

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into Labour Hire Employment in Victoria

Melbourne – 27 July 2004

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Group Training Australia Victoria.

The CHAIR — Good morning. We welcome John Glover, executive director; and Pam Jonas, manager, policy and research, for Group Training Australia Victoria. Welcome to the Economic Development Committee's public hearings. As you know, we have been given a reference by the government to examine matters pertaining to labour hire employment. You would have seen those references. I have a couple of housekeeping matters before we get into some questions and answers. In the main they are that you need to be aware that this is an all-party committee: it is composed of upper house and lower house members from the Labor Party, the Liberal Party and one member of the Nationals. Our job is to complete a report on the subject matter between now — we have had it for a while — and the end of the year. Our report goes to Parliament and the government will respond, but it may or may not accept the recommendations we make.

This is a formal hearing, so it is being recorded by Hansard and a transcript will be made. If at any point you feel that comments you need to make should be made off the record, let us know and we will discuss that, otherwise your comments will be recorded. Because it is a formal hearing what is said is recorded and is covered by parliamentary privilege, which brings with it certain rights and responsibilities. I do not imagine that there is anything in your presentation that you will need to worry about too much, but we need to make you aware of that at the beginning.

We received your submission some time ago, and we thank you for it. We have had about 25 submissions, so we have a lot to get through. I also need to make you aware that when we were in Canberra recently we spoke to Jim Barron and Jeff Priday from Group Training Australia Ltd. I think most of the members were at that meeting, so we learnt a little bit about what group training organisations do. Perhaps we can start off by allowing you to recap on your paper and make a few opening comments, then we will have questions and answers until about 12 o'clock.

Mr GLOVER — Thank you for the invitation to come and speak to you. The broadest intention in our submission today is to answer questions and to expand on our submission where the committee requests that. The two main points I seek to make at the outset about our submission are that group training, because of the nature of its work and how it has evolved, is very keen to make sure that its identity is not subsumed into labour hire in general. We believe that is a critical element in not only the work we do, but how we are supported within the community. That is a major concern for us. Nonetheless, as the submission outlines, we do recognise that we use mechanics that are similar to the mechanics used by the labour hire industry.

The other issue that is of very great importance to us is the issue of control of employees, particularly in relation to outsourced employees — that is, how the control factor is handled in terms of occupational health and safety and WorkCover issues. Because of the nature of the group training industry, the fact that it is a not-for-profit enterprise in the way we exercise it, cost factors are critical factors. There are a number of group training companies who have made representations to Group Training Australia indicating that this particular area of cost is becoming a crippling cost. We have not dealt with the extent of the crippling cost in this report. We believe it is an important point to bring here, but we have also dealt with this particular issue in another review that is going on in Victoria at the moment — namely, the review of the WorkCover Act.

The CHAIR — Are you talking about the Maxwell review?

Mr GLOVER — The Maxwell review, yes.

The CHAIR — Can you recap on the crippling costs? I did not catch that.

Mr GLOVER — The nature of group training is that we rely to a great part on the good nature of employers to assist us with the training of apprentices and trainees. Certainly there are commercial elements and cost factors, but group companies have to keep those cost factors to a minimum. Because group training companies are not in direct control of the outplaced apprentices, the costs that come about as a result of WorkCover incidents, increasing premiums and penalties that may flow from incidents over which they have no direct day-to-day control affect the viability of their operation. So where an incident occurs and where it is out of the control of the group training company it is a cost added to the operation of that apprentice, even though the group training company cannot recover the cost and cannot directly affect the day-to-day operations of that apprentice. I am sure it is a matter that will come up from other people who are involved in the outsourcing of employees.

In our presentation to the Maxwell review we indicated that not only is it a big issue in terms of the cost to the group training companies and their long-term viability — because we have to operate on very small margins — it is also a critical issue in terms of getting the safety message across because it acts as a barrier to affecting the person

who has the ultimate or maximum control. So our argument is that the way things currently operate, where the group training company and the host employer are both deemed to have responsibility, and indeed in the first instance it is always the group training company which is seen as the employer and which has the first line of responsibility, impedes getting the safety message across to the point where it should fall. We are not sure how important an issue that is in terms of this inquiry, but we are very definite about how important an issue it is in terms of our industry, and in terms of the long-term viability of what we do. We have not yet covered what we do and the benefit that has to the community and the state, but of course our submission pointed out that what we do and the benefit to the state is very significant.

