



Improving apprenticeship and youth employment through the Victorian GTO network

Response to the Victorian Government Macklin VET Review

June 2020



The Apprenticeship Employment Network (AEN) is the peak industry body representing not for profit Group Training Organisations (GTOs) across Victoria. AEN's purpose is to support members and Government to achieve skilled and sustainable employment and training for the wider community.

AEN is part of a national network of group training organisations located throughout the metropolitan and regional areas of Australia.

AEN provides support services to build the quality, professionalism and capability of our network to enable them to deliver quality services and outcomes. In Victoria our members have employed over 170,000 apprentices and trainee across a wide range of industries during the past 30 years

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Executive Summary

The following paper has been prepared in response to the Victorian Government Macklin VET review as outlined in the Skills for Victoria's Growing Economy Issues Paper, March 2020. As the independent review was announced before the economic effects of the COVID-19 pandemic were fully realised, further recommendations have been included for consideration.

Overall, the Apprenticeship Employment Network (AEN) are recommending the funding model for VET be overhauled to reflect greater return on investment. The responses contained in this document identify that the total amount of expenditure may be sufficient to enact positive reform to the VET sector, however funding must be channelled to an outcome-based system that encourages and rewards innovation, collaboration, and quality skilled employment outcomes.

This response paper also seeks to highlight the important role Group Training organisations (GTO's) play in the employment of apprentices and trainees, a role that has become even more evident over recent times with the devastating effects industry has experienced due to COVID-19. The GTO network offers existing state-wide, highly developed capabilities and capacity to deliver services and are quality endorsed and recognised by government. And yet they are often underutilised when considering VET reforms.

As governments, industry, and individual businesses look to navigate their way forward to establish a level of economic stability, the flexibility of the group training model should be strongly supported as a main driver of skills and labour recovery.

In response to the seven questions posed through the Victorian Government Macklin VET Review, the AEN offers a high-level comment and recommendation. It also seeks to provide some detail to the way GTO's may be utilised as a solution to proposed reforms.

The AEN looks forward to continuing discussions with the Victorian government on ways to improve the VET sector and achieve a greater return on the wider community's investment.

Background

The Apprenticeship Employment Network (AEN) is the peak industry body representing not-for-profit Group Training Organisations (GTO's) across Victoria and is part of a national network of group training associations. GTO's in Victoria collectively employ over 6,000 apprentices and trainees through a network of over 10,000 host employers. Since 1982, GTO's have employed over 210,000 apprentices and trainees, and it is estimated that 1 in 5 apprentices aged 15 – 24 commence through a GTO each year.

As the largest employer of apprentices and trainees in Victoria, the GTO network of companies have an important role to play in the shaping and implementation of any recommended reforms to the Vocational Education and Training (VET) sector. This response paper to the Victorian Government VET review - Skills for Victoria's Growing Economy Issues Paper 2020, aims to support an ongoing dialogue with government on initiatives that the existing GTO network can implement to support the Victorian Governments goals and future directions for VET, and improve apprenticeships, traineeships and youth employment outcomes across the State.

Benefits of GTO's to Individuals, Industry and Government

The importance of a healthy well supported GTO model of engagement when considering a reform to the VET sector cannot be understated. The AEN estimates the support GTO's provide industry in financial terms is in the order of \$210 million per annum, with a high percentage of support targeted at small to medium size enterprises.

Support for the GTO model has also been documented through a National Centre for Vocational Education Research (NCVER) publication in 2019 stating:

“Based on trends in employer demand for apprentices since 2012, Karmel (2017) argues that the traditional apprenticeship model is not universally highly valued by employers, and that employer support seems to be on the decline in many occupations. If so, the role of GTOs is likely to become more important if Australia is to produce sufficient qualified workers in vocational fields” - O’Dwyer, L & Korbel, P, - Completion rates for group training organisations and direct employers: how do they compare? NCVER October 2019

When comparing GTO and non-GTO (direct employment) apprentice and trainee engagement figures, the benefits of GTO's to individuals, industry and Government become clear.

Commencement Rates

The overall apprentice and trainee “market share” in Victoria for GTO's may appear small at approximately 10%. However, once you remove existing workers, and apprentices and trainees over the age of 24, the GTO market share increases to 20+% and can be as high as 35% in some regional areas in Victoria.

Despite the growing skill demands by industry, there has been a significant decline in the number of apprentices engaged in Victoria in recent years. The total commencements of apprentices and trainees by non-GTO employers fell 62.5% since 2012 compared to 15.8% for GTOs over the same period. Within this context, GTOs are playing an increasingly important role in training apprentices and trainees in Victoria.

Analysis of NCVER's National Apprentice and Trainee Data Collection shows clear differences in the profile of group training organisations (GTO) apprentices and trainees compared with direct employer apprentices. The data collection clearly demonstrates that GTO apprentices:

- are younger;
- are more likely to be in trade related occupations;
- are more likely to be new rather than existing workers;
- are more likely to be indigenous; and
- are more likely to be female.

Completion Rates

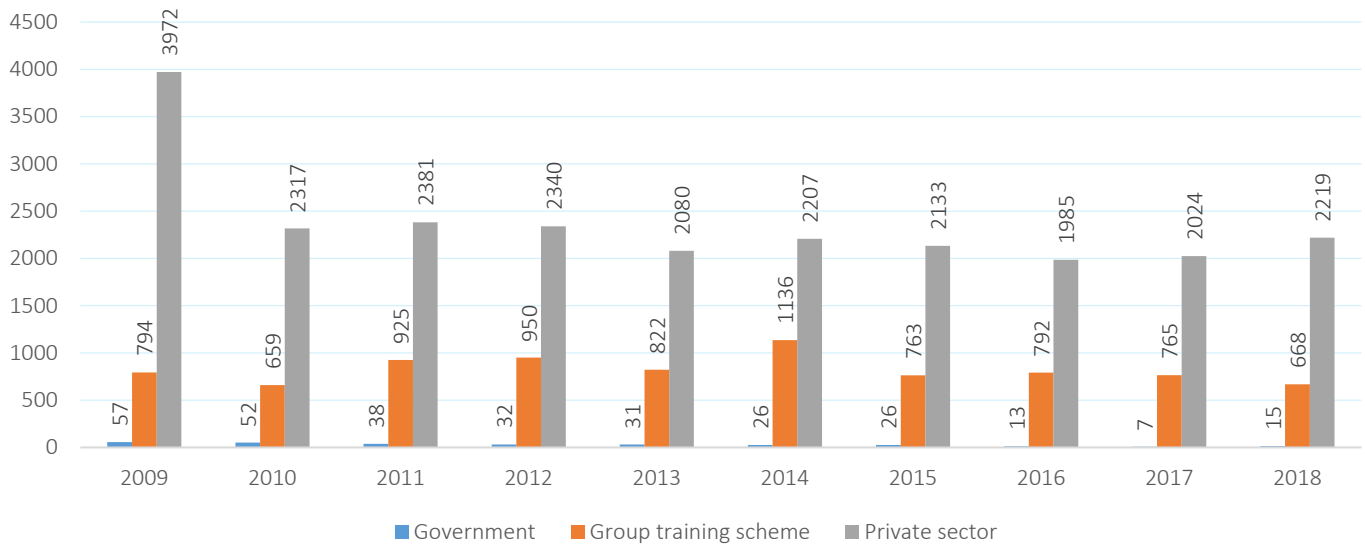
The GTO model of utilising host, or multiple host-employers to maximise the apprentice or trainee experience provides the flexibility to maximise an individual's job security and to increase the likelihood of completion. Employer size and apprentice / trainee demographics are key attributes to the prospect of apprentices and trainees completing. GTO completion rates are substantially higher for trade apprentices engaged with small to medium size employers than those engaged directly with the employer, while non-trade apprentices and trainees employed through the GTO model have a higher rate of completion for small, medium and large employers. NCVER data also indicates that around 10% of GTO apprentices and trainees are “poached” each year by the host employer which effects the GTO overall completion rates significantly.

