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30-32 Pomeroy St  
Homebush NSW 2140  
Ph: (02) 9746 9333  
Fax: (02) 9746 9444  
Email: [enquiries@aennswact.com.au](mailto:enquiries@aennswact.com.au)  
ABN: 70 804 220 638



Michael Petterson MLA  
Committee Chair  
Standing Committee on Education, Employment and Youth Affairs

**Submission: The extent, nature and consequence of insecure work in the ACT**

The Apprentice Employment Network NSW & ACT (AEN NSW ACT) represents not for profit Group Training Organisations in New South Wales and Australian Capital Territory. We welcome the opportunity to make this submission to the Standing Committee on Education, Employment and Youth Affairs as it provides the opportunity to address specific areas the inquiry is looking into.

**Background to Group Training**

Group Training was born of a partnership between industry and government more than 35 years ago. Many Industry Associations established Group Training arms as not-for-profit entities to support small and medium-sized businesses. The goal was to train apprentices to ensure a steady stream of skilled tradespeople to a growing ACT economy and avoid future skill shortages.

Group Training Organisations (GTOs) in the ACT have worked with local communities and industries to match young people with meaningful work. We have seen the rewards of quality training for individuals and businesses. We are committed to continuing to help address the dual challenges of skills shortages and high youth unemployment which occur throughout the state and region.

The combination of on-and-off the job training provided through apprenticeships and traineeships provide the best foundation for skills development.

Group Training is an employment and training scheme operating under a set of National Standards adhered to by Skills Canberra. In the ACT the employment of apprentices and trainees through GTOs is vital to the ACT economy, such as electrical, plumbing, building and construction, metals and engineering, and the automotive industry. More young people are employed as apprentices and trainees through a GTO than through any other single employer or employer network.

As the legal employer, the GTOs are responsible for wages, work health and safety, insurance, awards and ensuring apprentices, trainees and host employers have the support they need. We are the intermediaries between the complicated training system and small to medium enterprises, providing support for both employers and their hosted apprentices and trainees through cost-effective mentoring and pastoral care.

More than 100,000 apprentices and trainees in New South Wales and the Australian Capital Territory have successfully completed their qualification with the assistance of group training.

Group Training provides a safety net and flexibility for both the apprentice and host employer over the apprenticeship period (in many cases up to 4 years). In difficult economic times GTOs have kept apprentices in work and training, made sure they can attend training and guaranteed their wages. Group Training ensures the steady supply of apprentices through economic peaks and troughs protecting the investment of taxpayer dollars.

Group Training specialises in providing opportunities within equity groups including Indigenous, Disability and Women in Non-Traditional roles.

AEN NSW ACT would like to make the following comments to the terms of reference:

**1. The extent, nature and consequence of insecure work in the ACT, including but not limited to:**

- i. the use of group training, labour hire and sham contracting in particular industries and in the supply chains of particular sectors;*
- ii. allegations that labour hire and sham contracting arrangements are being used to avoid workplace laws and other statutory obligations, such as underpayment of wages and entitlements and avoidance of payroll and income tax;*
- iii. allegations of exploitation, harassment and other mistreatment of workers employed by group training organisations and labour hire companies;*
- iv. the use of working visas, particularly in insecure, low paid, unskilled or semi-skilled jobs and trades;*
- v. allegations related to the exploitation of vulnerable classes of workers including working visa holders, young people, the under-employed and migrants;*
- vi. the impact of insecure work on workers, their families and relationships, and on the local community, including financial and housing stress; and*
- vii. the impact of insecure work arrangements on vulnerable workers including young people, the unemployed and under-employed, migrants and short term visa holders.*

Apprentices and Trainees employed through a GTO are signed through a Training Contract approved and authorised by Skills Canberra under strict set of guidelines. These training contracts are set for a period of time linked to the term of the apprenticeship and traineeship. Members of the AEN NSW ACT network are bound by rules and regulations set on them by Skills Canberra.

AEN NSW ACT does not endorse any exploitation, harassment and other mistreatment of workers allegedly against group training organisations. Due to the nature of rules and regulations GTOs operate under such issues would be addressed through ongoing monitoring by Skills Canberra. Our association works closely with its members to ensure awareness training is provided to apprentices and trainees on workplace harassment.