The CHAIR — Does Group Training Australia Victoria have its own code of practice for its members?

Mr GLOVER — Yes.

The CHAIR — But I take it that not all group training companies that operate in Victoria would be members of the association?

Mr GLOVER — That is true.

The CHAIR — What coverage would you have of group training companies in the state?

Mr GLOVER — There would be approximately 30 group training companies operating in Victoria. At this point in time 23 of those are members of GTA Vic or our association. There are a number of limiting factors. To be a member of Group Training Australia Victoria you have to be a not-for-profit organisation. Clearly some of those 30 companies are for-profit organisations and therefore could never be members of GTA Vic as it currently operates. That is no comment on their operation; it is only an historical fact about our rules.

The CHAIR — And those seven or eight that are not members of the association by virtue of that qualification if that — —

Mr GLOVER — Sorry, I did not want to imply that all seven were not for profit. There are probably two significant companies outside of our organisation which are also not for profit but which for a number of reasons choose not to be members.

The CHAIR — Is it fair to say that group training companies that have been set up more recently are more likely not to be members of the association?

Mr GLOVER — Correct.

The CHAIR — Right. And you see more and more people getting into that line of business as new group trainers for profit?

Mr GLOVER — It is a very difficult question to answer. The short answer is no; however, in the past five years there have probably been four to five group training companies set up that no longer exist, so the survival rate for new group training companies is not very high. That is a commentary on the nature of the business and how difficult it is to operate in this area. The bulk of the group training companies that make up GTA Vic were companies that were started under the auspices of the state government back in the 1980s, hence the operation of our rules puts a great focus on not-for-profit activity.

The group training pattern in Victoria is quite different to that in other states. The Victorian government took a long-term view of group training at a very early point in time. As a result of that almost all areas of Victoria were covered with group training by the late 1980s. Other states did not take that approach, hence in other states you tend to have greater numbers of group training companies per head of population, if that makes sense. In New South Wales, for example, the number of group training companies is in the order of 60. A lot of those are very, very small operations, whereas in Victoria there was a direct focus on quality, strength and viability.

The CHAIR — I think you said in your submission that you have estimated the number of apprentices being trained at approximately 8500 in Victoria at this stage.

Mr GLOVER — That is correct.

The CHAIR — Which represents about 10 per cent of the total number. Is that tending to increase over time, or is that reasonably steady?

Mr GLOVER — At this point in time it is reasonably steady with a very slight increase.

The CHAIR — Both as a number in its own right and a proportion of those being trained?

Mr GLOVER — No, as a number in its own right. As a proportion of people being trained the percentage would be decreasing.

The CHAIR — Is that right? Okay.

Mr GLOVER — The training market in the past five to six years has changed in nature. For a variety of reasons there has been an enormous expansion in the area of traineeships, and a significant expansion in the area of companies training existing employees. Group training has always tried to make its comparison against entry-level training as opposed to the training of existing employees. Our focus is on the youth market — essentially school leavers — and on getting them into apprenticeships and traineeships. In terms of our actual numbers, they are very stable. They went through a period of decline towards the end of the 1990s and 2000, but have recovered from that point and are quite steady.

In the area of traditional trades our picture is quite the opposite. Group training over the past 15 years has maintained a steady increase in the number of people they have placed in traditional trades when the rest of the community has had a steady or dramatic decline. Group training needs to be seen as an anticyclical mechanism which can try to smooth out ups and downs in the labour market depending on the cause. It has more and less success, but this is really well demonstrated in the areas of traditional trades — group training has been able to have an anticyclical trend in this field.

Mr DELAHUNTY — I have a group training company in my area. I am based in Horsham in western Victoria. It has had a good record, but I am interested in your perception. I have not had this discussion with them, and I think it will help this committee in understanding the need why group training companies have played the role they have played over the last 15 years as against when I was a teenager, when most people went into apprenticeships with a company as such. Why has there been the development of group training to where you are now?