Youth Engagement

While it is disappointing that GTO's have not been able to participate in the Victorian Government's \$49million Headstart initiatives, and school-based apprenticeships/ traineeship (SBAT) funding for GTO's was removed in 2017/2018. 94% of apprentices and trainees engaged with a GTO are new workers under the age of 24. The GTO model is specifically designed to engage and support young people, local schools, and communities to establish apprenticeship and traineeship opportunities. School-Based Apprenticeships and Traineeships (SBAT's) create an additional layer of complexity, as employers need to work within school timetabling, and provide additional supports to youth aged 15-18 to ensure successful outcomes. GTOs have the knowledge and proven experience to deliver positive outcomes in this environment.

The following graph provides data to support GTO's experience in SBAT's.

10-year SBAT In-training by Employer Type



Complex Community and Business Needs

The expertise developed through the GTO network provides a high level of support for individuals and businesses when faced with wide ranging barriers and workplace issues. Many businesses are ill-equipped to understand, manage or resolve many of the issues that can occur with an apprenticeship or traineeship placement and this often leads to termination of employment. Supports provided by the GTO network include:

- Indigenous support and mentoring
- Women in non-traditional trades
- Culturally diverse
- Workplace Language, literacy, and numeracy
- Bullying in the workplace
- Workplace Health and Safety
- Employee Assistance Programs (EAP)
- Family and Domestic Violence
- Industrial relations / Human Resources / Workforce planning and development.
- Long term unemployment
- People with a Disability
- Mental Health
- Substance abuse
- Cultural leave
- Access to a large network of host employers to rotate apprentices/trainees to avoid termination

With many of the above issues, an individual mentoring and pastoral care plan is required to support the host employer, school/ training provider, the individual and wider family and friend network to ensure a successful outcome can be achieved.

Response to the Macklin VET Review

The AEN offers the following supports to the 7 questions posed by the Macklin review:

1. What are the education and training needs for jobs in Victoria over the next ten years?

While the AEN agrees that the current government has made significant progress in stabilising the system and ensuring public and private providers focus on quality learning, more needs to be done to focus on job creation. Victoria can ill afford a system that produces training for training sake, particularly as we begin the recovery from the effects of the COVID-19 pandemic.

Education and training are significant components for economic and labour market recovery. As an engagement strategy, the 'FREE TAFE' initiative has generated increased placements within local TAFE institutions. However, the quality of placements, employment outcomes and the overall rate of completions may, over time, prove to be a poor investment for the Victorian government. 'FREE TAFE' has placed additional loads on the TAFE system, and in some cases, limited training resources for other programs. This is also having a detrimental effect on traditional apprenticeship programs.

It is AEN's recommendation that the "free TAFE funding" should also be available for some private RTOs and only be provided where there is an employment agreement in place to maximise support for employers and industry to address skill shortages as a long-term strategy. The increased engagement of local industry and businesses with the TAFE and private RTO sector will maximise employment outcomes and provide an avenue to address local and state-wide skill shortages. The employment agreement may be in the form of an apprenticeship or traineeship or may be a person commencing a new job or transitioning to a new role.

An example of Industry linkages to free courses is the program announced by the Queensland Department of Employment, Small Business and Training in 2019: Skills for Queensland - *Great Training for Quality Jobs (5 August 2019)*. The program aims to ensure participants have access to vocational education and training that meets the needs of industry both now and into the future. The program aims to provide free training to employers within 139 skill shortage qualifications.

The AEN recognises the involvement of industry as a significant driver in a FREE training system that will increase the likelihood of employment outcomes in a collaborative approach to job creation. While agreeing with the Victorian governments economic priorities, as listed below, many of these industries will require increased vocational pathways to secure skilled staff.

Identified priority industry sectors include:

- Construction technologies.
- Defence technologies.
- Food and fibre.
- Health and aged care
- Creative industries
- Medical technologies and pharmaceuticals.
- Retail, transport distribution and logistics and postal.
- Digital technologies
- Professional services
- Social and community services

Source: <https://djpr.vic.gov.au/priority-industries-sectors>

The Role of Victorian AEN Members

AEN member organisations have the geographical coverage to support any strategic linkages between business and private and public (TAFE) training sector across Victoria and can play a vital role in this reform. Currently 76% of GTO apprentices and trainees attend TAFE for the off the job training. *Greater investment into GTOs could provide TAFE with stronger employment pathways for individuals looking to secure work through a structured career pathway.*

The advantages of using GTO's to develop a collaborative approach to targeted training include:

- The nature of GTO business provides exposure to a variety of industry and business types which creates a solid overarching view of the local employer needs;
- GTO's are highly responsive to the supports required by business;
- GTO's are already funded to influence industry acceptance of government programs.
- GTOs have long standing relationships with secondary schools and can build networks between training providers/TAFE, industry, and individuals

2. What reforms are required to meet the skills and capability needs of industry and employers, government, and the community over the next decade?

The AEN's experience in representing GTO's across the state of Victoria provides an insight to the variances in training standards across the private and TAFE training sector. A major area of concern is the duplication of resources, both human and production, as each individual TAFE/RTO builds and develops their own training resources to meet the demands of their cohort. Such duplication represents poor value for money in a market where funds are being highly scrutinised.

The AEN recommends that each individual TAFE provider be recognised and promoted as an industry specific 'Centre of Excellence'. Resources and training development would be conducted and refined with greater emphasis on industry endorsement, creating an industry valued and recognised pathway for skills recovery. With the endorsement of industry, courses will have a greater alignment to job creation strategies and employment outcomes. Industry will also have an increased incentive to employ participants directly from the TAFE provider.

The private and public TAFE training sector would be required to work as a collective to share valuable resources and learning materials with all training providers and to deliver a consistent learning solution to all participants across the state. The regional TAFE network could effectively offer a full suite of training resources, increasing their scope regardless of location. The engagement of industry subject matter experts in the development of key training resources and new flexible delivery models will provide opportunity of career pathways for those working in industry to become educators or mentors.

The Role of Victorian AEN Members

Due to the nature of our business, GTO's have well established connections and networks with Secondary Schools and employers across the state. An important linkage to the TAFE Centres of Excellence, and private training providers, therefore industry, will be the connection to young people as they establish their chosen career path. Industry often bemoan the fact that they find it difficult to link directly with secondary schools and youth transitioning into employment. Under this reform, GTO's will play an important role as connectors to industry, whether it be through an apprenticeship or traineeship, or through a direct employment pathway.



3. What reforms are required to build industry investment in skills and workforce development, including apprenticeships and traineeships?

As stated earlier, the AEN sees the involvement of industry as being vital to any reform of the VET system. Industry needs to have a voice in labour market and economic recoveries, and the initial steps taken following the damage caused by the COVID-19 pandemic will be crucial. Understanding that the rate of recovery will be different across geographical locations and across industries, the reform of the VET sector cannot be done based on a one size fits all model.

The AEN recommends that a workforce development survey be undertaken to not only identify the impacts on industry by region, but to identify opportunities for skills and job growth. The areas to be explored by region include:

- Short term (over the next 2 years) impact on industry;
- Longer term (over the next 10 years) impact on industry;
- Demographics of workforce by industry;
- Skill shortages and skills at risk by industry;
- New and emerging technology requirements;
- Skills that are in abundance (underutilised);
- Recognised opportunities;
- Restrictions that hinder business growth.

Businesses can sometimes be too quick to offload skilled workers because the needs of the business have changed. More emphasis in skills mapping for existing workers needs to be undertaken to identify transferable skills to ensure quality, experienced workers form part of the solution to the skill shortage discussion.

Furthermore, as the Australian workforce ages, too many skilled and experienced workers are being lost to industry due to the jobs physical requirements, long term injury, the lack of a transition plan, or the belief that ageing workers are too old to start a new role. Many older workers continue in the same job because they cannot afford to retire, and many others enter full retirement too early because they do not have an alternative plan.

The development of a structured program aimed to create greater opportunity and guidance for older experienced workers to transition to new roles where their experience and knowledge is recognised would assist in stabilising industry development. A transition pathway into teaching or mentoring roles would offer an avenue to retain key expertise and knowledge in developing workforces, particularly for apprentices and trainees in their early learning stages. This would also provide the GTO, private RTO and TAFE sectors with a source of additional teaching/ industry knowledge and mentors that is currently difficult to acquire in some technical and geographical areas.

