

The series 'research at a glance' is produced by the National Centre for Vocational Education Research (NCVER) to disseminate, in an easily accessible format, the findings and outcomes of research in vocational education and training (VET). This publication summarises recent research into group training apprenticeships and traineeships in Australia (NCVER 2001a).

### **key issues from the research**

Group training companies (GTCs) are making a strong contribution to Australia's apprentice and trainee system. In particular, the report finds:

- »» Group training apprentice and trainee numbers have doubled over the period 1995 to 2000.
- »» Over the same period, GTCs increased their market share by 1%, a considerable achievement in that this occurred during a period of rapid growth in the sector as a whole.
- »» Host employers serviced by GTCs are overwhelmingly small- or medium-sized businesses (90%).
- »» Overall, group training apprentices and trainees are concentrated in the traditional trades more so than for all apprentices and trainees; the length and level of training reflects this with most in contracts at Australian Qualifications Framework (AQF) certificate III and of duration more than three years.
- »» GTCs have the largest proportion of teenage apprentices and trainees of all major employer types and account for almost half of school-based apprenticeships.
- »» Completions in GTCs have grown at a higher rate than among all apprentices and trainees overall.
- »» Job outcomes from group training apprenticeships and traineeships are high and comparable with job outcomes from apprenticeships and traineeships in general.

**research  
at a glance**

**group training  
apprenticeships  
and traineeships**



## introduction

Group training has been a key feature of the landscape in the Australian apprenticeship and traineeship system for more than two decades.

Group training's contribution to the growth of Australia's apprenticeship and traineeship system is particularly important for giving opportunities to specific groups in the community, including young people, Indigenous apprentices and trainees, also people with a disability. This mandate has strengthened the value of group training at a time of market diversification and expansion. So, too, has its continuing commitment to young people. Despite the 'niche' that group training occupies, it has nevertheless increased its market share—no mean feat at a time of rapid change and growth in an increasingly volatile environment.

*Group training apprenticeships and traineeships: Research at a glance* looks at the development of group training from its beginnings among industry associations, most notably the Metals Trade Industries' Association (now Australian Industry Group) through its expansion with the support of the combined industry parties in the Australian Council of Trade Unions (ACTU)–Lend Lease Foundation and, later, the Commonwealth Government. It also examines patterns of growth in group training over recent years, particularly in terms of its occupational mix, the structure and type of training, who participates, what they do and what they gain from it at the end. The report concludes with an examination of a number of issues which group training may wish to address in future.

This report is a shortened version of *Group training apprenticeships and traineeships in Australia*, which can be found on the NCVER website [www.ncver.edu.au](http://www.ncver.edu.au).

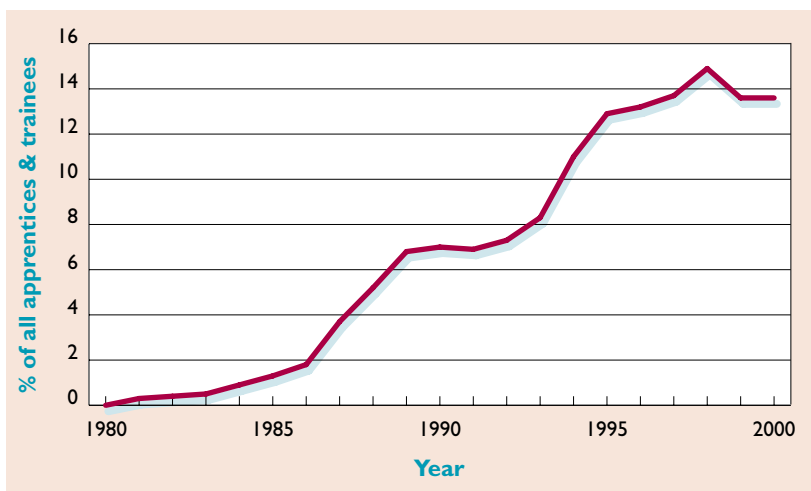
## development of group training in Australia

The concept of group training emerged in the 1970s as a response to the needs of small businesses which could not afford to employ apprentices in their own right. The concept was to create a company which would recruit and employ apprentices and then place them with one or more host employers for the duration of their training.