Mr GLOVER — Yes, it is a bit of a long answer, but when you go back into the late 1970s and early 1980s there was a declining economy and there was a lot of structural change in industry. As a result of that fewer people were being trained, but in addition to that people were being trained in narrower and narrower fields. Traineeships were not around yet and increasingly people like carpenters were being trained as framers or roofers but not in the whole trade. That was a major concern for the building and construction industry, which was one of the first industries to establish a group training company in the late 1970s.

For similar reasons the automotive industry had the same problem. People were doing mufflers, brakes and tyres, but they were not doing the whole trade. There was a major concern that the total skilling for the trade would be lost and also that there were not enough numbers of people being trained. The idea with group training was to take the fractional bits of training that were available with smaller employers — or those people who did not want to train at all — and then add all the bits up, so that is where the group notion came. You took all those bits, put them into a group, and you were able to train one apprentice.

Mr DELAHUNTY — In my area we have been through drought conditions for the last seven years. A lot of industries were concerned about the flexibility. They were nervous to take on apprentices and trainees because they were worried about their own survival. Was that part of the equation too?

Mr GLOVER — Absolutely, and your area probably demonstrates that clearly over the past four years. Group training companies are the employer, and they have the responsibility for completing the contract of training. If they cannot complete it with one employer they move the apprentice around and around until such time as that apprentice has completed their contract of training. In the Wimmera, because of the drought conditions, over the past four years they have found that there has been up to a 50 per cent increase in the number of rotations required to get someone to complete their apprenticeship. If group training had not been there those employers simply would not have employed. It is another good example, because one of my favourite things to talk about is

Donald. About five years ago Donald had no apprentices or trainees at all. At great risk and with no long-term economic viability the group training company in that area went to Donald and put a part-time person in Donald to work from there. Donald now has nine apprentices and trainees, and has had for the past three or four years. That is a demonstration of what group training does in rural Victoria.

Earlier I think I mentioned cyclical ups and downs. There can be different reasons for that. It can be bushfires and drought, spikes in the economic cycle or demographics. We have examples where group training is able to recruit people in Melbourne, and with the right kind of training, encouragement and support, encourage those people to migrate within Victoria to take up jobs in rural areas. We have such a program operating at the moment, where people from the Horn of Africa are being trained and relocated to Swan Hill and other areas in north-eastern Victoria.

The CHAIR — By coincidence we have a separate inquiry running on the economic impact of cultural diversity, and we have been to Swan Hill, and we learnt all about the Horn of Africa project; in fact we are writing it up at the moment — aren't we, Andrea? — as we speak.

Mr GLOVER — I am very pleased to say that one of the key partners in that project is a group training company.

The CHAIR — Well it is timely that you have mentioned it.

Mr BOWDEN — I would like to explore a couple of aspects of the use of the apprenticeship program in relation to specialised companies. I would imagine that there are many clients or host employers who may have specialised products. They might be metal work, bumper bars, door handles, plastic parts or whatever. Could you help me to understand the ability to rotate apprentices around in the plastics industry, the tooling industry or the metal industry? Is it possible for a small host employer to have an apprentice for, say, one week or two days a week? Do you actually work that way? I am a little unclear. Could you help me on that?

Mr GLOVER — Not quite that way. One of the very significant issues that group training must deal with is the quality of the training. Experience has indicated to us that very short placements are not ideal placements in terms of quality delivery and the development of competency. There may be times when it is necessary to do it, but a placement of a week would be considered a minimum placement and would be an emergency placement. Placements of less than a month, and ideally less than three months, would be seen as optimal minimum placements for apprentices or trainees.

Clearly in the case of trainees where the contract of training is shorter — and it may be as short as 12 months — a three-month placement requiring four rotations might simply be a good plan. In terms of a four-year apprenticeship, the delivery of competency may require more time on a particular skill acquisition area or in a particular kind of industry. For example, in some areas of construction, framing is relatively straightforward and fairly simple whereas the building of roof trusses on the spot rather than in the factory can be quite complex and a difficult skill. Similarly when you go into other areas, process machining on simple job lots might be a relatively simple skill to acquire; however, CAD/CAM and CNC machining takes it up to another level again, and you would be looking at longer periods of placement. The driving issue in assessing what is a suitable placement must always be first of all the safety of the placement, but from the training point of view the quality of the placement and the quality of the outcome, there is no hard and fast rule: there are just some good rules of thumb.