The Role of Victorian AEN Members

It is a fact that a high percentage of Field Consultants employed by GTO's come from trade or traineeship backgrounds where their knowledge and experience in a chosen field has helped them make the transition to a new role. Similarly, many TAFE teachers, particularly trade teachers, maintain a connection to the industry they are teaching. However, for most that transition was not easy. GTO's could play a significant role in assisting current workers that, without intervention, may be lost to industry make the transition to a role where they are helping to guide the workforce of tomorrow.

GTO's could act as an intermediary between industry and the TAFE / private RTO sector to help develop the skills and required qualifications to, over time, make the step to a new fulfilling role. A one to two year supported employment and training pathway program could be structured to transition individuals through GTO workplace mentoring and field officer roles to the role of TAFE/VET teacher. As an example, the AEN has an established professional development pathway model that partners with TAFE (RMIT) to support and develop GTO Field Officers with OH&S and workplace mentoring qualifications

4. What reforms are required to improve access to Higher Education and VET for students that are entering the workforce, and those seeking to reskill or upskill later in life, no matter their background?

The AEN agrees that reforms are required to improve the access to Higher Education and VET for students, with particular emphasis being placed on the quality of informed choices made by students. AEN members across Victoria rely heavily on their secondary school networks and have a well-developed understanding of what drives student decision making. Feedback suggests that balancing the understanding between VCE and VET pathways would lead to greater stability and higher completion rates of students. In general, AEN members feel that students:

- Are making decisions on the pathway to a career before really exploring the full range of career choices and pathways that may be available;
- Lack knowledge of the differences between a VCE and VET pathway;
- View VET as a less valued and supported pathway to a career;
- Are heavily influenced by the school, parents and their peers towards higher education as the best pathway to employment and financial prosperity;
- May choose a VET pathway as a fall-back option without intending to complete the qualification.

The AEN recommends:

- Commencing discussions about career pathways and fully exploring all options that lead to a career as early as the Year 8 level so that students and their families are fully informed of their choices;
- Reviewing how student school results are reported, with equal focus on celebrating all student outcomes (i.e. not just measuring success by the rate of students entering higher education);
- Increasing the promotion of vocational, semi-professional and trade careers to students and their families to bolster further interest and to dispel any myths about these career pathways;
- Ensuring secondary school careers personnel have the resources to promote career pathways in a balanced manner;
- Providing students at the Year 9 & 10 level with further opportunities to explore a range of local career opportunities through a combination of work experience and hands on training.

Older workers need opportunities to transfer their current skills or learn new skills to work in new and emerging industries. In this context, the AEN recommends an expansion of work experience programs to allow older workers to experience trade tasters to demonstrate skill transferability as a way of addressing skill shortages in our communities.

The Role of Victorian AEN Members

The AEN's network of Group Training Organisations, as part of their core business, have well-established relationships with secondary schools across the state. As a valuable support to student career development personnel, the networks Field Consultants present as a viable resource option to support any recommended reforms to the VET system that includes hands on training and real-life work experience within industry.

During 2016 – 2018, the AEN delivered over 200 individual Multi Industry Pilot (MIP) programs to 2700 youth across Victoria, NSW, ACT and Tasmania. The learnings from the pilots and the availability of resource materials could easily be expanded to all schools through AEN members given adequate funding.

GTOs also participate in many career skills bootcamps, attend career information sessions, and support local career expos with schools and local government. GTOs provide current apprentices / trainees and industry leaders to present to groups of students to share their individual experiences and career journey.

5. What reforms are required to ensure relevant, high quality teaching and VET courses that produce job-ready graduates at all stages of their career?

More needs to be done to attract, transition, and support quality candidates to teaching roles in local communities. Recognised as a contributor to quality engagement, particularly in regional areas of Victoria, individuals who may be experts in their chosen field can often view a transition to teaching to be a bridge too far. The transition for an individual to use their experience and knowledge in a teaching role faces many barriers, including the lack of financial support, lack of structure, and the security risk associated with changing careers and short term contract employment .

The AEN recommends the creation of a transition program for subject matter experts that have a passion to teach and mentor participants. The model for this transition program may include:

- A partnership approach with the Victorian TAFE and private RTO sector;
- A workplace-based training component aimed at completion of the required teaching qualifications;
- Paid work placement;
- Guaranteed employment outcome once the program is complete.
- A scholarship style opportunity to address specific skill shortages in teaching roles in specific locations.
- A tailored mentoring model where participants are partnered with experienced teachers and workplaces throughout the initial 12 months

The Role of Victorian AEN Members

The AEN has the expertise and structure to administer and manage a transition program by:

- Promoting the program through the network of host employers and industry specialists;
- Building on already established relationships with TAFE and local training providers;
- Utilising AEN experience as Registered Training Providers (RTO's) to administer and support the training component of the program with TAFE;
- Administering work experience and mentoring placements through established GTO processes.



6. What reforms are required to improve pathways, and connections, between TAFE and other VET providers, adult and community education providers, universities and other non-university higher education providers, schools, and employers, so students can easily understand and navigate the post-secondary system and update their skills throughout their careers?

While the AEN agrees that reforms are needed to improve pathways and connections to increase the quality of navigation through a post-secondary system, care needs to be taken about introducing another level of administration to an already confusing system. The establishment of a centralised body to link stakeholders and to set the navigation and information sharing protocols, while having merit, would be costly and may indeed duplicate many of the services already in place. Acceptance amongst all stakeholders on the value of a centralised administrator would only be granted if the administrator was viewed as a neutral entity, and not linked or influenced by any one benefactor of the services.

The AEN recommends the evaluation of current providers of school career development supports and their capabilities and capacity to undertake the required research, documentation, promotion, and administration of a comprehensive navigation program that supports students through the myriad of higher education and VET options. Changes to current systems must include stronger promotion of employment outcomes and career pathways, and quality linkages to commonwealth and industry specific information.

The Role of Victorian AEN Members

The AEN would welcome further discussion on how its members could build on the established connections already in place with secondary schools, communities, the private and public (TAFE) training sector, employers, and industries. Further development and access to hands-on pre-apprenticeship models such as MIP (refer to Appendix A) where participants and employers are able to “trial” each other in a supportive program to achieve a strong match prior to providing further training will achieve higher completion rates and stronger employment outcomes.

GTOs could deliver a range of “hands-on” programs that engage youth and support secondary schools and local communities. Programs could include:

- “try-a-trade” expos
- Skills camps (1-3 day skills and leadership camps)
- Industry excursions



7. What reforms are required to improve the funding arrangements of Victoria's VET sector?

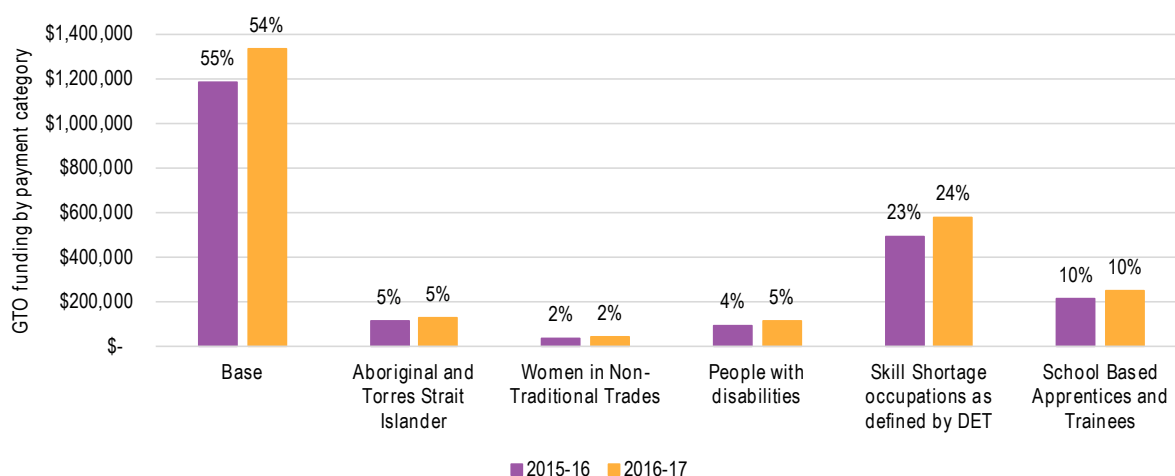
The AEN agrees that over the last five years, the Victorian Government has made significant progress in stabilising the VET sector, and the move from a 'free market' to a 'managed market'. It has increased funding to TAFE, invested in innovation, and strengthened quality requirements for providers receiving public funding. However little to no investment has been made into the apprenticeship or GTO system.

