so-called “traditional trades” as belonging to the “old economy” and therefore no longer relevant!

The marketing is often negative – the “dirty trade” tag is very unhelpful and is seemingly embedded in the mindsets of many – and often there is little or no talk from schools and career advisers as to why the trades represent worthy, viable and attractive career options.

More than ever before, I believe we need these skills – in building and construction, plumbing, automotive, manufacturing to name but a few - across the trades: there is an ever evolving combination of traditional and modern skill sets which are on offer for those who wish to choose this career path.

Any fair dinkum government response to kick-starting apprenticeship training must involve a key role for group training – more support – greater re-sourcing – increased marketing – and stronger recognition of the value of group training in local communities and grass roots partnerships.

The future of Apprentice Training lies as much with communities as it does with Governments.

And that is where group training can come into its own and particularly offer a life line to not only potential apprentices but also potential employers.

As is often stated, group training is the ideal intermediary for those employers who are not able to take on the added burden of training and all the costs involved.

Group Training Organisations overwhelmingly have a commitment to what we call “pastoral care” – that additional care and support that is often so vital for young people starting out on a 4 year apprenticeship in a trade.

GTOs and their hosts are committed to providing young Australians with genuine “skill sets”, with fair dinkum tools to use throughout their working lives – not for them the “burger flipping” business which is not about genuine skill formation but numbers on a score sheet.

For GTOs to continue to deliver the goods and to continue to underpin this nations skills base – it is our job at Group Training Australia to vigorously argue for increased government support – to allow the network to get on with the business of what it does best – providing jobs, training and new opportunities to thousands of young Australians.

To that end, we argued very strongly during the recent Senate Inquiry into Current and Future Skill Needs for a number of measures to be considered which we believe will go some way towards consolidating the future of Apprenticeship Training in this country.

These include:

That the Commonwealth New Apprenticeships Employer Incentives for designated skill shortages be made available Australia –wide (and not just in regional areas as is the case at the moment).

That all governments increase their level of operating support for group training through the Joint Group Training Program to enable group training to maintain its effort in traditional trade training.

That government continue to support the expansion of vocational education and training in schools to ensure that it develops as a quality pathway into traditional trade training.

That government strengthens professional development of careers advisers to improve their understanding of the benefits of careers in traditional trades.

That government provide a financial incentive to job seekers willing to undertake a traditional apprenticeship; and

That government provides additional incentives to employers who employ a traditional apprentice.

Of course – if we managed to secure some or all of these concessions it would only go some way to rectifying the current decline.

I believe it is also critical that governments give serious consideration to investing far more heavily in pre-vocational training programs.

These programs, if supported and funded properly, provide students with the opportunity to “test the waters” early in their life as to what possible career paths they may wish to take.

Importantly, they provide many students with a “realistic hands-on” experience in the vocational education and training field and may well be influential in a student’s decision to take up an apprenticeship full time upon leaving school.

However, if pre-apprenticeship programs are as rare as hens teeth – then the fact is that opportunities will not be offered to too many students.

Investment by government in pre-apprenticeship programs would be money very well spent.

And above all else – as I have said before – if we can achieve an attitudinal and cultural change within the school system, in particular, then we will be well on the way to ensuring that the future of Apprenticeship Training is well and truly secure.

And right there in the thick of it all will be the group training network.

Thank you for giving me with the opportunity today to share with you my thoughts on the role that group training can play in providing opportunities for young people in the labour market.

Our network plays a critical role in the skilling of this nation and it is my strong belief that as we go into the future – our place in the trade training agenda will only get stronger.

Thank you