

**House of Representatives Standing Committee**

**on**

**Education and Training**

**Inquiry into Vocational Education in Schools**

**Submission from**

**Group Training Australia Ltd**

**September 2002**

## **Introduction**

Group Training Australia Ltd (GTA) welcomes the opportunity to respond to the House of Representatives Inquiry into Vocational Education in Schools.

GTA is the national industry association for a network of over 100 not-for-profit Group Training Organisations (GTOs) operating in over 200 locations across Australia.

For those not familiar with this network, GTOs employ apprentices and trainees and place them with host employers for varying periods until the apprentice or trainee has completed their Training Contract. This network of companies collectively employs over 36,000 apprentices and trainees, some 13% of the national total, making it the largest employer of apprentices and trainees in Australia.

Research conducted by Dench McClean Associates in 1996 Group Training Australia: Growth Strategy 1996-2000 indicates that over 50% of Group Training's host employers are small and micro businesses employing fewer than five employees. 70% employ fewer than 10. More recent research undertaken as part of a national review of Group Training suggests that the major client base is still preponderantly small and medium enterprises (SMEs), many of which would not be involved in employment based training were it not for the services provided by Group Training.

The concept of Group Training began in the late 1970s in response to the needs of small employers in certain industries who were increasingly unable to commit to four year indentures, which at that time was the standard duration of a Training Contract. GTOs also became an important mechanism for providing employment for out-of-trade apprentices affected by the economic downturn of the early 1980s.

The growth of Group Training was subsequently assisted by the support of the ACTU-Lend Lease Foundation, which promoted the concept and facilitated the establishment of new companies.

Group Training subsequently attracted the support of governments, which could see the benefit they provided to young people seeking employment in the trades and the important contribution they made to national skills formation. In recognition of their efforts, not-for-profit GTOs started to receive government grants to assist them with their operating costs, though the value of these funds in real terms has been steadily eroded over the years.

A decision taken by government in the early 1990s to gradually withdraw operating support, subsequently rescinded as a counter-cyclical measure, impelled GTOs to expand their operations beyond their core function in search of alternative sources of funding. Governments continued however to promote the philosophy that GTOs should attempt to be financially independent of public funding.

The result of this is that today many Group Training Organisations are involved in a range of other commercial functions including:

- the provision of training and assessment services as Registered Training Organisations (RTOs)
- the management of New Apprenticeship Centres (NACs) or the provision of other employment placement services under contract from the Commonwealth
- the provision of other employment and training services under contract from State and Territory governments
- general labour hire of tradespeople and other workers.

These activities have contributed substantially to Group Training activity and in many cases are the only reason they have been able to continue to operate the core business of employing and placing apprentices and trainees with host employers.

## **School to work transition**

In addition to these many functions, Group Training Organisations also 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:

- the provision of careers advice
- the management and coordination of structured workplace learning (SWL) programs
- participating on VET in schools management committees
- providing training as an RTO to VET in school students; and
- employing school-based apprentices or trainees.

The comment that we are providing in this submission is drawn from the experiences of GTOs in our network who have worked with local schools in one capacity or another, or who see first hand the impact that vocational education and training is having on school leavers and on their own operations.

## **Terms of Reference**

Before proceeding however, we note that the committee's terms of reference refer exclusively to 'vocational education' and not to 'vocational training'. This may be an oversight; it may be intentional to the extent that it is assumed to be essentially the same thing.

Either way, it is our view that a distinction still needs to be made between vocational education, which we take to mean the acquisition of underpinning knowledge, usually in an institutional setting, and vocational training by which

we mean skills acquisition which largely occurs in the workplace. While one can argue that in a competency based system one is either competent or not competent, and therefore theoretically there is no distinction, the reality is still somewhat different as we hope to make clear in this submission.

For the purposes of this inquiry, we will also assume that vocational education includes careers education which we will also comment on in the course of this submission.