Group training grew slowly in its early years and accounted for less than 2% of all apprenticeships and traineeships up to 1986. However, group training developed quickly in the wake of government funding which in the 1980s was designed to encourage the growth of GTCs to alleviate high and persistent unemployment among young people. The financial support of the ACTU–Lend Lease Foundation was critical in the development of GTCs and, latterly, the activities of Group Training Australia have led to the establishment of group training as a permanent institution in the apprenticeship and traineeship system.

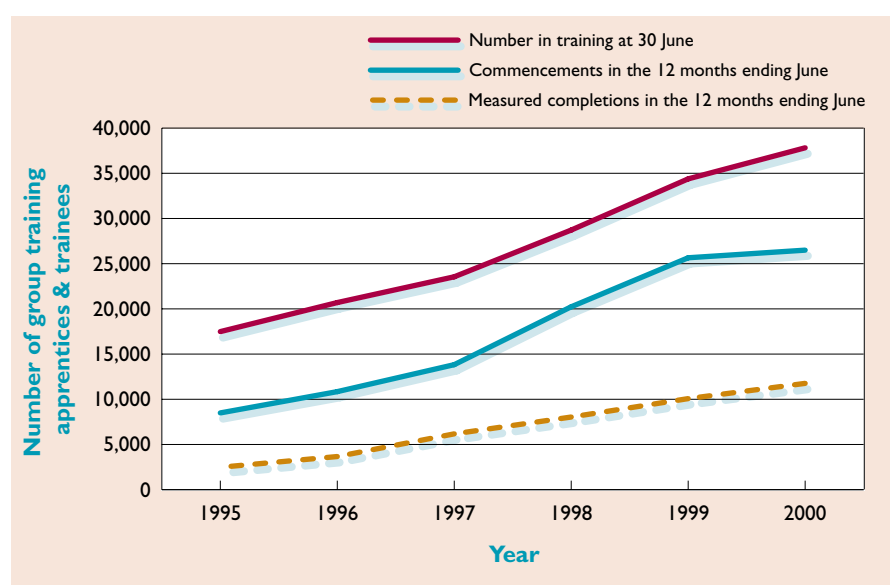
Despite the impact of the recession of the early 1990s on apprentice and trainee intakes (NCVER 2001b), GTCs were able to hold on to their numbers of employed apprentices and trainees through this recession, as reflected in figure 1. As existing host employers shed staff, GTCs were able to find new host employers for apprentices and trainees.

**figure 1: apprentices and trainees employed by group training as a percentage of all apprentices and trainees in Australia, 1981–2000**



Unprecedented growth in the numbers of apprentices and trainees since the mid-1990s has also fuelled the growth of group training in recent years. During the 1990s, as many companies realised the benefits of sharing the risks of apprentice training with an intermediary organisation such as group training, GTCs also began to work with larger employers.

figure 2: group training apprenticeships and traineeships training activity, June 1995–2000



GTCs have expanded to become a major feature of the Australian apprenticeship and traineeship system. They have become an institution in entry-level training in Australia and are likely to remain so in the foreseeable future.

### recent growth in group training

The past decade has seen the most significant changes ever experienced in the development of Australia's

apprenticeship and traineeship system; for example, the abolition of age restrictions for entry to apprenticeships and traineeships and the belated roll-out of traineeships since the early to mid-1990s. Even more profound changes have occurred in the past three years with the integration of apprenticeships and traineeships into the single 'new apprenticeships' system, which commenced on 1 January 1998.

Since the mid-1990s, Australian apprenticeships and traineeships have experienced by far the biggest wave of growth in their history (NCVER 2001b). During this time, total apprentice and trainee numbers increased from just under 136 000 in 1995 to reach 278 000 in June 2000—growth of over 100% in five years. This growth was particularly rapid after the advent of new apprenticeships in 1998. Numbers have since increased to more than 300 000.

Group training has also experienced rapid growth in recent years, with the total number of apprentices and trainees employed by GTCs increasing from just over 17 000 in 1995 to almost 38 000 in June 2000—a growth of more than 115% in five years (figure 2).



