Inquiry into sustainable employment for disadvantaged jobseekers

AEN submission

July 2019

Prepared by
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Group Training Association of Victoria trading as Apprenticeship Employment Network
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Submission submitted via online portal

Introduction

Thank you for the opportunity to make a submission to the Inquiry into sustainable employment for disadvantaged jobseekers.

At the Apprenticeship Employment Network (AEN) we believe

**Having a job can be transformational. It creates financial independence and develops new and improved skills. It also acts as a catalyst to other opportunities and supports the wider community.**

**Employment is critical to the health and prosperity of everyone. It offers social and economic benefits that flow to individuals, families, communities and the economy as a whole.**

The AEN is the peak industry body representing not for profit Group Training Organisations (GTOs) across Victoria. AEN’s purpose is to support youth, 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. This network employs over 24,000 apprentices and trainees and is the largest employer of apprentices and trainees.

Within Victoria our members, employ over 6500+ apprentices and trainees across all industry sectors, the network comprises 10,000+ host employers – mainly small to medium size businesses.

Our members each year employ a large number of disadvantaged job seekers from a wide range of backgrounds including;

- People with workplace language, literacy and numeracy challenges
- Long term unemployed
- People with drug and alcohol substance abuse issues
- People with financial issues
- Indigenous people
- People with a disability
- People from culturally and linguistically diverse (CALD) communities
- Pre and post release prisoners
- Women looking for employment in non-traditional trades

Each of these cohorts and the individuals we work with have unique challenges when trying to enter the world of work.
AEN thank the Victorian Legislative Assembly Economy and Infrastructure Committee for the invitation to present our brief thoughts on the questions the committee have asked through the inquiry into sustainable employment for disadvantaged jobseekers:

- The social and economic benefits of seeking to place disadvantaged jobseekers into sustainable employment
- The jobseekers who may be considered as being ‘disadvantaged’ in the labour market and the types of barriers to employment they may face
- How well current efforts, programs or activities meet the needs of disadvantaged jobseekers and/or employers looking for workers, and potential improvements
- Outcomes of efforts to encourage greater labour participation of disadvantaged jobseekers
- Education and training needs to support disadvantaged jobseekers transitioning into work
- Interstate and overseas best practice models that could be implemented in Victoria.

The AEN would be happy to arrange a time to follow up and discuss our views further.
AEN Response to specific committee questions

The social and economic benefits of seeking to place disadvantaged jobseekers into sustainable employment

AEN Believe having a job can be transformational on a number of levels. It creates financial independence and develops new and improved skills for the individual. It also acts as a catalyst to other opportunities and supports the wider community.

Employment is critical to the health and prosperity of everyone. It offers social and economic benefits that flow to individuals, families, communities and the economy as a whole.

From our experience the earlier, we can work with an individual the better the long term outcomes for everyone.

Apprenticeships and traineeships are an ideal way to provide a person and employers with an entry level job role with on the job training to build the skills and capabilities. This has shown to be a great pathway into a meaningful and sustainable career pathway for many Australians over the past 70 years.

Unfortunately short term employment models such as part time work, sub contracting, importing skilled migrants, labour hire and self-employment are cheaper forms for employers to obtain short term skills. These models are not sustainable for individuals or the wide economy in an ever increasingly competitive global market.

The jobseekers who may be considered as being ‘disadvantaged’ in the labour market and the types of barriers to employment they may face

From our experience there can be many barriers facing disadvantaged job seekers, when trying to place them into employment. Each individual can be faced with multiple barriers, which usually needs an individual support plan and specialised services to ensure sustainable employment outcomes can be achieved.

Disadvantaged jobseekers can have very different needs depending on the individual’s background and current support network.

The most disadvantaged job seekers include:

- People with workplace language, literacy and numeracy challenges
- Long term unemployed
- People with drug and alcohol substance abuse issues
- People with financial issues
- Indigenous people
- People with a disability
- People from culturally and linguistically diverse (CALD) communities
- Pre and post release prisoners
- Women looking for employment in non-traditional trades
Additional Individual barriers into employment can include;

- Lack of transport
- Lack of housing
- Lack of skills
  - work readiness and soft skills
  - Language and Literacy
- Technical skills

AEN also see many employers can have a bias and/or other barriers in place that reduces positive employment outcomes

- Lack of understanding and support structures needed to support individuals
- Poor employment practices / under payment of salary and conditions / workplace culture, bullying etc...

Examples of best practice in this area usually comprises of a strong support network for the individual and employer, and in an environment that is compassionate, flexible and that has strong communications with all stakeholders.