Mr BOWDEN — You mentioned earlier that the emphasis is on assisting and training younger people to enter the work force, but I think our economy in some ways has significantly changed and we are now getting an attitude that maybe a person has three or four distinct career-type profiles. I wonder whether Group Training Australia Victoria now looks at the 40-plus or older category to retrain and reskill?

Ms JONAS — It is certainly an area we have been looking at it. We do have a number of older age apprentices employed with our companies. I guess one of the things we are grappling with is that a number of those people who come into those industries, even if they are different from the industry they have previously been in, have a set of skills that are transferable. The issue of whether a traditional, if you like, three or four-year apprenticeship is suitable for an older age worker is something that often causes some problems because, as I say, they have sets of skills that they come in with and it may be the case only that they need to be reskilled in a particular area rather than completely skilled in a particular trade. There is an issue of time, and there is also an

issue of pay — regardless of the fact that they are paid at award rates — in terms of older workers coming into apprenticeships.

I suppose the other thing we see with younger apprentices, or young apprentices, is the issue you raised of changing careers or having a number of careers in their lifetime. We see that most apprentices who go through their full qualification stay on tools — which is a sort of terminology for staying in the job they have trained for — for some five to seven years, and after that they move either within that industry to the level of management or operate their own small business. So their skill sets change over that period of time. They may well train as a tradesperson in a particular area but their career will in fact take a number of twists and turns because of the way they apply their trade into the future, or in fact they may leave their trade altogether and go in a completely different direction.

Mr BOWDEN — I suggest that as a community we collectively will have to address the fact that the 40-something fit person who needs to work and is capable of working for another 20 or 25-odd years may need to go back and begin a traditional four or five-year apprenticeship. It is a society question, and it is a community question, but with our ageing demographics it is probably one that will increasingly emerge. It seems to me — and I would welcome your comments — that this might be fertile ground for Group Training Australia Victoria to consider.

Mr GLOVER — I think we can demonstrate, particularly in the construction industry, a long history of supporting adult apprenticeship, as it is commonly referred to in industrial terms. There are all the limitations that Ms Jonas has just outlined, but increasingly in budget submissions and our research frameworks we have recognised the need to be able to work with this group. Demographics alone indicate that skills shortage issues cannot be settled solely with industry level training with youth. There have to be some clever and innovative ways of dealing with over-45s. Experience makes me believe that group training as a mechanism has been very successful at evolving over the past 20 years to meet whatever the social or economic pressures of a region might be. The example is how it adapted to deal with drought and other issues in the Wimmera.

I think the issue with older workers is quite often not necessarily a front-end training issue as much as an issue of being able to recognise existing skills and capacities to work and matching them with employers' needs to get a job done. That is actually a new product that is not being sold anywhere in our community at the moment. That product is not recognised and there is not a mechanism as yet to do it. I think it is a great challenge for group training to take on.

Mr PULLEN — In your submission — and it came out in Sydney as well — you strongly contend that Group Training Australia Victoria is not part of the labour hire business in the state. In another submission the committee has received, the following comments are made — that group training companies:

... have expanded into labour hire activities and in many cases have developed large and complex networks. Whilst these arrangements can deliver worthwhile benefits some caution is necessary to reduce or balance the creation of traineeships as a means of supplying staff as compared to what we argue is a more correct concept of providing work experience and variety in support of people undertaking apprenticeships and/or traineeships. This may represent an area where training subsidies have created unplanned and at times inappropriate outcomes.

The committee has summarised the comments as follows:

GTCs deliver worthwhile benefits, but caution must be exercised to ensure that traineeships and apprenticeships are not created as a subsidised means of supplying staff.

Would you like to comment on that?

Mr GLOVER — The first thing I would say is that employment incentives are not the sole purview of group training companies; they are available to every employer. So if that argument is to be run at all it should not simply be run against group training companies, it should be run against every employer who is employing trainees and apprentices. Put quite simply, I refute the notion at all that incentives drive group training, because as I indicated earlier, their history and development predates employment incentives. It was not necessary for employment incentives to be about for group training companies to come into existence or to develop their process. Certainly incentives as they evolved for all employers have helped group training companies carry out their activities, but if you remove them for one you remove them for all.