This growth has been fuelled by particularly strong increases in group training commencements. However, growth in group training commencements slowed in the 12 months ending June 2000, suggesting that the high levels seen in recent years for group training apprentice and trainee numbers may not continue (figure 2).

The number of group training apprentice and trainee completions<sup>1</sup> reported has also grown strongly, from around 2500 in 1995 to almost 12 000 for the 12 months ending June 2000 (figure 2). This represents an annual rate of growth of more than 36%, far exceeding the rate of growth of just under 21% for total completions over the same period.

<sup>1</sup> Completion numbers should be viewed with some caution owing to the possibility of under-reporting.

Since 1995, group training's market share of apprentices and trainees has grown more than any other major employer type—from 12.9% of all apprentices and trainees in 1995 to 13.6% in 2000. In fact, growth for group training exceeded the growth for all apprentices and trainees for all years over the period 1995 to 2000 except for 1999. Group training is the second largest employer group for apprentices and trainees, employing almost 14% of all apprentices and trainees in Australia.

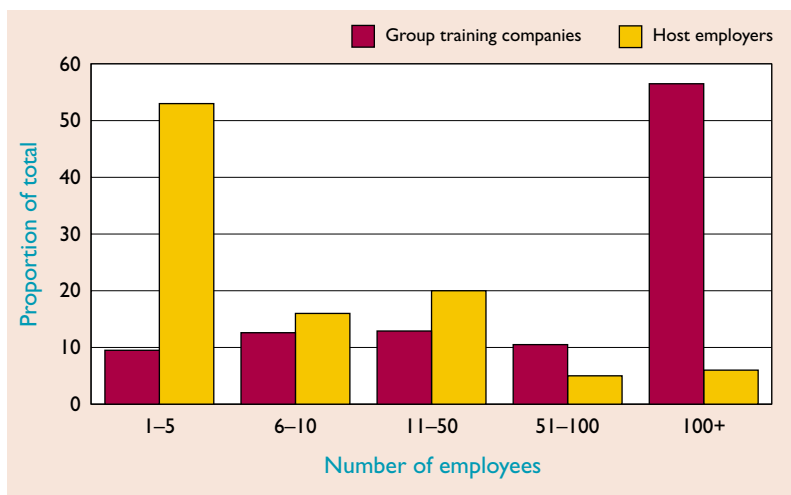
### employer size

According to various State/Territory group training associations, there are almost 200 GTCs currently employing apprentices and trainees in Australia. Of those GTCs whose employment size is known to NCVER, almost 60% are stated to have more than 100 employees, while around 20% have 20 employees or less (figure 3).

GTCs are used almost exclusively by small firms. Group Training Australia's 1996 survey of host employers found that host employers tended to be 'small' or 'medium'-sized businesses,

with almost 90% employing 50 people or less and over half employing five people or less. Only 6% of host employers had an employment size greater than 100 (figure 3).

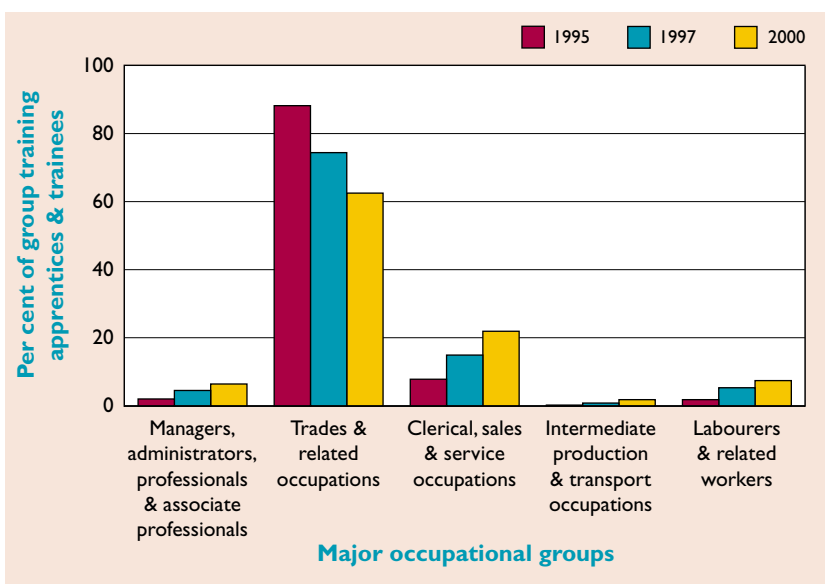
figure 3: size of GTCs and host employers, 1996