**How well current efforts, programs or activities meet the needs of disadvantaged jobseekers and/or employers looking for workers, and potential improvements**

Many of the issues facing disadvantaged jobseekers are well known and are trying to be addressed across local, State and Federal government. Unfortunately, AEN see poor application of support services with little coordination between governments and service providers, with some services duplicated and some gaps in provision.

Many government programs only address part of the problem with a service provision and expect the whole problem to be solved. Individuals are expected to understand the complex environment and manoeur around to the support services they need.

Many government funded programs also target upskilling and further training however in our experience if the training is not directly linked to an employment opportunity from the start individuals have very low completions rates with the training.

Employers also do not value the training shown on a resume, until they have employed someone to fill their specific needs, and invariably need to “re-train” individuals once they start the job. This adds additional costs to an employer as many individuals has “used up” the free government training entitlements to soon.

A stronger link to training funding when there is employment is the best way to utilise government funding.

AEN estimate that there are over 50 different government funded programs that try to address parts of the problem (Refer to appendix C: Existing Government funded employment & training programs)
Outcomes of efforts to encourage greater labour participation of disadvantaged jobseekers

Our experience has shown the quicker you can support an individual into an employment and training program the greater chance of long-term success. Having direct access to disengaged school leavers, new immigrants to Victoria or youth that complete school that do not want to continue with further education will ensure they become active members of the community.

The initial 3-6 months is critical to having strong engagement and reduces the individual reliance on government welfare and assistance programs.

Programs that can wrap around a wide range of supports and have direct linkages with employers have the best long-term outcomes. There are many examples of individual and larger community and industry programs that have achieved sustainable outcomes, unfortunately these examples usually rely on smart program design that can leverage of the existing complex range of services and incentives available. As trying to solve this problem with only access to a small part of the wide range of services and incentives available is extremely difficult.

Education and training needs to support disadvantaged jobseekers transitioning into work

Education and training plays an important role when improving the skills of an individual to be “job ready”.

Providing training so individuals understand employer expectations and have an underpinning knowledge around workplace health and safety, workplace communications and other entry level skills are vital.

The combination of employment and on the job training is the best solution for a sustainable employment outcome. In many cases in Victoria AEN see disadvantaged jobseekers with plenty of “qualifications” however employers do not necessarily value training without work experience.

Job specific skills should be left until there is an employment arrangement in place, as employers will have their own specific requirements.

Apprenticeship and traineeships combine employment and workplace training and provides employers with an “entry level” role that can be built upon over time as the individual increases their knowledge and skills – this will also be recognised through an increase in wages in most industrial awards.
Interstate and overseas best practice models that could be implemented in Victoria.

The recent multi industry programs (MIP) delivered with funding support from the commonwealth government between 2016-19 is a strong example of how a program can support employers and disadvantaged jobseekers find the best match for sustainable employment outcomes utilising the apprenticeship / traineeship model. (Refer Appendix B & D)
References

Understanding employer engagement programs for disadvantaged jobseekers An exploratory study
John van Kooy, Dina Bowman and Eve Bodsworth 2014  Brotherhood of St Laurance

Insight – unemployment and disadvantage: Breaking the cycle
Victorian Council of Social Service, April 2015

Addressing Disadvantage in Southern Melbourne: Towards Outcomes
TACSI & Regional Development Victoria June 2017

Appendix A: Apprenticeship Employment Network - Background

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. This network employs over 24,000 apprentices and trainees and is the largest employer of apprentices and trainees.

Within Victoria our members, employ over 6500+ apprentices and trainees across all industry sectors, the network comprises 10,000+ host employers – mainly small to medium size businesses.

AEN provides support services to build the quality, professionalism and capability of our network to enable them to deliver quality services and outcomes; and it offers leadership to its members through advocacy, negotiation and plays a pivotal role in shaping policy development. These functions are achieved by working with governments, industry and other stakeholders.

The core activity of our member organisations is the employment, placement and vocational training of people in our community. GTOs work within the quality frameworks of the Australian Quality Training Framework (AQTF) and the endorsed standards for GTOs. Alongside their core business many GTOs are also involved in targeted labour market programs, labour hire, the work of the Australian Apprenticeship Support Network (AASN), Employment Services, Disability Employment Services and various initiatives such as Indigenous Employment programs to improve access and equity within the Vocational Education Training (VET) and employment sectors.