I am trying to remember your quote as best I can, but it referred to group training companies becoming involved in labour hire and expanding into large networks. I would turn that around and say that group training companies had

large networks before economic circumstances required them to look for alternative forms of income. Some of them have looked to labour hire as another source of income to help subsidise what is almost a non-viable industry — namely, group training. Not many companies have opted to use labour hire, and I would suggest that labour hire as a part of any of the Victorian companies that I am aware of is a very small part, not a very big part; it has been developed only to get a synergy from networks and a host employer network that already exist.

What is true of group training companies is that the cost pressures constantly encourage them to look around for other sources of income to help them keep going. Indeed in the 1990s both federal and state governments took the attitude that if group training companies could not be viable they should close. There is direct encouragement to go out and find some other way of staying alive. Some group training companies became registered training organisations (RTOs), and some went into other areas of government contracting, such as job networks, job pathways programs, various work-for-the-dole activities and so on, all with the aim of maintaining a viable business. It is my view, to the best of my knowledge anyhow, that no group training company in Victoria is a significant labour hire deliverer beyond their core activity of group training.

Ms MORAND — I would like to follow up some comments you made in your introduction. Firstly, you talked about the crippling costs. I wonder whether you could give the committee some specific examples in dollar terms of what you were referring to. Secondly, in talking about the Maxwell inquiry and responsibility for occupational health and safety, do you believe group training organisations should have any responsibility for the safety of your apprentices?

Mr GLOVER — In regard to the crippling costs, I probably cannot give you examples in dollar terms. However, we did provide factual evidence to the Maxwell review, where we gave the example of one company which because of its WorkCover premium costs — —

Ms MORAND — One company, so it was not a group training organisation?

Mr GLOVER — A group training organisation, yes. It was one of our member companies. We showed, only by way of example, how that company was in jeopardy because of the escalating costs. The escalating costs were largely a result of issues that were beyond their control.

Ms MORAND — Such as?

Mr GLOVER — I cannot recall the exact incident in this case, and I do not know whether I would be able to repeat it, but when a host employer is a very mobile enterprise, say a maintenance carpenter or maybe in some cases hospitality catering-type activities, the host employer would reasonably expect the apprentice or trainee to be mobile with their enterprise. So someone, an electrical contractor for example, might be on four or five different work sites in a day. It is impossible for the group training company to know where that apprentice will be and to be held accountable. However, the law does hold them accountable because they are deemed to be the employer. So any cost impact as a result of safety issues is borne by the group training company and not by the host employer. That is where the cost is crippling, because group training companies have to squeeze their margin.

Group training companies are not funded by government to operate. The bigger percentage of group training companies in Victoria would have a performance and funding agreement with the state government, and that would represent between 1 per cent and 4 per cent of their operating cost. The rest of their operating cost is recovered from industry through a charge-out rate. So in fact industry is funding the operation of group training in Victoria, not government.

You cannot keep increasing that cost to industry ad infinitum. In the end industry will say, ‘You are too costly, I can do it better myself’, or, ‘I am better off not doing it at all and just using casual labour’. Most people in businesses are very good at doing their sums. It is hard selling group training, because it does cost industry more than it would if they did it in their own right. Industry has to accept that either they cannot do the training to the quality required without the involvement of a group training company or they do not have the security for the term of the contract without the involvement of a training company, but it will cost them more; hence anything that erodes or eats into the recovery margin and any time we have to add to the cost we get people reluctant to use us.

Ms MORAND — As to the second question about responsibility for health and safety?

Mr GLOVER — We would have to refute that. We believe group training companies in Victoria are very, very diligent about taking responsibility for their role in occupational health and safety for their apprentices and trainees. We have worked very closely with WorkSafe Victoria for the past five years in developing placement guidelines. Those guidelines represent an industry checklist about the safe placement of apprentices and trainees. It is a industry checklist for group training companies, but we would argue it is also a minimum standard for anybody placing apprentices, trainees or indeed any employees. We are not responsible for the rest of the people; we are responsible only for our own. We believe we have acted beyond the normal role in that we initiated this ourselves; we developed it all at our expense with our own resources, but — I have to be careful how I term this — I say with the approval of WorkSafe Victoria, because it was done all the time with its involvement, with its knowledge and being mindful of all its comments about the directions in which we were going.