### **Learning Beyond the Classroom**

Changes in the labour market over the last 20 years which have left school leavers with fewer job options, coupled with changing expectations, and an expansion of the tertiary education sector, have seen a dramatic increase in the numbers of students staying on in Years 11-12. That many of these students are ill-suited to the traditional senior secondary academic curriculum is beyond dispute.

Consequently, considerable effort has gone into the creation of alternative pathways into employment or further education and training. Many of these pathways involve some form of vocational education or vocational training and have generally been designed to ensure that students do not limit their options by the choices they make. Vocational programs now usually enjoy dual recognition, being recorded on senior secondary certificates and leading to industry recognised credentials, and in some cases contributing to tertiary entrance scores. This association welcomes this development.

An increasing number of these programs now include a degree of contextualised learning which takes place beyond the classroom. This is most evident in the growth of structured workplace learning (SWL) programs sponsored by the former Australian Student Traineeship Foundation (ASTF), now the Enterprise and Career Education Foundation (ECEP). These programs endeavour to include a stint in a real workplace so that the

underpinning knowledge acquired off-the-job, usually in the classroom, can be consolidated through on-the-job training and assessment.

We have no doubt that these programs go some way to bridging the gap between school and work. They expose young people to the workplace and to the culture of work, they assist in the development of vocational skills and they aid learning by providing a context in which many young people can apply the knowledge they acquire in the classroom.

Many GTOs are now involved in SWL programs, participating in management committees, delivering training and often securing the work placements using their vast networks of host employers. They see the benefit of these programs to the students and also recognise that cultivating this pathway is something of an investment in their own future. These students will often go on to become their future apprentices and trainees.

The other major development in this field is the introduction of school-based apprenticeships and traineeships. These programs also lead to an industry recognised credential but they are undertaken under a Training Contract like any other apprenticeship or traineeship. Group Training Organisations have been prominent players in this particular educational initiative. Indeed, they are arguably its progenitor and it may well be that they would not be the success they are without their involvement.

The introduction of these different pathways has however raised a number of issues about which our network, as an active participant in their implementation, has a number of concerns. These issues need to be addressed if the programs are to achieve their intended objectives for the students who embark on them.

## **The Response of Employers**

While vocational programs delivered at school, which for the most part are at Certificate II level, can and do lead to industry recognised credentials within the national training system, their acceptance by employers 'on the ground' is another matter. Employers can have a somewhat jaundiced view of the value of school-delivered industry credentials. Indeed, they often take a dim view of the value of any school credentials, having found that many school leavers have poor numeracy and literacy skills despite credentials that suggest otherwise.

Many schools, and school systems, are now RTOs and are delivering the off-the-job training that is required as part of vocational courses. However, employers are often dubious about the quality of the training being provided in schools by school teachers who are generally seen to lack any real industry experience and often train using facilities and equipment inferior to that which would be available in TAFE.

Employers are also not convinced that a qualification gained through an institutional pathway, even if it includes some work placement, is comparable with the same qualification gained in the workplace under a Training Contract, regardless of their supposed parity under a competency based system. Quite apart from the view that real skills are not acquired through institutional training, there is also the issue of maturation which, it is believed, can only be acquired through work. This concept encompasses notions of workplace acculturation, personal responsibility, initiative and other employability and work effective skills that come from having had the experience of being a worker.

The advantage of a school-based apprenticeship or traineeship of course is that students are in the workplace from beginning to end, unlike other vocational programs with little or no structured work placement. A number of observers have remarked how much these apprentices and trainees benefit

from being around adults, where they are more likely to be treated like adults, and consequently start acting like adults, to the point where returning to school to be amongst their peers can be a challenge for them. It is often said that, contrary to a common perception that these programs are an easy option for students with little academic ability, school-based apprentices and trainees need to be very focused and competent individuals to be able to manage the very different roles and demanding workloads.

### **Commonwealth Employer Incentives**

In addition to meeting employer resistance to their school-delivered vocational qualification, the system further complicates the situation for job seekers holding such qualifications by denying employers a commencement payment under the Commonwealth Employer Incentives Program, should the job seeker wish to articulate into a training program at a higher skill level. The system of course is meant to encourage upskilling and life long learning.