AEN is unique in that it represents a network which not only spans the state of Victoria, geographically and across a variety of industries (traditional trade apprenticeships / skills shortage industries and traineeships), but represents an integrated network that has developed in a planned and structured way.
The AEN network has a strong understanding of the issues facing disengaged young people, when trying to transition into employment. AEN has various individual and specialised services to assist in achieving desired outcomes across a range of issues including:

- Workplace language, literacy and numeracy
- Long term unemployed
- Drug and alcohol abuse
- Family / personal issues / mental health
- Financial issues
- Indigenous
- Disability
- Culturally and linguistically diverse (CALD) communities
- Pre and post release prisoners (and reducing recidivism)
- Women in non-traditional trades
- Dealing with mental health issues
- How to manage difficult conversations

AEN has an existing risk management system that ensures that all projects comply with the wide range of State and Commonwealth legislation including:

- Children, Youth and Families Act 2005
- Child Safety Act 2015
- Crimes Act 1958
- Sex Offender Registration Act 2004
- Magistrates Court Act 1989
- Privacy Act 1988
- Criminal Procedures Act 2009
- Workplace (Occupational Health and safety Act) 2011
- Labour Hire Act 2018

AEN Vision - Statement of purpose

To support the vocational training and employment network to achieve skilled and sustainable employment for the community.

AEN Values

- The people within our industry are passionate about providing meaningful training and employment outcomes for the community.
- A trusted partner with members, government and the wider VET industry
- Teamwork and collaboration with our members, government and the community benefits us all
- Integrity, honesty and reliability ensure that we will deliver what we promise.
Appendix B: Group Training in Victoria - Background

Group Training was established in the early 1980’s by Government to support small businesses and to assist young people into apprenticeships (especially skill shortage trades and regional areas). Today Group Training Organisations employ over 7500+ apprentices and trainees across all sectors of industry and cover all regions of Victoria. GTO’s are the legal employer of the apprentice or trainee during the period of the apprenticeship, and provide a range of support services for the host employer and apprentice/trainee. This 3 way partnership of the GTO, business (host employer) and Registered Training Organisation (RTO) is important to ensure an effective support structure is in place during all phases of the apprenticeship.

GTOs provide:

- stable employment opportunities for young people;
- a hassle free supply of apprentices and trainees for businesses;
- rotation of apprentices/trainees to ensure continuing employment and a breadth of experience;
- a method of meeting skill needs in areas where employment cycles or the size of employers make long term employment difficult;
- a mechanism for placing out-of-trade apprentices; and
- a mechanism for ensuring future skill shortages can be addressed.
- An employment model to better support disadvantaged job seekers
Appendix C: Existing Victorian & Commonwealth Government funded employment & training programs

Victorian programs and initiatives

Jobs Victoria

Jobs Victoria supports Victorians facing barriers to employment into the workforce by consolidating all Victorian Government employment services into one system, making it easier for jobseekers to access the help they need to get work.

Jobs Victoria Employment Network (JVEN)

The Jobs Victoria Employment Network is the centrepiece of a new approach to employment assistance in Victoria. Through a network of specialist employment services, Jobs Victoria delivers employment assistance to people and places that need it most.

Other initiatives to support Victorians into work are:

JobsBank

JobsBank provides intensive support to long-term jobseekers with complex needs, and to the businesses who pledge jobs for them. Jobseekers participating in this initiative are drawn from groups in our community most a risk of being left behind. JobsBank sees government and business working together to support these Victorians into employment.

Youth Employment Scheme (YES)

YES creates structured training and employment opportunities for young people aged 15 to 24 years by supporting traineeships in the Victorian public sector. The program helps build skills and opportunities for local labour markets and provides career pathways for those who are disadvantaged in the labour market.

Youth Cadetship Scheme

The Youth Cadetship Scheme builds on the Youth Employment Scheme. It gives young Victorians a job in the public sector, accredited training and experience that will put them on the path to a meaningful career.

Major Projects Skills Guarantee (MPSG)

The Major Projects Skills Guarantee requires all Victorian Government projects valued over $20 million to use Victorian apprentices, trainees or engineering cadets for at least 10 per cent of the required labour. This guarantee gives young people, and workers looking to re-skill, experience and opportunities on Victoria’s biggest infrastructure projects.

Social Enterprise Strategy

The Victorian Government has launched Australia’s first Social Enterprise Strategy to improve sector support and ensure more social, economic and employment opportunities for disadvantaged Victorians.
Business in Transition Support (BiTS)

BiTS helps to reduce the impact of retrenchments, particularly in the manufacturing industry and regional communities. BiTS ensures business owners understand their obligations and responsibilities, helps workers to plan for their future after retrenchment and links to other agencies that offer services to the business and its employees.

Victoria's Automotive Transition Plan

The Victorian Government has announced its $46.5 million Towards Future Industries: Victoria’s Automotive Transition Plan, to assist workers affected by the closure of the major car manufacturing in Victoria to find new jobs.