GTOs employ apprentices and trainees for the term of their training agreement. Unlike Labour Hire an apprentice or trainee cannot have their position terminated without the intervention of Skills Canberra. In most circumstances if an apprentice or trainee is handed back by a host employer, the GTO will source a new host to place the apprentice or trainee back in.

By the nature of what is an apprenticeship or traineeship, the majority of employees in a GTO are between the ages of 16 to 22.

All apprentices and trainees employed by a GTO are paid via the appropriate award/enterprise agreement relating to the position/site.

**2. The nature and consequence of insecure work arrangements in the ACT, including but not limited to:**

- i. the legal rights and obligations of group training organisations, labour hire companies, host organisations and employees, along with any ambiguity that exists between these entities;*
- ii. the effectiveness of existing industrial relations laws and instruments and their enforcement in the group training and labour hire industries, including occupational health and safety laws and workers' compensation laws;*
- iii. the impact of poor practices, including but not limited to workplace health and safety practices, in group training, labour hire and other insecure employment arrangements on competing businesses; and*
- iv. the impact on long-term workforce needs of replacing permanent employees, apprentices and trainees with casualised labour hire workers.*

Unlike Labour Hire Organisations, Group Training Organisations work in a regulated market. These regulations are set by both the relevant State and Federal Governments Departments. Below is a summary of what is required by a GTO to be registered in the ACT (currently available on the Skills Canberra website - [http://www.cmd.act.gov.au/skillscanberra/employers/group\\_training\\_organisations](http://www.cmd.act.gov.au/skillscanberra/employers/group_training_organisations)).

**Requirements for a GTO:**

- A GTO will only be registered in the ACT if applying to receive funding if available.
- Compliance with the National Standards for Group Training Organisations is mandatory for GTOs to be registered in the ACT.
- Registered GTOs will undertake the employer responsibilities for the quality and continuity of the Australian Apprentice's employment and training and will manage the additional care and support necessary to achieve the successful completion of the student's National Training Contract (training contract).
- In providing work-related training GTOs and host employers must comply with any code of practice approved by the Minister for Education and Training under the *Training and Tertiary Education Act 2003* and notified under the *Legislation Act 2001*.
- Registered GTOs will have effective reporting procedures in place to ensure reporting requirements are met on a monthly and as requested basis.
- Registered GTOs must agree to participate in external monitoring and audit processes required by the Directorate, including compliance and strategic audits.
- The Directorate is responsible for the registration of GTOs in the ACT.

We feel the existing rules and regulations around Group Training are effective and appropriate. Our industry is monitored by Skills Canberra. Labour Hire does not have this level of rules, regulations or industry monitoring.

Workplace health and safety is one of our highest priorities. As we deal with predominately 16-22 year olds we understand that the brain development for this age group does not finish until they reach the age of 24. Extra effort is taken as an industry to minimise injuries in the workplace particularly when worker's compensation premiums are carried by the Group Training Organisation and not the host employer. As a further driver for GTOs to minimise workplace injuries, ACT Workers Compensation Premiums are the most expensive in the country when dealing with Apprentices and Trainees.

3. *In making recommendations, the Inquiry should have regard to matters including:*

- i. the limits on the ACT Government's legislative and regulatory powers in relation to industrial relations and related matters;*
- ii. the extent to which the ACT Government's tendering and procurement arrangements are and could be used to encourage best practice in industries where insecure work arrangements have become common;*
- iii. regulation in other Australian jurisdictions and in other countries, including how other jurisdictions regulate group training and labour hire;*
- iv. regulatory mechanisms to meet the objective of protecting the rights of vulnerable workers, and the potential impact of any regulatory regime on ACT businesses;*
- v. the powers of the Commonwealth as they extend to work visas;*
- vi. the ability of any ACT regulatory arrangements to operate effectively in the absence of a national approach; and*
- vii. Australia's obligations under international law, including International Human Rights Conventions and International Labour Organisation Conventions.*

Group Training is a regulated industry. All GTOs across Australia operate to a set of National Standards which are implement at a state level. A new revised set of standards has just been approved and will be implemented immediately (Attachment 1). We feel there is no need for any additional requirements to be legislated or implement to Group Training Organisations in the ACT as we feel the current regulatory system is highly appropriate for the industry.

### **Conclusion**

Group Training plays a pivotal role in creating opportunities for apprentices and trainees with small to medium business, many of which would be unlikely to engage in the training system without an intermediary such as the Group Training Network.