### the occupational base

In 1995, 90% of group training apprentices and trainees were employed in trade-related occupations. By 2000, this proportion had fallen to 62% (figure 4)—still higher than the rate for new apprenticeships overall (around 50%).

figure 4: changes in the importance of major occupational groups in group training apprenticeships and traineeships, 1995-2000



The growth of apprentice and trainee numbers into other occupational groups has meant that the dominance of the traditional skilled trades in the group training system has waned. While the general apprenticeship and traineeship system has been moving much more into line with the structure of employment across the entire Australian labour market, group training has not done so at the same rate. Hence, there is still scope for group training to further expand into other areas of the labour market.

## the structure of group training

Apprenticeships and traineeships undertaken through group training schemes display a similar distribution in contract duration to that for all apprenticeships and traineeships, with the majority being over three years' duration and a significant proportion being of one year or less (figure 5). However, the proportion of contracts over three years' duration is almost 10% higher for group training than for all apprentices and trainees. Group training also has the highest proportion of long-term contracts of all major employer types.

Almost three-quarters (72%) of group training apprentices and trainees undertake training at AQF certificate III, a further 1% at certificate IV, diploma, or advanced diploma levels, and 26% at AQF certificate I and II—noting that AQF certificate I comprises an insignificant element of the group training system. While these proportions are similar to those for all apprentices and trainees, there is a higher proportion of AQF II certificate apprentices and trainees within group training than in the entire apprentice and trainee population (table 1).

figure 5: duration of group training apprenticeships and traineeships, 1995–2000

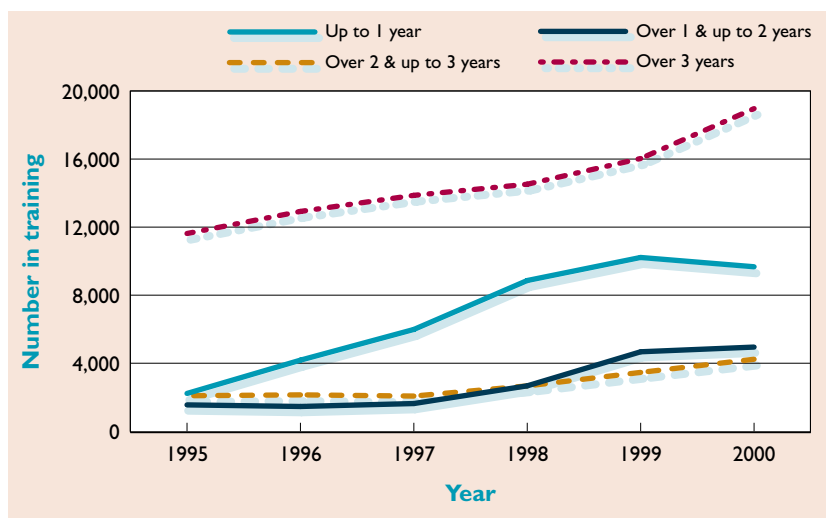


table 1: qualifications being sought by apprentices and trainees, June 2000

AQF qualification	Group training	All apprentices & trainees
	Number in training ('000)	Proportion of total (%)
Certificate I & II	10.0	26.4
Certificate III	27.2	71.9
Certificate IV/diploma/advanced diploma	0.5	1.3
Not known	0.1	0.4
<b>Total</b>	<b>37.8</b>	<b>100.0</b>



While the proportion of group training apprentices and trainees at certificate III has declined from around 83% in 1995 to just under 72% in 2000, the actual numbers at certificate III have almost doubled. In fact, the rate of growth in group training certificate III contracts over the period 1995 to 2000 is higher than for all apprentices and trainees over the same period. In contrast, growth in group training certificate IV contracts has been much lower than for all apprenticeships and traineeships. Growth in group training certificate II contracts is commensurate with that for all apprenticeships and traineeships.