Group Training Funding – Victoria

$3.1 million each year to support approx. 6500 apprentices and trainees through group training. AEN estimate there are over 150 field officer’s across the state to support the apprentice/ trainee and employer.

Various Training programs under WTIF and other initiatives that may have employment outcomes


Victorian Mentoring / support programs

LLNs http://www.llen.org.au/


AEN – GTO field officers AEN estimate there are over 150 field officer’s across the state to support the apprentice/ trainee and employer

ISSMA – (Commonwealth program)

Commonwealth programs and employment initiatives

jobactive

jobactive is the Australian Government’s way to get more Australians into work. It connects job seekers with employers and is delivered by a network of jobactive providers in over 1700 locations across Australia. ...

Wage subsidies

Wage subsidies are a financial incentive to encourage employers to hire eligible participants in ongoing jobs by contributing to the initial costs of hiring a new employee. Wage subsidies can help to build a business and give employers greater flexibility in their hiring options.

Restart - help to employ mature workers

Restart is a financial incentive of up to $10,000 (GST inclusive) to encourage businesses to hire and retain mature age employees who are 50 years of age and over.

Self-employment—New Enterprise Incentive Scheme (NEIS)

Individuals who are interested in running a new small business may be eligible to participate in the New Enterprise Incentive Scheme (NEIS), delivered as part of jobactive.

Work for the Dole

Work for the Dole places job seekers in activities where they can gain skills and experience that give back to the community and can help them find a job.

Social Enterprise Development and Investment Funds

The Social Enterprise Development and Investment Funds (SEDF) offer finance and support to eligible social enterprises to help them grow their business and increase the impact of their work in their communities.

Indigenous Procurement Policy (IPP)


ParentsNext

ParentsNext helps eligible parents to plan and prepare for employment by the time their children go to school. It now operates in all non-remote areas of Australia.

Seasonal Work Incentives Trial

This page includes useful resources for employers and seasonal workers.

Jobs Fair

Jobs Fairs aim to give people the chance to explore employment opportunities in their local community.

Career Transition Assistance

Career Transition Assistance is a new initiative to help mature age job seekers build their confidence and become more competitive in their local labour market.
Community Development Programme (CDP)

On 1 July 2015 the Community Development Programme (CDP) commenced. The Government has reformed the Remote Jobs and Communities Programme (RJCP) to deliver better opportunities for remote job-seekers and foster stronger economic and social outcomes in remote Australia.

Collaborative Partnership on Mature Age Employment

From 1 July 2018, a collaborative partnership on mature age employment will be established to encourage employers to create more mature age friendly workplaces and reduce age discrimination.

National Disability Recruitment Coordinator

The National Disability Recruitment Coordinator service works with employers across Australia to develop job opportunities for job seekers with disability.

Harvest Labour Services

Harvest Labour Services and the National Harvest Labour Information Service connect workers with employers in harvesting areas across Australia. Access to these services is not limited to people receiving income support payments.

Generation Success - youth employment initiative

Generation Success is an industry-led initiative that aims to combat youth unemployment in Australia. This page provides information for employers on how they can help young people connect with employment and work experience opportunities.

Supported Wage System

The Supported Wage System increases employment opportunities for people with disability through giving employers the opportunity to pay a productivity-based wage to people with disability.

Employment Facilitators

Employment Facilitators are an on-the-ground presence that work with retrenched workers in specific regions to connect them with training, job opportunities and to link them with other existing support. ...

Time to Work Employment Service

The Time to Work Employment Service is a new in-prison employment service targeted at Aboriginal and Torres Strait Islander prisoners.

Pathway to Work

Pathway to Work is part of the Australian Government’s $110 million Mature Age Employment Package announced in the 2017-18 Federal Budget to help mature age job seekers become more competitive in their local labour market.

Stronger Transitions

Support for the transition of retrenched workers into future jobs

Regional Employment Trials Program

Some regions are facing challenges in terms of employment opportunities and growth. In response to this, the Department of Jobs and Small Business will introduce the Regional Employment Trials Program across 10 selected disadvantaged regions, starting 1 October 2018.
Seasonal Worker Programme
The Seasonal Worker Programme contributes to the economic development of nine participating Pacific Island countries and Timor-Leste, by providing access to work opportunities in the Australian agriculture sector, accommodation sector in selected locations and tourism sector (the Northern... 

Relocation Assistance to Take Up a Job
Relocation Assistance to Take Up a Job is an Australian Government program that provides financial assistance to eligible participants who need to relocate to take up ongoing, full time employment. Relocation assistance helps participants find work outside of their local area and assists to...