While most reviews into the funding arrangements of Victoria's VET sector will lead to recommendations that require additional funding, improvements can be made through a robust review of how the current funding is allocated. Unnecessary wastage of funds through the duplication of services cannot continue, and we must increase the return on investment by improving VET completion rates from the current 50% to at least 80%.

The AEN recommends five rules that should be adopted when reviewing funding arrangements of Victoria's VET sector:

1. Increased funding must be linked to a direct employment outcome for the individual user of the service;
2. Duplication of services, including the administration of state-wide services, should be reviewed for cost cutting opportunities; (e.g. HeadStart, Jobs and Skills Centres and mentoring programs)
3. Ongoing funding should be measured in terms of the return on investment;
4. Private training providers should be encouraged and rewarded for direct linkages to industry and employment;
5. The investment on programs that deliver employment outcomes directly through secondary school should be reflective of the calculated savings on future interventions (funding for employment service placements, youth allowance / welfare and the wider community benefits etc.).

Victorian GTO funding breakdown



Around 54 per cent of the current funding is for commencements and completions, with 24 per cent for skill shortages and around 5 per cent for Aboriginal and Torres Strait Islander apprentices and 2 per cent for women in non-traditional occupations.

The Role of Victorian AEN Members

As stated earlier in this document, the AEN estimates the support GTO's provide industry in financial terms is in the order of \$210 million per annum, with a high percentage of support targeted at small to medium size enterprises. However, current funding for Victorian GTOs has not increased over the past 20 years and remains at \$3.1m pa. GTO's also do not receive any commonwealth GTO funding (ceased in 2014).

This is despite the fact that costs for regulating GTO's through the Victorian Labour Hire Act and the associated costs for the VRQA auditing processes, have steadily increased.

The value of GTO's to the Victorian economy should be reflected in the services and outcomes it consistently produces. Funding in the order of at least \$15 million per annum would equate to around \$2,000 per employment outcome across the network. This figure still represents an excellent return on investment when compared to the RTO/TAFE funding model for off-the-job training which is in the range of \$5,000 to \$16,000 per individual placement.

Further Considerations

Victorian Labour Hire Act (2018)

While the AEN supports the initial intent of the Victorian Labour Hire Act (VLHC), the current arrangements go well outside of the initial State and Federal Government reviews into the labour hire industry.

Many reviews into the labour hire industry have indicated similar findings, that greater regulation is required to support youth from being exploited within three specific industry sectors:

- Agriculture / Fruit Picking
- Meat Processing / Abattoirs
- Cleaning Industry

GTOs have extremely low apprenticeship/traineeship participants in these sectors.

GTOs are also recognised and audited through the VRQA and meet a higher national standard than the VLHC. (Refer to Appendix D)

The AEN estimates that the current application and annual license fee system in place has cost the GTO network in excess of \$450,000 in 2019/20 with direct fees alone without calculating administration and compliance costs. (this equates to 15% of total GTO funding annually)

The AEN would like to work with the relevant authorities to include changes to the Victorian Education Act to include regulatory oversight by VRQA in line with other States.

The current VLHC also exempts RTOs and schools from the requirements, which is directly against what we see in reality with low value “school based” training and free employment models that have had a direct effect on traditional SBAT and HeadStart programs.

The AEN would strongly support a review and update of the **Education Act 2006**. This could include strengthening the wording around VRQA regulating not only apprentice employers but also specific wording on group training, which would then allow VRQA to crack down on poor employment practices by organisations calling themselves GTOs and other organisations that do not follow best practices.

To our knowledge the apprenticeship section of the Education Act has not been updated for over 20 years.



Major Projects Skills Guarantee – Local Jobs First Act

The [Local Jobs First Act 2003](#) is administered by Department of Jobs Precincts and Regions (DJPR). It is focused on promoting employment and business growth by expanding market opportunities for local industry and providing for industry development.

[The Local Jobs First Policy](#) supports Victorian businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts, helping to create opportunities including for apprentices, trainees and cadets. The Local Jobs First policy comprises:

- **Local Jobs First - Victorian Industry Participation Policy (VIPPP)**, which improves opportunities for local suppliers to compete for work on all types of government contracts, helping to create and sustain opportunities for Victorian businesses and workers. This policy is about local industry development.
- **Local Jobs First - Major Projects Skills Guarantee (MPSG)**, which gives focus to providing opportunities to Victorian apprentices, trainees and cadets to work on high value government construction projects. **This policy is about growing the next generation of skilled workers in Victoria.**

While the AEN endorses the Victorian Governments initiative with adding specific youth and disadvantaged job seeker employment targets on major projects, unfortunately at this stage we see very little additional apprenticeship/ traineeship employment in the three key training packages Civil Construction, Electrical and Rail. Our research indicates that most of the targets are met by contractors / sub-contractors using “free” engineering cadetships and “work experience” models with university students outside of traditional apprenticeship employment training.

The AEN working with the Department to improve data collection

As part of the initial State Government review into the GTO sector in 2019 the AEN assisted with the collection of a range of data that can better reflect the performance of GTOs. This data cannot be collated through traditional State or Federal Government agencies via the training contract or RTO enrolment processes.

The AEN would like to further explore how we can work with the government to annually collect data on the follow performance areas of GTOs.

- OH&S statistics
- Rotations (and reason) of apprentices/ trainees
- Employment pathways post completion of apprenticeship / traineeship
- GTO work with local community stakeholders and schools
- Apprentices / Trainees that travel long distances for training
- GTO size and type of host employers and support provided
- Diversity in the workplace – Aboriginal and Torres Strait Islander, CALD, Disability etc...

Refer to Appendix B: for an example of recent data collected.

The Way Forward From COVID-19

The most affected cohorts from the COVID-19 pandemic will include, youth aged 18-24, older workers, long term unemployed, women and disadvantaged communities (indigenous and culturally diverse)

Attempts to address at least some of these issues in the past have been hampered by policy structures and systems including:

- Lack of integration between education, training and employment policies and an over reliance on further training will solve unemployment issues
- Lack of commitment by employers to investment in vocational training
- A weakened VET sector capacity
- Duplication of some services making the system complicated and confusing for employers
- Mutual obligation and industrial relations frameworks that facilitate the use of short term/insecure employment models

The AEN's experience over the past 35 years tells us youth and disadvantaged jobseekers will take longer to return to work after an event such as the COVID-19 pandemic. Recovery strategies need to be more innovative and targeted towards outcomes than just providing youth with more training. We need to learn from our past performances that additional training alone is not the solution to youth unemployment.

Employers need a supportive flexible employment model that integrates their current and future skills needs. In the past employers have turned away from traditional apprenticeships and utilised casual employment, labour hire, skilled immigration and sub-contracting to meet their skill needs.

COVID-19 recovery strategies require several interrelated programs to be established:

1. State and Local Government procurement policies to establish a concerted youth employment program

An apprenticeship and traineeship employment program aimed specifically at youth for all levels of government, government funded projects, procurement contracts including sub contracted services will be a positive start to the recovery process. An expansion of the local jobs first policies can kick-start youth employment – setting a target of 10% youth employment through apprenticeships and traineeships that is closely monitored to ensure employment outcomes are achieved.

The GTO model provides the flexibility and reduced risk for individual host employers to engage in a targeted rebuild of skilled workforces.

2. Support for Local, regional and industry specific workforce development plans for employers

A business, industry and regional focused workforce development program that identifies current and future jobs/ skills demand will assist businesses with a road map out of COVID-19 and assist unemployed participants with a clear direction to where and when jobs will be available.

The results of a workforce development program will also assist the VET sector provide targeted training programs that will assist businesses employ the trained staff when and where they are needed.