There has been a noticeable increase in part-time apprenticeships for group training in recent years, with numbers rising from only 350 in 1995 to almost 5000 in 2000. (The use of part-time programmes was one of several key indicators of the Group Training Expansion Programme introduced in 1996.)

Group training now accounts for almost half of all school-based apprenticeships and traineeships—a significant proportion considering it accounts for less than 14% of all apprenticeships and traineeships. Numbers within GTCs have grown from less than 100 in the mid-1990s to almost 3000 by 2000.

### characteristics of group training apprentices and trainees

The number of female apprentices and trainees in group training has increased markedly from around 2000 in 1995 to almost 9000 in 2000. This has resulted in their share increasing from 13.1% of group training apprenticeships and traineeships in 1995 to 23.1% by 2000. However, the proportion of female apprentices and trainees for group training is less than that for all apprenticeships and traineeships. This can be explained by the greater dominance of traditional trades and related occupations within group training.



The number of apprentices and trainees employed with GTCs has increased for all age groups. In particular, there has been noticeable growth in actual numbers since the introduction of new apprenticeships. The increases, however, are not as great as for all apprentices and trainees, with the most striking difference between the

age profiles for group training apprentices and trainees and the entire apprentice and trainee population occurring for teenagers. While the proportion of all apprentices and trainees who are teenagers has fallen from around 54% in 1995 to some 37% by 2000, the proportion of group training apprentices and trainees who are teenagers actually increased from 53% in 1995 to 55% in 2000 (table 2).

**table 2: teenage\* apprentices and trainees, June 1995–2000**

Year	Group training		All apprentices & trainees	
	Number	Per cent	Number	Per cent
1995	9,340	53.4	72,800	53.6
1996	10,120	48.9	75,780	48.4
1997	11,440	48.6	77,180	44.9
1998	14,430	50.3	82,240	42.6
1999	18,790	54.7	94,450	37.4
2000	20,940	55.4	102,640	36.9

\* Includes a small number of persons aged less than 15 years

The proportion of group training apprentices and trainees who are Indigenous remains well above that for all apprentices and trainees, and now accounts for around one-quarter of all Indigenous apprentices and trainees. As for all apprentices and trainees, the number of Indigenous apprentices and trainees involved in group training has increased markedly since the mid-1990s. This growth has resulted in the proportion of group training Indigenous apprentices and trainees rising from 1.5% in 1995 to 3.4% in 2000 (table 3). While the proportion of group training Indigenous apprentices and trainees has declined since 1998, the level of growth since the mid-1990s is similar to that seen for all Indigenous apprentices and trainees.

..... table 3: Indigenous apprentices and trainees, June 1995–2000

Year	Group training			All apprentices & trainees	
	Number in training	Proportion (%)	Share of all Indigenous apprentices & trainees (%)	Number in training	Proportion (%)
1995	260	1.5	24.2	1,060	0.8
1996	510	2.4	17.7	2,860	1.8
1997	830	3.5	22.0	3,770	2.2
1998	1,290	4.5	27.5	4,700	2.4
1999	1,250	3.6	27.6	4,510	1.8
2000	1,270	3.4	24.6	5,180	1.9

NCVER (2001b) found that Indigenous peoples are under-represented in apprenticeships and traineeships at AQF certificate III, and in the skilled trades. They are considerably over-represented in apprenticeships and traineeships at AQF certificate II, in the labouring occupations, and in the clerical, sales and service occupations, when compared with other Australians. A similar trend is found within the group training framework. This suggests that although group training is serving the Indigenous community better than the general apprenticeship and traineeship system, Indigenous peoples still don't have the same opportunities as other Australians in accessing apprenticeships and traineeships in the skilled trades or related occupations.