The problem is exacerbated if such a job seeker approaches a GTO hoping to secure a position at Certificate III level. Not only is the GTO not eligible for the commencement payment, like any other employer in this instance, but not-for-profit GTOs are also not eligible for the completion payment, the combined effect of which is to make the job seeker, already unattractive to many host employers, even more undesirable unless the GTO is willing to subsidise the placement. Some will be able to and some won't.

It should be pointed out that this problem was raised during the recent national review of the Commonwealth New Apprenticeship Employer Incentive Program and it is the earnest hope of this association that this situation will be remedied as an outcome of the review.

### **Getting the Balance Right**

While school-based apprenticeships and traineeships have the advantage of providing a better opportunity for skills acquisition than other vocational



programs involving minimal work placement, they still meet with resistance from some employers who are not convinced they add significant value to their business.

Indeed, many GTOs report that employers will ask why they should pay wages for a relatively unproductive student employed under a Training Contract when they can get much the same labour under one of the other programs free of charge.

The management of this tension between pathways can present quite a challenge to GTOs but there is evidence that it can be done to great effect. One member company involved in the building and construction industry reports that they have found their lowest attrition of apprentices has come from creating a pathway that involves students embarking on an SWL 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.

This particular GTO is located in Queensland where there has been considerable success with school-based apprenticeships and traineeships, compared to some other jurisdictions where there are still a number of impediments to their implementation. These impediments include:

- difficulties in establishing suitable industrial arrangements
- employer resistance to paying wages, albeit at the appropriate discounted rate, while students are doing their off-the-job training which is standard practice and the reason the wage is discounted
- 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 last point for instance, 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 employment prospects may be very limited.

In Queensland, where some 50-60% of all school-based apprentices and trainees are employed by GTOs, a number of these problems were resolved early in the development of this model, particularly the industrial arrangements, giving that jurisdiction the lead it still enjoys over the others in the take-up of school-based apprenticeships and traineeships.

### **Other Implementation Issues**

A number of other issues arise in relation to these pathways, some shared by schools and GTOs alike, some of which are pertinent to both pathways, some to only one or the other. These include:

- increased occupational health and safety risks arising from a high risk group being in the work place, whether under a Training Contract or not
- travel to and from the work place, supervision and insurance cover, of particular concern for school-based apprentices and trainees
- 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 distinct cultures – school and industry.

These points have all been conveyed to us during research for this submission and vary in their importance across the country.

The different cultures of school and industry do appear as something of a constant in the discussions 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 predatory. This is not helped by a naïve view that as not-for-profit companies in receipt of government funding, GTOs should seek to do no more than cover costs. Nothing of course could be more financially imprudent.

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 schooling, 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.

Such an outcome will often be seen as tragic by teachers but as positive by industry.

### **Careers Education**

This last point leads conveniently to the question of careers guidance and careers education which we indicated earlier we assumed might be encompassed by the broad nature of the terms of reference.

Many GTOs are involved in the delivery of careers information, providing regular sessions in schools or appearing at external forums designed to provide school students with this information. They have often battled a

degree of resistance on this front, especially from schools or teachers who feel they would like to focus the minds of their students on tertiary education.

Vocational education and training, and especially the traditional trades, have suffered from a poor image and are often portrayed as 'second best'. Careers advisors are often blamed for perpetuating some of this disdain and, it must be admitted, parents often reinforce this view with their own prejudices and, of course, their natural desire for the best for their children.

It seems to us that the expansion in the number of university places in recent times may help explain the emphasis schools place on tertiary education as the most desirable outcome for students. Our members often complain about the calibre of candidates for apprenticeships these days, compared to days when fewer university places were available. We have heard it suggested that the quartile of school leavers who used to present for apprenticeships is now going on to university, leaving those who once occupied semi-skilled and unskilled positions, of which there are now fewer, to apply for the available apprenticeships. This would explain the contention that apprentices and trainees need more learning support to get through their courses these days than was previously the case.