3. Real partnerships led by industry and employers into skilled job opportunities

Utilising the GTO network to coordinate and support small, medium and large employers by providing a flexible work and employment model will create an environment where employers will be confident to come back to the apprenticeship and traineeship model and develop the skills they require.

4. Supporting 2020 school leavers and achieving stronger VET completion rates through Multi industry pre apprenticeship programs

Utilising the GTO network to support youth through an integrated multi industry pre apprenticeship programs that provides work experience with employers looking to take on new skilled workers has proven to be a successful model. Some of the advantages include:

- Designing a multi-industry pre apprenticeship program at a local level that takes into consideration local employers that have work experience and job opportunities;
- A multi industry program allows for youth to try multiple trades and work options so they can make an informed choice of their next steps which will lead to increased completion rates and reduce skill shortages;
- Multi industry pre apprenticeships support regional areas and training providers be able to deliver a sustainable cohort of students; and,
- With multiple work experiences, employers and youth can develop a “best fit” prior to commencing an apprenticeship.

A combination of the above programs will achieve a number of benefits including:

- Increase the number of people within a local region with more broadly based occupational capabilities and opportunities;
- Improve human capability in local regional areas;
- Develop a sustainable, flexible employment and training model to suit the local needs;
- Increase the number of employers actively contributing to workforce development for their business, the local region, and specific industries;
- Improve the way all other elements of the associated system of WFD align /coordinate, including TAFE/RTOs, GTOs, JSA providers, Labour Hire, Council, State and Federal Government;
- Build collaboration and trust amongst all relevant parties to help innovation and business development at the local / regional and industry level.



Appendices

Appendix A - Summary of MIP Results

The Multi Industry Pilot (MIP) projects aim to support school-based and unemployed youth across New South Wales, ACT, Victoria, and Tasmania with the opportunity to trial multiple industry experiences.

Projects completed between 2016-18 resulted in supporting over 2200 youth.

MIP is designed to provide support to individuals, secondary schools, and employers through the local group training network.

The projects trial methods with young people still in secondary school or unemployed youth by providing a range of industry experiences to assist them to make an informed choice into further study or employment pathways in vocational (apprenticeship) industries.

Key aspects of the program include:

- Hands on experience and knowledge sharing in multiple industries and occupations
- Collaborative relationships between program stakeholders of youth career pathways
- Supporting youth to make informed decisions to enter a vocational career pathway and to gain and complete an apprenticeship or traineeship

MIP provides practical and theoretical student projects. Themed project work and student research activities on individual industries including:

- Numeracy, language and literacy skills
- Workplace readiness - understanding employer expectations
- Sustainability and environmental requirements of particular industries
- Legal requirements of working in particular industries
- Business processes, project management and communication skills
- New and emerging technology for particular industries
- Developing key employability skills – initiative, reliability, teamwork and punctuality
- Career and further study pathways available in different industries.

Project Measures

The MIP was managed by the Apprenticeship Employment Network (AEN), which received \$6.8m from the Commonwealth Department of Education in mid-2016 to implement this project. MIP has a number of measures to track the progress and overall results of the project including:

- Young adults' knowledge of apprenticeship/ traineeship and industries of the theme at entry and exit of project
- Participants' assessment of value of various elements of their program
- Assistance for participant's career decisions
- Host employers view of Work experience and individual work and industry readiness, attitude and aptitude, and the value of, and experience needed to host work experience
- Participants' career pathway outcomes at the six-month point post their MIP completion.

Key Benefits to Date

- Students and employers have enjoyed the opportunity to trial each other prior to committing to an apprenticeship or other vocational pathway
- MIP tracking at 34% employment outcomes into apprenticeship and traineeship pathways
- Schools and employers building a stronger relationship with our GTO network to raise awareness and participation in apprenticeships

Further information: <https://aen.org.au/multi-industry-school-based-pre-apprenticeship-support-project/>

Key Results 2016-18



2205
Participants



1046
Attending School



22%



78%

90%

of participants reported the program helped in making a career decision



1159
Unemployed Youth

7%

Had a disability

5%

Non-english speaking background

8%

Aboriginal / Torres Strait Islander

36%

Long-term unemployed

Participants rating the elements of the project as very to extremely valuable



Work Placement



Practical Project Workshop



Industry Information



WHS Training for Industry



Specific Trade Subject



Sharing Industry Experience



Career Session



Work-ready and LL&N Training

50%



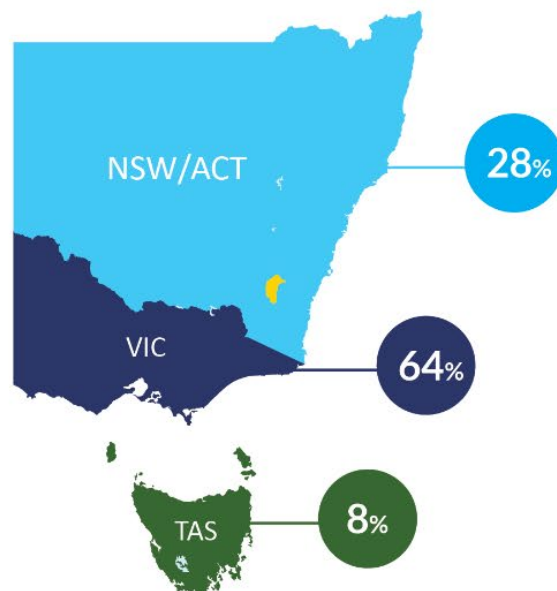
of participants had a change in career interest by the end of the program