We support the inquiry to ensure the Labour Hire industry operates ethically and meets its legal obligations of workers and the businesses it services.

We recommend to the inquiry that in the ACT no business that provides labour hire services should have the ability to employ an apprentice or trainee to host to any third parties unless they are a registered

Group Training organisation and fulfil the requirements stated by the National Group Training Standards and Skills Canberra.

The Apprentice Employment Network NSW & ACT thanks the Standing Committee on Education, Employment and Youth Affairs for the opportunity to comment on the inquiry into the extent, nature and consequence of insecure work in the ACT. We look forward to further consultations in the future and the outcomes of this review.

Members of the Apprentice Employment Network NSW & ACT include:

Aboriginal Employment Strategy	AI Group Trainees & Apprentices	ATEL
Australian Training Company	CCGT	Electrogroup
GTES	HTN	HVTC
Master Builders NSW	Master Plumbers NSW	MEGT
METL	MIGAS	Apprenticeships R Us
MyGateway	NECA	Novaskill
Skillset	1300Apprentice	TABMA
WPC Group	ARC Group Training	

Yours Sincerely

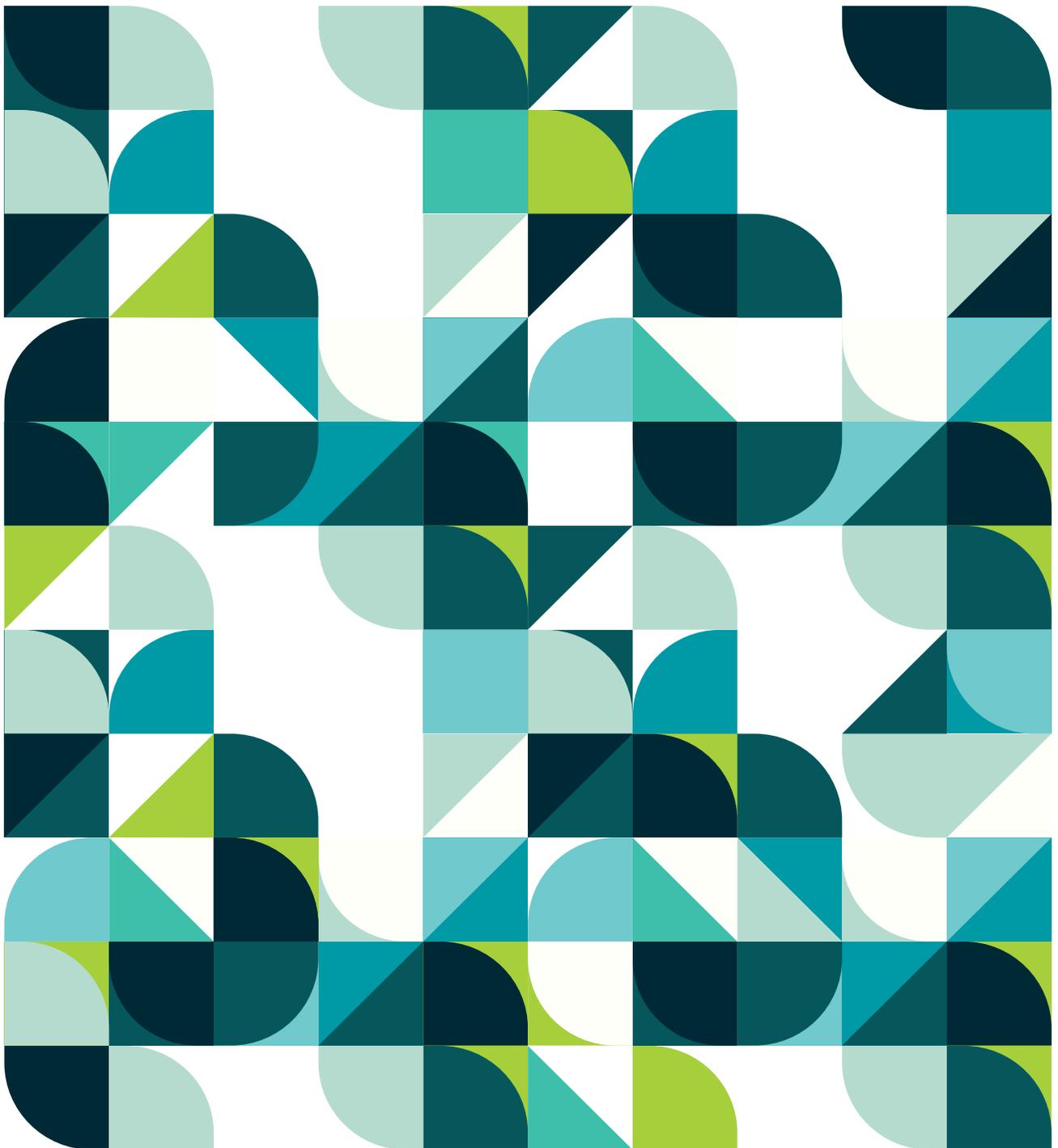


Jason Sultana  
Executive Officer  
Apprentice Employment Network NSW & ACT  
19<sup>th</sup> June 2017

JANUARY

**20  
17**

Revised  
**NATIONAL STANDARDS**  
for Group Training Organisations





# What are Group Training Organisations?

Group Training Organisations (GTOs) employ apprentices and trainees under a 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.

## The purpose of the National Standards for Group Training Organisations

The purpose of the *National Standards for Group Training Organisations* is to ensure nationally consistent, high-quality services are provided by GTOs in carrying out their core role as outlined above. The Standards provide a framework to ensure GTOs operate ethically, with due consideration of apprentice, trainee and host employer needs, and enhance the reputation of group training as a model of employment and training within the apprenticeship and traineeship system.

The key outcome for a GTO is to develop an apprentice/trainee to become a skilled worker who has completed a recognised qualification. To achieve this quality outcome a GTO needs to focus on three key elements with the Standards structured to reflect these:

- recruitment, employment and induction;
- monitoring and supporting apprentices and trainees to completion;
- maintaining a sustainable GTO which is well governed and administered.

The Standards have been designed to ensure the quality assurance framework for Group Training Organisations is consistent with and complementary to the framework in place for Registered Training Organisations.

GTOs must comply with the *National Standards for Group Training Organisations* in order to be registered. Only registered GTOs are eligible to apply for Australian Government or State or Territory Government group training program funding. Registered GTOs are published on the Group Training National Register Website ([www.australianapprenticeships.gov.au/group-training](http://www.australianapprenticeships.gov.au/group-training)) and are entitled to use the Group Training logo.

