

1300apprentice

28 June 2017

A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE
SUBMISSION NUMBER
DATE AUTH'D FOR PUBLICATION

6
19/7/17

Sydney Training and Employment Ltd
trading as 1300apprentice
ABN 87 003 008 884
Level 2, 28 Burwood Road
Burwood NSW 2134
PO Box 2006
Burwood North NSW 2134
Phone 02 9715 7344
Fax 02 9745 2900
www.1300apprentice.com.au



Dear Committee Members,

Re: Inquiry into Insecure Employment in the ACT

Thank you for inviting submissions to the Standing Committee on Education, Employment and Youth Affairs on the topic of Insecure Employment in the ACT.

Background

Sydney Training and Employment Ltd, trading as 1300apprentice, is a not-for-profit Group Training Organisation (GTO) that has been operating for over 30 years. Our apprentices and trainees are based in the Sydney metropolitan area, the Australian Capital Territory (locally known as Capitol Skills Centre), Southern Highlands, Illawarra and many parts of regional New South Wales. We currently employ approximately 300 apprentices and trainees across 40 different vocational areas. This includes both male and female, Indigenous and people of non-English speaking backgrounds. Group Training Organisations were originally established to assist small to medium sized business to train apprentices in trades areas, especially those on the National Skills Shortage List.

1300apprentice takes very seriously the responsibilities of an ethical employer and endeavours to ensure that all employees are treated fairly and with respect. We provide face to face pastoral care that exceeds what is expected for apprentices and trainees not working with a GTO arrangement. Our mentoring takes place no less than quarterly per year, throughout the term of the apprentice or trainee's contract. Our Field Officers give an apprentice or trainee the opportunity to discuss any concerns with a person who is independent from the Host employer. Discussions can be discussed confidentially, and the Field Officer will intervene on behalf of the employee if required. This is done to ensure that they receive quality training in a safe environment, free from exploitation, in order for them to achieve competency in their chosen vocation.



As a not-for-profit our goals are defined: to ensure that any young people we place in apprenticeships and traineeships complete their training and are able to gain long term employment. Any surplus generated through Host employer fees or government subsidies is reinvested back into the company. 1300apprentice does not issue dividends to shareholders.

Allegations of exploitation, harassment and other mistreatment of workers

In the 10 years 1300apprentice has operated in the ACT, we have not received any complaints through Fair Work Australia, or had bullying and harassment claims raised against us or our Host employers. 1300apprentice has a track record of providing support and mentoring to our young apprentices and trainees and has never been subject to any allegations regarding the exploitation of young people. We are committed to ensuring that apprentices are not exploited by unscrupulous employers and thoroughly check the suitability of Host employers before placing apprentices with them. Apprentices placed with a Host employer new to 1300apprentice receive a face-to-face monitor from our Field Officers within the first month of commencing employment to ensure the start of the relationship with their Host employer is progressing well. Apprentices with an existing and known Host employer are either contacted by telephone or face-to-face also within the first month of starting with 1300apprentice.

Our Field Officers have a case load of no more than 70 apprentices or trainees and are contactable at all times. The Field Officers do not have 'Key Performance Indicators' (KPIs) as we believe it is more important that the monitor reflects quality mentoring, rather than a set number of monitors per day - some monitors have been known to take a couple of hours or visits are required more often than the scheduled quarterly visits. This is the support service we give to our apprentices and trainees.

The strength of the Group Training model is the apprentice or trainee is our employee, we are not obligated to keep them at any Host employer site if we deem the situation unsuitable for any reason. Through our network of Host employers, we can rotate them to another more suitable Host employer. If an issue is serious and the employee's health and safety is at risk, we will remove them immediately.

The Impact of Insecure Employment

As noted in the discussion paper other jurisdictions have recently undertaken inquiries into 'insecure employment'. None of these other reports have included GTO's in the terms of reference. The 2015 Victorian Government report 'Labour Hire Industry and Insecure Work' notes that "the Inquiry heard positive evidence regarding GTO schemes"¹

It is therefore somewhat dismaying to 1300apprentice that the methods that emphasise pastoral care, quality training and safety, which form the basis of the GTO model would be brought into question by the current ACT inquiry.

¹ Victorian Inquiry into the Labour Hire Industry and Insecure Work (2015), Background Paper, p. 101, available at http://economicdevelopment.vic.gov.au/_data/assets/pdf_file/0012/1310205/9390-IRV-Inquiry-in-the-Labour-Hire-Industry-and-Insecure-Work-Brochure.pdf

As other jurisdictions and the ACTU² have all reported it is not easy to define ‘insecure employment’. However, apprenticeships have historically been viewed by government as a very secure method of employing and training young people and other vulnerable workers. The investment by successive Commonwealth, State and Territory governments in the Australian Apprenticeship system support this fact.