75%



of participants' work-readiness rated 4.5 out of 5 by employers

State Participation



Program Themes



Building & Construction

30%



Engineering & Automotive

13%



Business & Services

12%



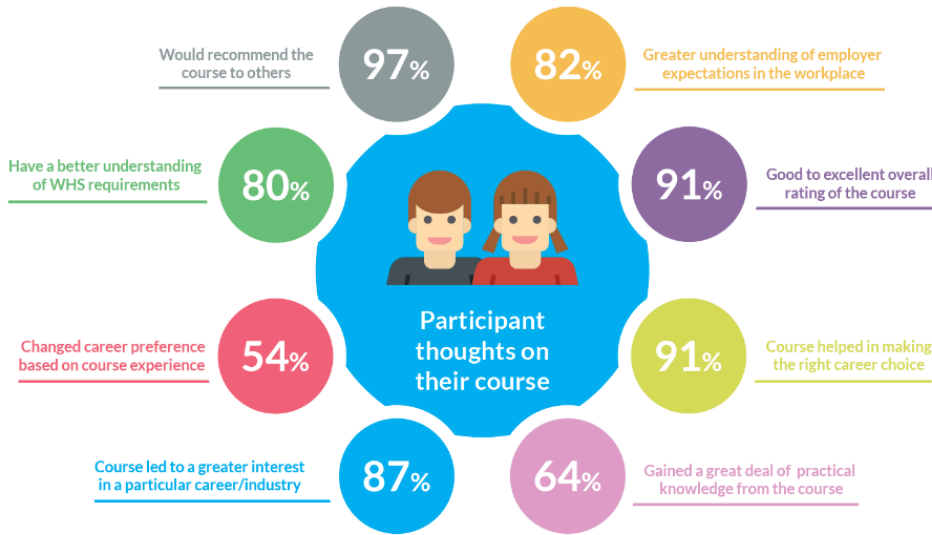
Land, Food and Fibre

5%



Combination

40%




50% 

of participants had a **change in career interest** by the end of the program


80% 

of participants enjoyed the **practical workshops and work placement** most



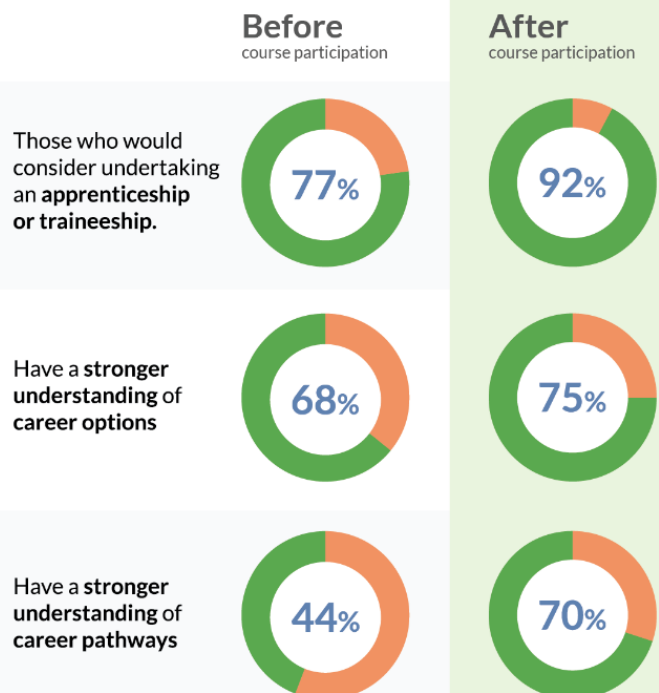
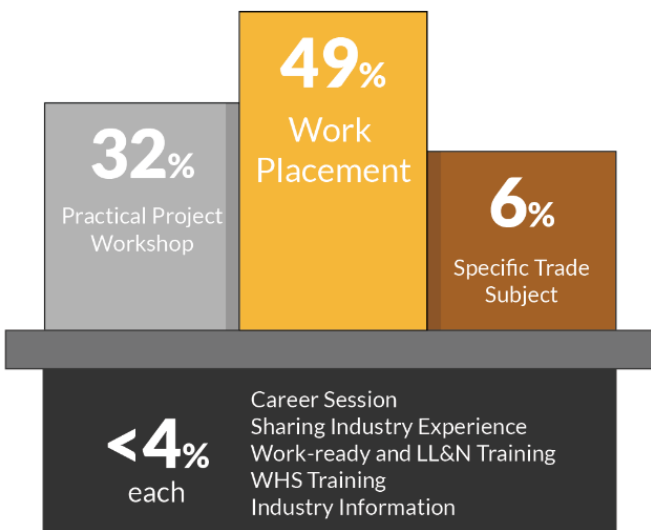
34% 

of those **attending school** said they may pursue an apprenticeship or traineeship

74% 

of the **unemployed youth** said they may pursue an apprenticeship or traineeship

What participants enjoyed most...



Appendix B – Victorian GTO Statistics

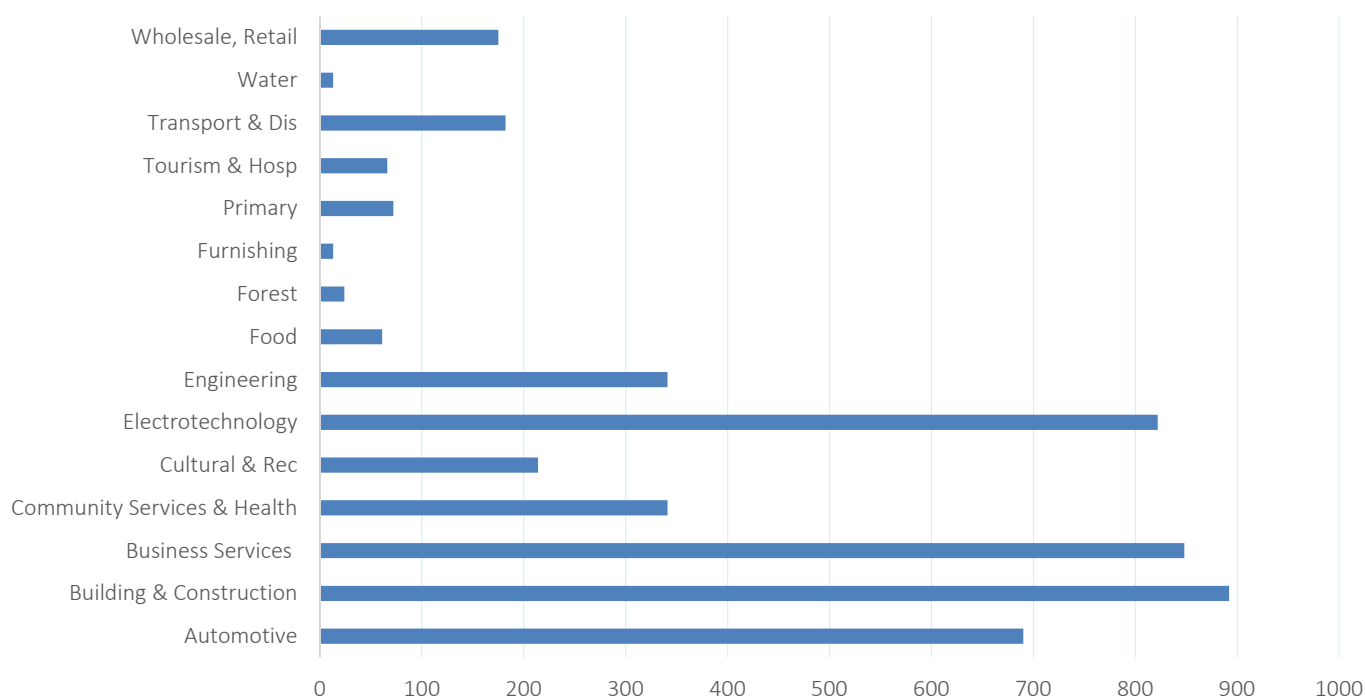
Source: NCVET VocStats 2020.

Victorian GTOs & Industry	Market share (%)
Agriculture, Horticulture and Conservation and Land Management	15.29
Automotive Industry Retail, Service and Repair	18.17
Business Services	25.98
Community Services	12.34
Construction, Plumbing and Services	5.18
Health	9.85
Information and Communications Technology	25.89
Metal and Engineering	8.84
Furnishing	2.7
Retail Services	3.2
Sport, Fitness and Recreation	19.96
Tourism, Hospitality and Events	1.41
Transport and Logistics	6.97
Electrotechnology	7.79
Transmission, Distribution and Retail	12.96

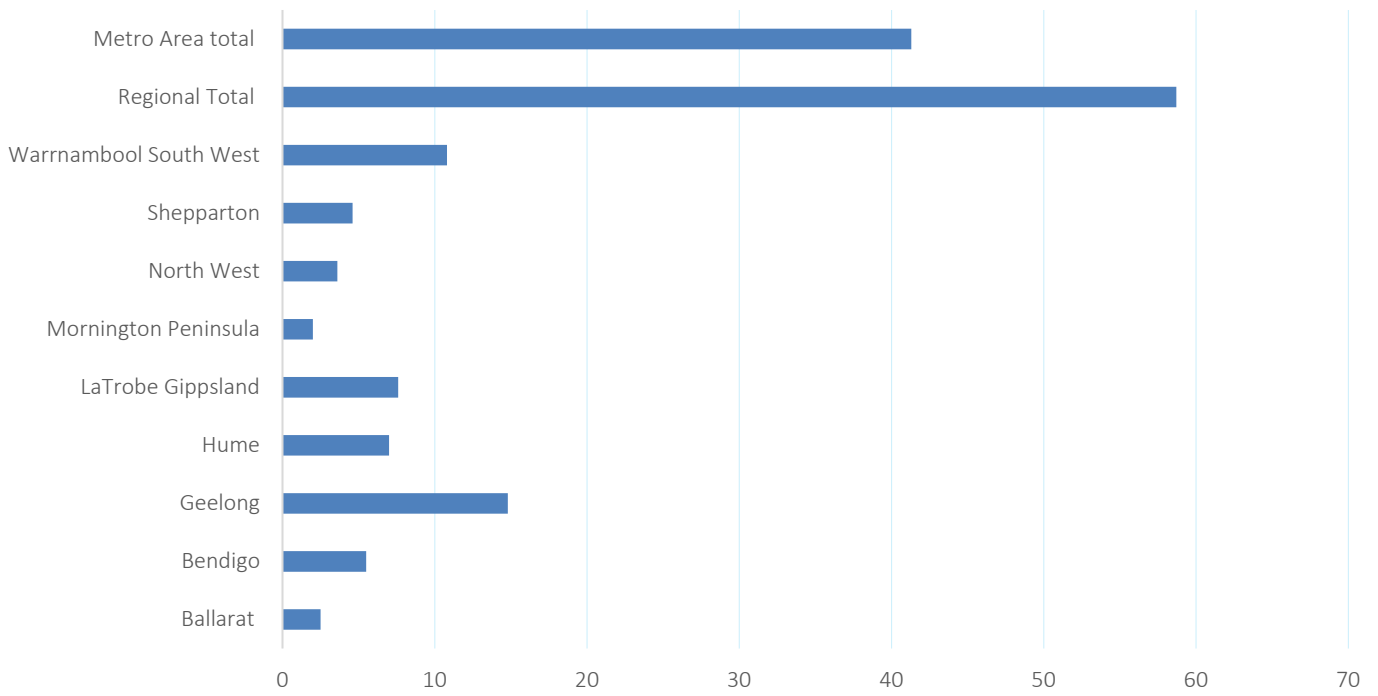
While the overall “Market Share” of GTOs seems small at approximately 10% of all apprentices/ trainees across the State. However, once you remove existing workers and apprentices / trainees over the age of 24 the GTO Market share increases to 20+% and can be as high as 35% in some regional areas in Victoria.