Group training has been the most successful of all programs in advancing the cause of apprenticeship and traineeship opportunities for people reporting a disability, and now accounts for almost one-quarter of all apprentices and trainees reporting a disability. The growth within group training has been dramatic since the mid-1990s, with numbers increasing from just over 100 (or 0.8% of apprentices and trainees employed with GTCs) in 1995 to almost 1300 (or 3.3%) in 2000 (table 4).

table 4: apprentices and trainees reporting a disability, June 1995–2000

Year	Group training			All apprentices & trainees	
	Number in training	Proportion (%)	Share of all apprentices & trainees reporting a disability (%)	Number in training	Proportion (%)
1995	140	0.8	13.3	1,020	0.8
1996	220	1.1	13.4	1,640	1.0
1997	380	1.6	16.1	2,370	1.4
1998	560	1.9	15.9	3,520	1.8
1999	950	2.8	19.0	5,020	2.0
2000	1,270	3.3	22.4	5,640	2.0

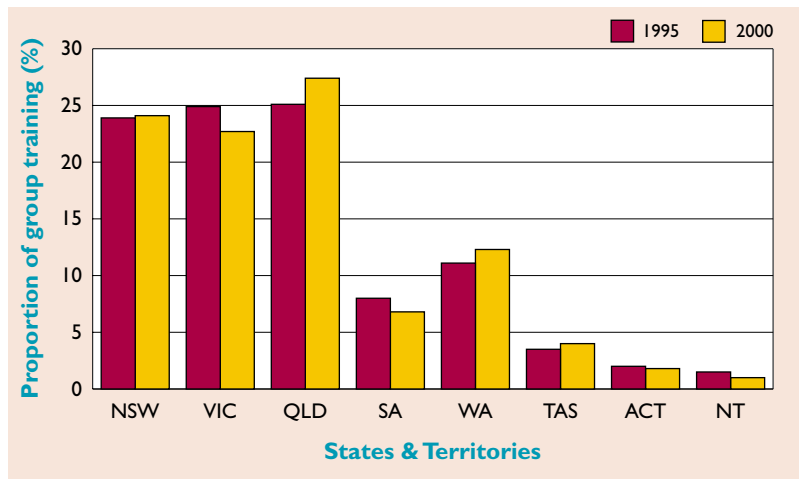
The numbers of apprentices and trainees of non-English-speaking background employed with GTCs have also increased significantly since the mid-1990s—from less than 400 in 1995 to over 1400 in 2000. As a result, the proportion of group training apprentices and trainees who are of non-English-speaking backgrounds has risen from 2.2% in 1995 to 3.8% in 2000. This compares with just over 7% of all apprentices and trainees.

## the location of group training apprentices and trainees

The relative share of Australia's apprentices and trainees employed by GTCs varies across States and Territories. While group training makes up 13.6% of all apprentices and trainees at the national level, the relative share by individual jurisdictions varies considerably. The share of total apprentices and trainees employed by GTCs is lower than the national level in South Australia (8.6%), Victoria (10.8%), New South Wales (11.4%) and the Australian Capital Territory (13.1%). On the other hand, group training in Western Australia (23.2%), Queensland (20.4%), the Northern Territory (16.0%) and Tasmania (14.5%) have relatively higher shares than the national equivalent.

As shown in figure 6, Queensland, Western Australia and Tasmania increased their share of group training's apprentices and trainees between 1995 and 2000, while Victoria's and South Australia's shares fell. New South Wales, the Northern Territory and the Australian Capital Territory all enjoy similar shares today as they did in the mid-1990s. As a result, Queensland now has the largest share of group training apprentices and trainees (27.4%), while Victoria has been relegated to third highest (22.7%) behind Queensland and New South Wales (24.1%). The Northern Territory's share remains the lowest of all jurisdictions.

**figure 6: proportion of group training apprentices and trainees in each State and Territory, June 1995 and 2000**



The proportion of group training apprentices and trainees living in rural areas or remote areas is higher than that for the entire apprenticeship and traineeship population; that is, 40.7% for group training compared with 30.8% for all apprenticeships and traineeships. Considering that rural and remote Australia comprise only 27% of Australia's working-age population, rural and remote areas are being particularly well served by group training (figure 7).



By contrast, capital cities are not so well served by group training. While two-thirds of the Australian working-age population live in capital cities, only 48% of group training apprentices and trainees live in capital cities—which is less than that for all apprentices and trainees (58.3%).

In contrast, 7.5% of group training apprentices and trainees live in other metropolitan areas. This proportion is similar to that for all apprentices and trainees and the proportion of Australia's working-age population found in other metropolitan areas.

## Off-the-job training undertaken

The major part of training for an apprentice or trainee takes place in the workplace; however, they also undertake training away from the workplace. In this provider-based training, the focus of learning is broader and, by and large, more theory-based.