1300apprentice makes every effort to ensure that the employment of our apprentices is not disadvantaged if their Host employer experiences financial difficulties. All of our apprentices are paid even if their Host employer is late or defaults with payments to us. 1300apprentice also ensures that an apprentice or trainee is not disadvantaged if the Host employer does not work on a wet day, completes a job early or has no work for a day or two. Our employees are paid for these days as per the awards and their employment contract. We advise the Host employer to utilise this time to offer extra training to the apprentice or trainee instead but if they don’t, they are still to be paid a 38 hour week. During the Global Financial Crisis we retained our apprentices in the ACT, especially the Building Industry, by rotating them to other Host employers if work projects at their current Host employer ran out. Some of these apprentices were rotated up to 3 times and were able to successfully complete their training due to our network of Host employers. The Group Training model shows that in fact it has the capability to offer secure work, financial stability and protects the apprentice and their training program.

Legal rights and Obligations and the effectiveness of existing IR laws and instruments

Apprenticeships are a formal arrangement where there is on and off the job training agreed to by all parties and regulated by Government. At the start of their employment the apprentice signs the Training Contract and an employment agreement with the GTO. The sign-up process is done prior to the employee commencing employment.

There has never been ambiguity about the legal rights of apprentices employed by a GTO. By definition, all Australian Apprentices are employed under a Training Contract that has been registered with and validated by the State/Territory Training Authority.

1300apprentice is the legal employer and adheres to the Fair Work Act, pays each apprentice and trainee according to the relevant Modern Award and further, adheres to the relevant Apprenticeship Act including the National Standards for Group Training.³ Superannuation is paid as per the Superannuation Guarantee Act and is remitted on a monthly basis.

² *Independent Inquiry into Insecure Work in Australia (2012), Lives on Hold: Unlocking the potential of Australia’s workforce,* https://www.actu.org.au/media/349417/lives_on_hold.pdf

³ <https://www.australianapprenticeships.gov.au/group-training>

Impact of Poor Practices including but not limited to WHS Practices

Safety of our apprentices is of paramount importance to 1300apprentice. Prior to placing an apprentice or trainee we conduct a thorough site inspection with the Host employer. Any safety issues we identify are documented to the Host employer and if safety issues are not addressed, we will not place any apprentices with them until suggested improvements are made. Further, if it appears the employer does not value safety as a priority in their workplace, 1300apprentice will not proceed with placing apprentices or trainees with them.

All of our apprentices and trainees are required to complete an on-line WHS induction before they commence work. Apprentices are provided them with relevant personal protective equipment (PPE) with instructions on how to use the items. After an apprentice or trainee has commenced work we follow up with site inspections and monitoring discussions. These records of monitor visits are signed by the apprentice / trainee and the Host employer and kept in the employees file.

Our employment contract with all our apprentices and trainees clearly states their Award and conditions including the NES, Superannuation and wage rates, as set out in the Fair Work Act. Pay slips are sent to the apprentices and trainees on a weekly basis. All apprentices are issued with our company policies including our Bullying and Harassment Policy and Personal Grievance Policy which detail complaints and resolution procedures if an issue were to arise. Each monitor includes discussing with the apprentice or trainee if there is any safety issues they would like raised at our Health and Safety Committee meetings and we also discuss any situation that they feel may be placing pressure on them.

Regulation of Group Training

The National Standards for Group Training ⁴ were revised and endorsed by the Commonwealth and State and Territory Governments in January 2017. 1300apprentice is registered with the ACT government as a GTO. The registration of GTOs by the ACT Government using the National Standards for Group Training ensures that only suitable organizations are recognized. GTO's undergo regular audits by the State/Territory Training Authority, ensuring the efficacy of the Group Training model and protecting potentially vulnerable workers.

Apprenticeships and traineeships are regulated by Training Contracts / National Code of Good Practice for Australian Apprenticeships as well as the Fair Work Act. 1300apprentice complies with these requirements as a minimum standard.

⁴ <https://www.australianapprenticeships.gov.au/gto-branding-and-regulation>

Best Practice Management of Apprentices

1300apprentice strives to exceed common benchmarks for the management of young workers. Each apprentice and trainee employed by 1300apprentice is allocated a specialist Field Officer who liaises regularly with the worker and with the Host employer, often as a go-between to resolve any misunderstandings or issues between the two parties and mentors both to ensure each understands their own obligations and requirements in this employment arrangement.

The Group Training model is a proven method of providing secure employment, safe working conditions and training for entry level employees. We urge the ACT Government to support and encourage group training as an alternative means to encourage employers to take on apprentices and trainees which lead to long term secure employment.

Registered Group Training Organisations are not-for-profits that operate under a set of National Standards, which is approved by Skills Canberra and other State Training authorities. Generally these organisations such as 1300apprentice have been in this service business for more than 30 years and has demonstrated that we have provided the best and safest working experience for young and vulnerable workers, most of whom are first time workers.

Given this, combined with the extra face to face pastoral care that is available to our apprentices and trainees and the policies and procedures that we have in place and follow, perhaps this enquiry could consider limiting the organisations who can on-hire apprentices and trainees to companies to those that are registered Group Training Organisations only, to safeguard and to ensure young workers are not exploited by having access to an independent person to raise concerns with, a third party to ensure safe working conditions along with the opportunity to be rotated to an alternative Host employer if a situation was deemed to be needed.

If you would like to discuss or clarify any points in this document, please contact me during office hours on 029715-7344.

Yours sincerely,



Jane Kennedy
Chief Executive Officer