We estimate that up to 1 in 5 apprentices aged 15-24 commence through group training each year.

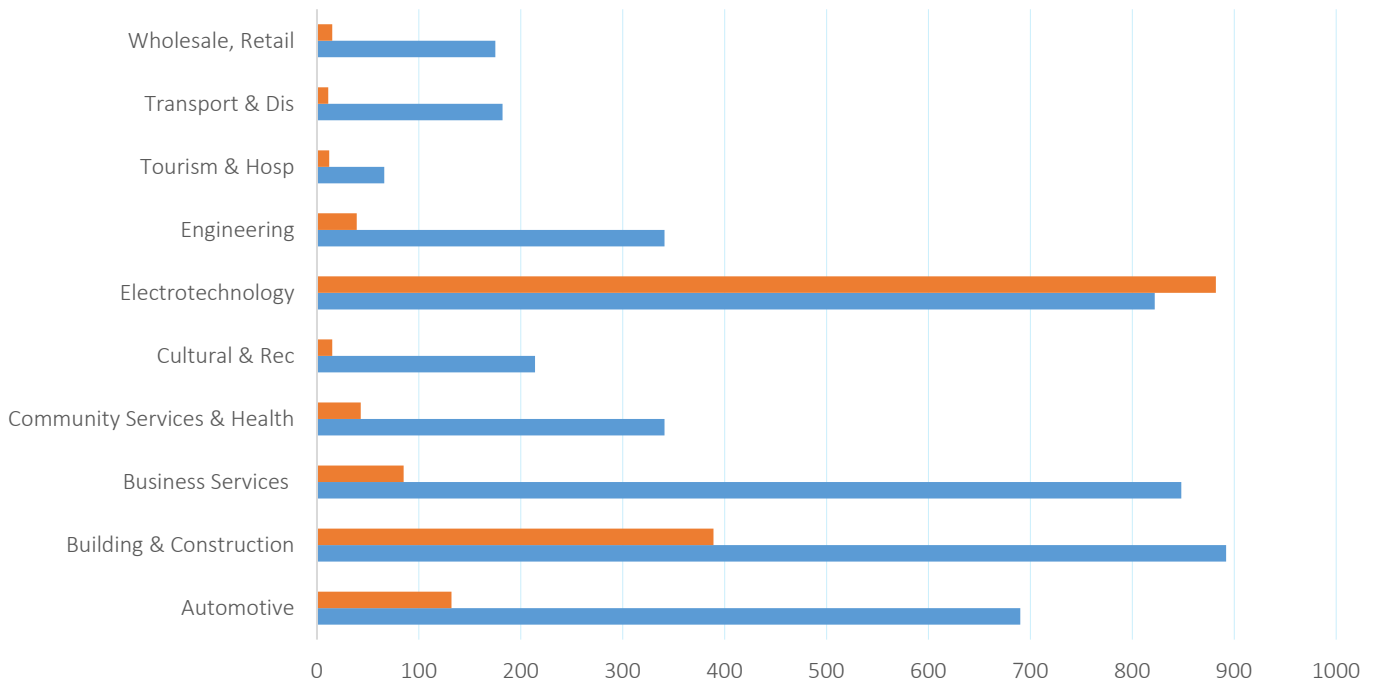
GTO Apprentice/Trainee Participants in Training (2018)



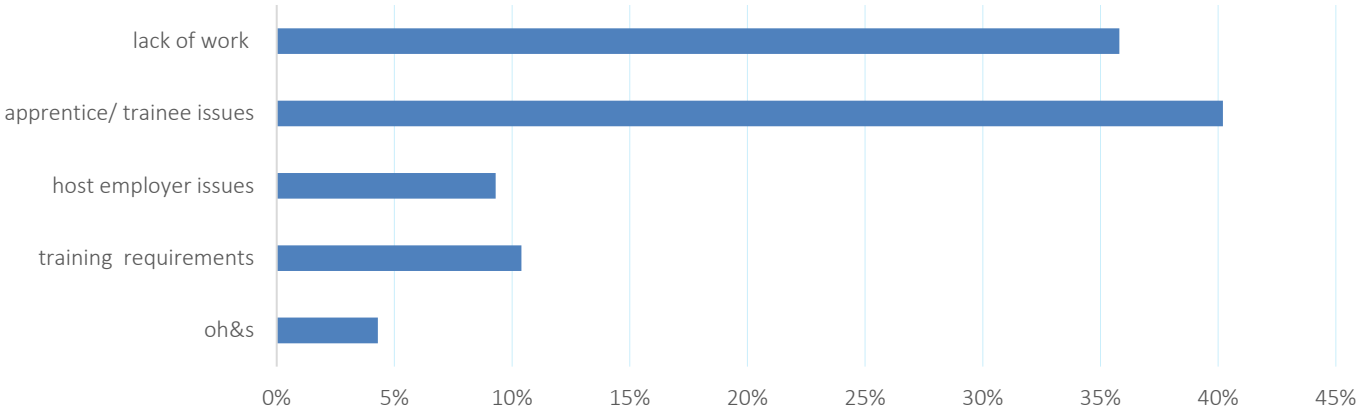
GTO Apprentice Locations %



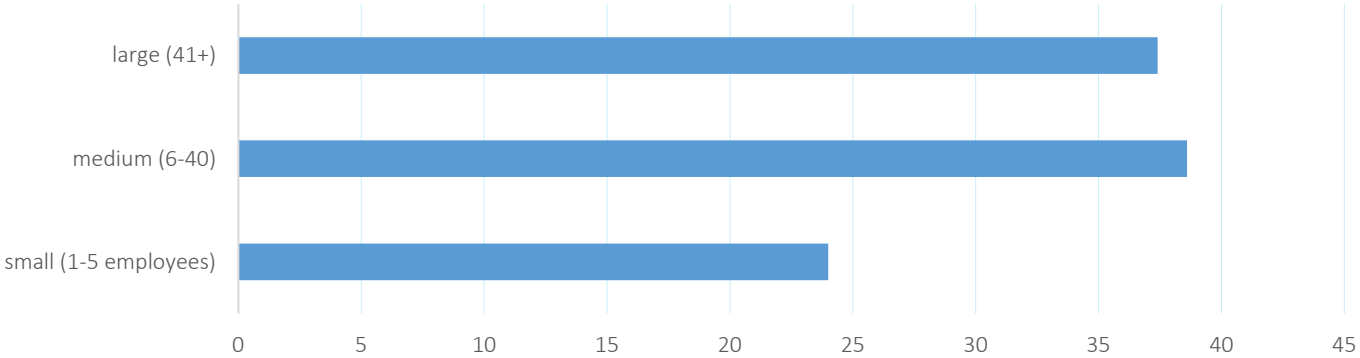
Rotations against total participants by Industry