## The Standards

### 1. Recruitment, Employment and Induction

- 1.1 Before apprentices/trainees enter into an Employment Contract and a Training Contract, the GTO informs them about their employment conditions, the host employer arrangement, the training, the 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:
  - the apprentice/trainee's responsibilities under the **Training Contract**, to the **host employer**, the GTO, the **Registered Training Organisation** (RTO) and the school (if under School-based arrangements); as well as
  - 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:
  - take reasonable steps to ensure they understand the apprenticeship/traineeship system; and

- 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, in meeting their obligations to maintain a safe workplace and in working cooperatively with the GTO and RTO.
- 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 needs of apprentices and trainees to facilitate the continuity of the **Training Contract** to completion and the quality and breadth of the training experience, including:
  - support and mentoring throughout the **Training Contract**;
  - providing resources or advice or procuring any special equipment for 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:
  - facilitates the integration of the training and employment experiences, including arranging for workplace rotations if required;
  - 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 fairly<sup>1</sup>, 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, 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 informs the registering body where early signs indicate issues associated with viability.

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<sup>1</sup> The term 'fairly' refers to the need to ensure that provision for natural justice and procedural fairness are incorporated in the GTO processes associated with their assessment of an apprentice or trainee's performance.

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- 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 **Training Contract** is at risk.

## Definitions

In these standards:

**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 disadvantage<sup>2</sup>.

**Apprentice/Trainee** means a person employed by a GTO under an approved 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, where appropriate.

**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.

**Training Contract** means the nationally agreed Training 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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<sup>2</sup> The following groups of learners have been identified as at risk of disadvantage in vocational education and training: people from low socio-economic backgrounds; Indigenous Australians; women; people from culturally and linguistically diverse backgrounds; people with a disability; people living in remote areas and people for whom VET may be seen as offering a 'second chance'. (National VET Equity Advisory Council, National Report on Social Equity in VET 2013. [http://research.acer.edu.au/transitions\\_misc/17/](http://research.acer.edu.au/transitions_misc/17/)).