General Employee Entitlements and Redundancy Scheme (GEERS)
The Australian Government provides assistance to people owed certain outstanding employee entitlements following the liquidation or bankruptcy of employers, this help is available through the Fair Entitlements Guarantee (FEG).

Launch into Work program

Employment Services Assessments
Job seekers with disability, injury, illness or other disadvantage may receive an assessment through the Australian Government to help find the most appropriate employment service assistance for them. These are called Employment Services Assessments.

Employment Assistance Fund
Employers may be able to get financial help from the Australian Government for equipment, modifications and services to support their employees with disability through the Employment Assistance Fund.

Priority Employment Area Initiative
The Priority Employment Area Initiative, including Local Employment Coordinators (LECs), ended on 30 June 2014.

Regional Education, Skills and Jobs Initiative
The Regional Education, Skills and Jobs initiative will help communities in regional Australia become more aware of Australian Government programmes that improve participation in education, training and employment in their region.

Skills and Training Incentive
A new Skills and Training Incentive will be introduced to assist older Australians update their skills and stay in the workforce.

Wage Subsidy Scheme
Employers who give jobs to people with disability may be able to get financial help from the Australian Government. This help is available through the Wage Subsidy Scheme.

Youth Jobs PaTH
Youth Jobs PaTH is a flexible new approach to youth employment. It is designed to support young people to gain the employability skills and work experience they need to get and keep a job. It also
supports employers to host internship placements and provides them with incentives when they take on...

Various Training programs and other initiatives that may have employment outcomes such as....


The above list tries to capture current and recent Victorian State and Commonwealth programs only. There would be hundreds of additional local government programs in place to support disadvantaged job seekers.
Appendix D: Multi Industry programs – Key Program Results

Overview
The Multi industry Pilot (MIP) is 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 pilot projects are on target to support over 2000 individuals across New South Wales, ACT, Victoria and Tasmania by the end of 2018.

As at the end of May 2019, we have delivered over 210 individual programs that have supported over 2500 individuals from secondary schools and unemployed youth.

1223 School based
1293 unemployed youth

MIP is designed to provide support to disengaged youth, secondary schools, parents and employers through the local group training organisation.

Support provided by the local GTO

- Understanding of local employment and training opportunities
- Coordination of the multiple work experiences
- Occupational health and safety
- Managing workplace expectations
- Coordination of the accredited and non-accredited training across multiple industries.
- Feedback, support and central communication to all stakeholders
- Assistance into employment/apprenticeship pathways (either direct employment or via a GTO arrangement)

Key aspects of the program.
Hands on experience and knowledge sharing across Multiple Industries/Occupations

Collaborative relationships between program stakeholders (TAFE/ RTOs, employers, employment agencies and GTOs) are critical to improving youth career pathways

Informed decisions to enter a vocational career pathway and the support to successfully gain and complete an apprenticeship or traineeship for those who choose this pathway
MIP provides practical and theoretical student projects. Themed project work and student research activities on a range of 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
- Career and further study pathways available in different industries
- Work experience at two or more hosts

Project Measures
MIP has a number measures to track the progress and overall results of the project including:

- Young adults’ knowledge of various apprenticeship/ traineeship and industries at entry and exit of project
- Participant’s assessment of value of various elements
- Assistance with participant’s career decisions
- Work experience host employer’s view of individual’s work and industry readiness, attitude and aptitude
- Work experience host employers view of the value of and input needed to host work experience
- Participants career pathway discussions and outcomes as identified at the 6 month milestone point post project completion.

Key Project Benefits & Results.
- Supporting regional areas to trial various trade/ career opportunities when low participation numbers in specific pathways are not viable for training providers
- MIP tracking at over 35% employment outcomes into apprenticeships
- 55% of all participants have changed their future training and career preferences once having experienced a wider range of vocational pathways available through MIP.
- Schools and employers building a stronger relationship with the GTO network to raise awareness and participation opportunities in apprenticeships
- Matching local employment needs with entry level training and multiple work experience opportunities. Allowing employers and youth to “trial” each other prior to commencing an apprenticeship.
  - provide businesses with greater access to appropriately skilled workers
  - improve job prospects for young people.
  - trial a new employer-led training model that provides job-specific training
  - trial a new model to create pathways for unemployed young people into long term work.
- Supporting disengaged youth into work/job led training opportunities
  Some programs have participants from a wide range of disadvantaged backgrounds including:
  - Social justice / community correction orders
  - Long term unemployed
  - Social / public housing tenants
  - People with a disability