A lot of resources appear to have been expended on improving careers advice and education in recent years with sophisticated web sites being developed, such as Go Career and My Future, and reams of other promotional material being developed by one agency or another. This is all to the good but often still missing the point.

Careers advisors in schools still seem to lack any real understanding of industry, despite the introduction of some very good programs to overcome this deficit. Unfortunately, the position of careers advisor is all too often used as a form of respite from the classroom for 'burnt out' teachers with the attendant problem of high turnover and lack of interest.

This association understands that the British have had some success since outsourcing their careers advisory service some years ago. This option might be worth considering further.

### **Vocational Education in New and Emerging Industries**

The only industry that may meet the definition of a new and emerging industry on which we could offer comment is the information and communication technologies (ICT) industries and, more specifically, information technology.

This is an industry which has been touted as being rich in opportunities for some time, though this has not always been the experience of GTOs. It might be more accurate to describe it as information technology **in** industry to encompass the notion that IT is now effectively an integral component of the production of most goods and services. This is what gives it the sense of being in such demand.

But GTOs report that it is sometimes difficult to make this mean much more to the businesses with which they work than a range of software packages that are part of the standard business administration traineeship, when it should arguably also mean skills in assembling and disassembling computer hardware and peripherals, client support, networking and server management.

Nonetheless, a number of GTOs have reported involvement with IT traineeships in schools and indeed this is one area where training is commonly at Certificate III level. Again, we hear different stories about outcomes – some students enter a local labour market having been advised that with IT they can't go wrong, only to be disappointed, while others, almost certainly in metropolitan areas, can be lured out of school and straight into full time work in the very real expectation of high starting salaries when and where these skills are in short supply.

## **The Accessibility and Effectiveness of Vocational Education for Indigenous Students**

Recent data from the National Centre for Vocational Education Research (NCVER) indicates that group training organisations account for around 20% of all Indigenous New Apprentices, an outstanding outcome given that group training has a lesser, albeit significant 13% share of total New Apprentices national wide.

A recent study of best practice in employing Indigenous Australians through group training arrangements suggested that school-to-work transitional programs were a feature of best practice utilised by some GTOs. However, our enquiries suggest that it is resource intensive and GTOs are certainly not funded for it under existing programs.

One GTO on the south coast of NSW reports being funded by the NSW Department of Education and Training (DET) in 1998 to manage a work experience program for Indigenous students in Year 10. The findings of the project have apparently been included in a DET curriculum action document called 'What Works' which was recently launched in NSW.

The GTO reports that intensive support was needed during this project including:

- delivery by GTO staff of a structured careers education lesson each week with the assistance of Indigenous mentors
- taking care of all paperwork between school, student, parents and host employer
- collecting students, driving them to and from the work experience site and arranging and providing lunch where necessary; and
- monitoring feedback sheets on a daily basis to ensure that issues were dealt with as they arose

The GTO believes that this project could not have worked without the flexibility of their field staff who were required to provide a holistic service to Indigenous students whose parents were often illiterate, not mobile and unconnected to mainstream employers.

The manager has commented that “if this is what it takes to place Indigenous students in work experience, there is surely a wholesale lack of effective participation in these programs”.

## **Conclusion**

GTA believes that, whilst achieving much in its relatively short life, ‘VET in schools’, or VETiS, to use its common and somewhat ungainly epithet, is somewhat at a crossroads. That is why this enquiry is so important and welcome.

As far as GTA is concerned, VET in schools is a fundamental plank of a successful training agenda. It must be supported by government, industry, schools and the wider community. Yet as we have pointed out in our submission there are a number of issues that must be resolved.

If it is to grow and thrive, and to provide the transition to work that minimises the risk that young people will flounder in the labour market, we must attend to these issues as a matter of urgency. Our network expects to continue to play a prominent part in the debate.

**END**