Based on information available for 1999, provider-based training undertaken by group training apprentices and trainees is very similar in its basic characteristics to

that undertaken by all apprentices and trainees. This indicates that group training apprentices and trainees have the same off-the-job training opportunities as apprentices and trainees in general (table 5).

figure 7: comparison of relative proportions in geographic regions of Australia, June 2000

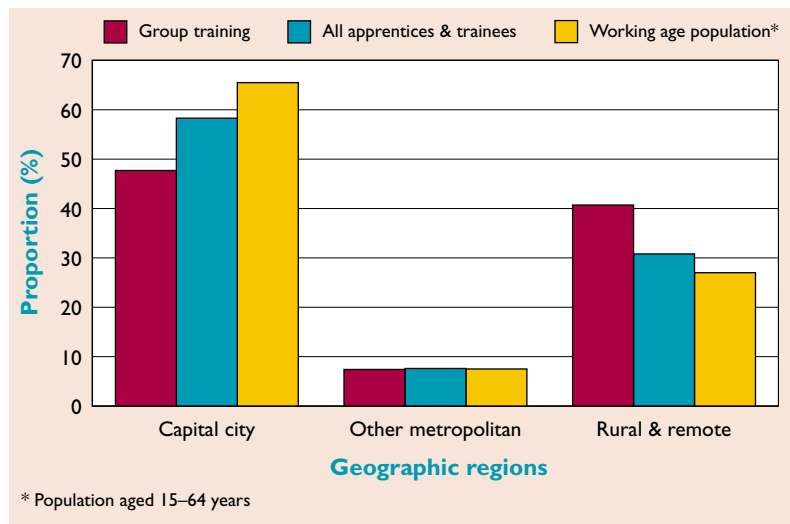


table 5: aspects of provider-based training for group training apprentices and trainees, all apprentices and trainees, and all VET students, 1999 (per cent)

	Group training apprentices & trainees*	All apprentices & trainees	All VET students
<b>Course &amp; qualification enrolments</b>			
<i>Fields of study with high concentration of trades</i>			
Engineering, surveying	28.3	26.1	13.8
Architecture, building	15.0	10.8	5.0
<i>Other fields of study</i>			
Services, hospitality, transportation	15.7	21.0	13.2
Business, administration, economics	15.4	16.4	21.4
VET multi-field education	9.2	8.2	15.9
Others	16.3	17.5	30.7
<i>Total enrolments</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
<b>Number in sample ('000)</b>	<b>53.7</b>	<b>313.1</b>	<b>1,992.2</b>
<b>Students</b>			
<i>Hours of training undertaken by student</i>			
0 to 100 hours	23.4	24.4	50.7
101 to 200 hours	15.6	15.3	15.1
201 to 400 hours	41.0	41.4	20.3
More than 400 hours	20.0	18.9	13.9
<i>Number of module or unit of competency enrolments by students</i>			
1 to 2	18.3	18.7	43.5
3 to 4	9.7	9.6	13.0
5 or more	71.1	70.7	43.5
RPL/credit transfer	0.9	1.0	0.9
<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
<b>Total number of students ('000)</b>	<b>42.4</b>	<b>253.2</b>	<b>1,647.2</b>

\*source: NCVET matched data from apprentice and trainee collection (as at March quarter 2000) and 1999 VET provider collection

## completion and attrition

Apprentice and trainee completions from group training employers have grown at a greater rate than any other type of major employer since the mid-1990s. This growth is reflected within group training, where the total number of apprenticeship and traineeship completions since 1995 has increased markedly from 2500 in 1995 to almost 12 000 by 2000.

Interest in Australia in the levels and rates of successful completion amongst apprenticeships and traineeships has been rising in recent years.

Traditionally, aggregate level administrative data have been used to determine proxy completions and attrition rates using the ratio of completions to commencements. Such studies generally used the ratio of completions to commencements four years earlier as a proxy for apprenticeship completion rates and the ratio of completions to commencements in the previous year as a proxy for traineeship completion rates.

Studies using such methods suggested that apprentice and trainee completion rates for group training were lower than those for government and private sectors (ANTA 1997).