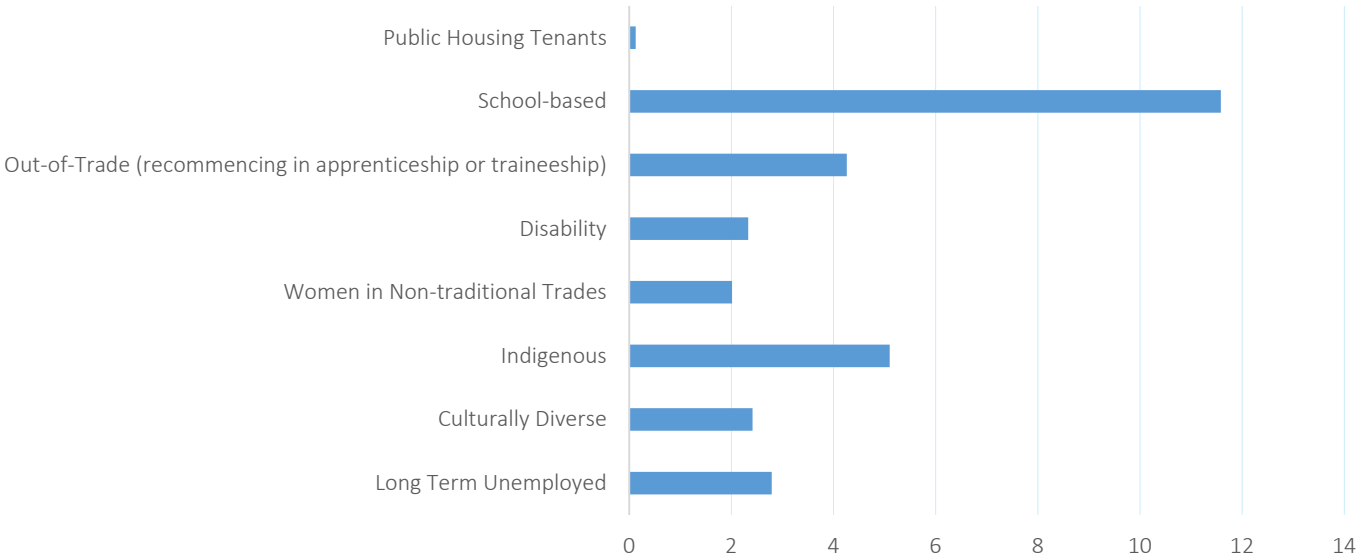
Reason for Apprenticeship / Trainee Rotations



Size of Host Employer %



GTOs % Employing Disadvantaged Jobseekers



Appendix C – Apprenticeship Employment Network Members

Victorian Members



Affiliate Members



Appendix D - National GTO Standards

1. Recruitment, Employment and Induction

1.1 Before **apprentices/trainees** enter into an **Employment Contract**, the GTO informs them about their employment conditions, the **host employer** arrangement, the training, support services to be provided and the rights and obligations of the parties.

1.2 The GTO inducts apprentices and trainees to the apprenticeship/traineeship system, including explaining:

- a) their responsibilities under the **National Training Contract**, to the **host employer**, the GTO, the **Registered Training Organisation** (RTO) and the school (if under School-based arrangements); as well as
- b) the processes involved in accessing support and dealing with employment or training issues that may arise.

1.3 The GTO provides clear and accurate advice to **host employers** to:

- a) take reasonable steps to ensure they understand the apprenticeship/traineeship system; and
- b) obtain their agreement, by means of a **Host Employer Agreement**, to their role and responsibilities in training and supporting the apprentice or trainee while in their workplace, and in working cooperatively with the GTO and RTO.

1.4 The GTO actively participates in the RTO's development of the **Training Plan**, which is based on competency - based progression and completion principles and relevant to the qualification, the occupation, the host employer's workplace and the needs of the **apprentice/trainee**, in conjunction with the **apprentice/trainee**.

2. Monitoring and Supporting Apprentices and Trainees to Completion

2.1 The GTO provides services that meet the individual needs of apprentices and trainees to facilitate the continuity of the **National Training Contract** to completion and the quality and breadth of the training experience, including:

- a) support and mentoring throughout the National Training Contract;
- b) provision of any special equipment, resources or advice in the workplace in order to meet access and equity and Work Health and Safety requirements.

2.2 The GTO monitors each apprentice or trainee's progress against the **Training Plan** and:

- a) facilitates the integration of the training and employment experiences, including offering workplace **rotations** if required;
- b) requests that the RTO review the **Training Plan** when changes occur with the **apprentice/trainee** employment arrangements, including any workplace **rotations**, competency-based progressions or other changes.

2.3 The GTO has appropriate systems in place, based on the scale and scope of its operations, to manage and support apprentices and trainees in times of economic downturn or 'stand down' to facilitate the retention of the apprentice or trainee.

2.4 The GTO provides assistance, coordination and accurate advice to **host employers** for the duration of the **Host Employer Agreement** and works with the **host employer** to provide appropriate on-the-job training, supervision, support and mentoring to the hosted **apprentice/trainee**.

2.5 Where there are any performance issues with an **apprentice/trainee**, the GTO manages these issues fairly¹, and records the outcome and the feedback provided to the apprentice or trainee.

2.6 The GTO complies with Commonwealth, State and Territory requirements for competency-based progression and completion and supports genuine efforts to achieve the qualification in an appropriate timeframe regardless of the nominal duration of the **Training Contract**.

3. GTO Governance and Administration

3.1 The GTO complies with Commonwealth, State and Territory legislative and regulatory requirements and policies as they relate to the employment and training of apprentices and trainees in each State and Territory in which they operate.

3.2 The GTO is incorporated in Australia, a government entity, a registered company, or regulated by the Australian Charities and Not-for-profits Commission.

3.3 The GTO develops, monitors and **continually improves** its performance and strategic directions using performance data, the results of audits, assessments and surveys plus any other relevant information.

3.4 The GTO can demonstrate that it is financially viable and inform the registering body where early signs indicate issues associated with viability.

3.5 The GTO holds appropriate insurances according to the size and scope of its operations.

3.6 The GTO adheres to the principles of access and equity in all operations including marketing, recruitment, monitoring, support, governance and administration.

3.7 Clear and accurate marketing, advertising materials and other information is provided by the GTO regarding GTO services, the role and responsibilities of the **host employer** and the requirements of the apprenticeship/traineeship.

3.8 Complaints and appeals are dealt with by the GTO transparently in accordance with a documented complaints and appeals process, or referred to State/Territory dispute resolution mechanisms, where the completion of the **National Training Contract** is at risk.

Definitions

Access and equity means the policies and approaches that ensure that group training services and employment practices are responsive to the diverse needs of all host employers, apprentices and trainees, including those who experience disadvantage².

Apprentice/Trainee means a person employed by a GTO under an approved National Training Contract that leads to a nationally recognised qualification.

Continuous improvement means a planned and ongoing process that enables a GTO to systematically review and improve its policies, procedures, products and services in order to generate better outcomes for clients and to meet changing needs.

Employment Contract is the contract between the apprentice/trainee and the GTO, which clarifies their employment conditions, including 'stand down' support and processes to be followed by the GTO.

Group Training Organisations

Group Training Organisations (GTOs) employ apprentices and trainees under a National Training Contract and place them with host employers. They undertake the employer responsibilities for the quality and continuity of the apprentices' and trainees' employment and training. They also manage the additional care and support necessary to facilitate the successful completion of the Training Contract.

Host employer means an organisation that hosts, under a written host employer agreement, an apprentice or trainee employed at that time by a GTO, provides supervision and on-the-job training and pays the GTO for the apprentice/trainee services.

Host Employer Agreement means a written agreement between the GTO and the host employer that specifies the responsibilities of each party in relation to the training of the apprentice/trainee and the charge out rate payable.

National Training Contract means a contract for an apprenticeship/traineeship, made between an employer and an apprentice/trainee, which is registered with the appropriate state/territory government department or agency.

Registered Training Organisation (RTO) means an organisation that is registered to deliver and issue nationally recognised qualifications.

Rotation means an apprentice or trainee moving from one host employer to another as part of his/her apprenticeship or traineeship with the GTO.

Training Plan means a program of training and assessment that is developed by the RTO in accordance with the National Training Plan Principles and agreed to by the GTO as the employer and the apprentice or trainee.



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