However, as discussed in NCVER (2001b), such crude proxies of completion rates are often misleading for a number of reasons. For example, such methods fail to take into account the increased flexibility of contract duration, part-time arrangements, and recommencements.

To gain a better insight into the rate of attrition for group training apprentices and trainees, a cohort of apprentices and trainees tracked from their commencement through to known final status was analysed. Although complete analysis of this cohort is not yet complete, preliminary results suggest there is little difference in attrition for apprentices and trainees employed by GTCs and those employed by private firms. There does, however, appear to be a marked difference for those employed within the government sector, where attrition was found to be much lower.

## outcomes from group training

Employment outcomes from apprenticeships and traineeships are very good, with around 90% of those completing their apprenticeship or traineeship being retained by their employer or finding employment with a new employer in an unsubsidised job three months after completing their apprenticeship or traineeship. Although lower (around 70%), employment outcomes of people not finishing their apprenticeship or traineeship are also reasonably good. Employment outcomes for group training apprentices and trainees appear to be comparable with those for apprentices and trainees in general.

## concluding comments

The enduring strength of group training is its capacity to continue to grow and attract customers, its support for small- and medium-sized companies, its responsiveness to government and its capacity to create opportunities for some groups who might normally be less successful in gaining apprenticeships. Its record of achievement in terms of completions and outcomes is a testament to the capacity and quality of the program.

Nevertheless, group training continues to be subject to emerging pressures as the apprentice and trainee system changes and expands.

These pressures include the need to:

- »» diversify to new and emerging occupations
- »» maintain a focus on small- and medium-sized firms, given the growth of these firms
- »» continue to provide opportunities to different groups in the community

## milestones in the development of group training

- 1979** First group training schemes established by Master Builders' Association and Metal Trades Industry Association.
- 1981** ACTU–Lend Lease Foundation promotes the concept of GTCs and facilitates the establishment of new schemes.
- 1981** The Commonwealth Government and State governments establish Joint Policy funding of operating costs of not-for-profit group training schemes.
- 1982** First national gathering of ten group training and skills formation companies.
- 1985** Australian Traineeship System introduced to provide trainees for industries without a tradition of apprenticeships. This followed from the recommendation in the report of the National Inquiry into Labour Market Programs chaired by Kirby (1985).
- 1990** National group training conference, Group Training 2000. Over 150 GTC representatives attend and adopt the 'Townsville communiqué', which outlines the goals for further expansion and development of group training in the 1990s.
- 1991** Group Training Australia Ltd founded as a national association of around 100 GTCs.
- 1991** Ministers decided to phase out recurrent funding to GTCs. This resulted in new strategy for GTCs to improve and expand business activities.
- 1991** House of Representatives Committee on Employment and Training report, *Skills training for 21st century*, supports funding GTCs' operating costs for core activity.
- 1995** House of Representatives Standing Committee on Employment, Education and Training, *A best kept secret: Report on the role and effectiveness of group training companies*, supported performance-based funding to group training schemes from July 1995. Committee recommended funding for skill centres, particularly for GTCs in regional locations, and the drafting of performance guidelines for GTCs.
- 1996** The Australian National Training Authority (ANTA) Ministerial Council agreed to a series of reforms to the apprenticeship and traineeship system as proposed by the Industry Reference Group on the Modern Apprenticeship and Traineeship System (MAATS). Group training recognised as critical to achieving these reforms. The incoming Howard Government combined apprenticeships and traineeships under the title 'new apprenticeships'.
- 1997** Issues paper entitled *Taking care of business: Growth through group training* circulated. Public consultation forums conducted by ANTA and State and Territory governments on behalf of the ANTA Board Advisory Committee on New Apprenticeships. Outcomes reflected in the report, *National principles for group training*, in particular endorsing an increase in Commonwealth Government and State/Territory government funding for expansion of group training from 1996–2000. Evaluation study report by Mathers (2000).
- 1998** Introduction of new apprenticeships; user choice introduced for funding mechanism for apprenticeships and traineeships. Implication for GTCs is that they can also be funded to deliver training if they obtain registered training organisation (RTO) status (a number have skill centres already). Other large employers are also registering as RTOs.

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