Mr DELAHUNTY — I have read through your submission, and I just want to go further on what Ms Morand raised. To me it seems you are pushing some of the responsibility back to the host employer in relation to training, and particularly in relation to rehabilitation and return to work. I would love you to tell the committee how you would practically see that working. It is all right and it is easy to say that you want the host employer to take up more responsibility for training, but the committee wants to see the practical results of that, and particularly also in relation to occupational health and safety and rehabilitation. In your submission you are saying you want those roles clarified. The committee is looking to you for advice on how you believe that would work in practice.

Mr GLOVER — I think in terms of correctly identifying who has control of the employee at any point in time, that has to be seen to be the person giving the work directions and the person carrying out the day-to-day supervision. I do not think there is much doubt about that; nor do I think there is any doubt about what that means. If the host employer also has their own employees at the same time it is very clear what that employer's obligations are to those other employees. The obligations of that person to the group training apprentice should be no more and no less. In terms of rehabilitation, I think group training companies are becoming better skilled and better able in terms of occupational health and safety to a point where indeed in some cases they have the capacity to advise and support small business in the community. It is a role that we have not investigated because it is a role we cannot afford to take up in our own right because we simply do not have the resources to fulfil it. However, it is something that we would be able to do. I think it is something that most group training companies would willingly do provided that they were supported to do that. I think because of the breadth of the nature of group training companies, not just in the area of occupational health and safety but across industries and across regions, and because they are skilled in industrial relations, recruitment and various other things, they can bring approaches and attitudes to rehabilitation that are quite often not present with any single employer.

Mr DELAHUNTY — I understand what you are saying, but it really does not answer the question of where the cost-shifting responsibilities should be. Where would you find it?

Mr GLOVER — I would not say it was cost shifting or responsibility shifting. I believe it is simply identifying responsibility correctly in the first place, because there is no doubt that when the WorkCover act was written it was written with the absence of group training considerations at all. Group training at that time was very small, and I know that approaches were made but the act had been written, it was already proclaimed. It was too late. Originally the act was written without any consideration of group training, and indeed labour hire mechanism at that time probably extended to Drake hire and not beyond, so it was seen as a white-collar activity not a broadly applied activity. So I do not believe that there is any shifting of anything. I believe that there is a growth of recognition about where things should be properly placed. I think that there are also opportunities to pick up capacities that exist within group training to make rehabilitation and WorkSafe activities operate much better.

The CHAIR — John, I want to come back to that point in just a moment if I can. Before that, there are two matters. Firstly, at some point could you and Pam provide Kirsten with details of state and federal legislation that governs the operation of group training companies? It is not directly relevant, but we would just like to have that information. Secondly, can you just briefly outline for us what compliance mechanisms are in place within group training companies and whether they differ in those that are part of the association from those in place in those that are not, to ensure that obligations are met to apprentices and trainees, because understandably and at any point in time a group training program could have hundreds of people on its books. What compliance mechanism or audits are done to say, 'Yes, in all cases that trainee apprentice is getting what he or she is entitled to'?

Mr GLOVER — If you like, there are almost three levels at which a group training company could operate. Under current legislation in Victoria it is possible for a group or any person in this room to establish a

group training company, put a sign on their door and commence employing an apprentice on the basis that he or she is a good and proper person and a good and proper employer. That is all that is required. The next step would be that if you wanted to be recognised nationally as a group training company and that there was consistency of standards and operation, there is a set of national standards for group training. These are managed by the Australian National Training Authority, and that responsibility is devolved to the various state training authorities, in this case to the Office of Training and Tertiary Education. Somebody wanting to be recognised as having achieved those standards would have to be audited against the eight national standards and then on would be audited once every three years as maintaining those eight standards. If you like, a third level would be that Group Training Australia Victoria has its own code of conduct, and that is a peer assessment process where peers are measured against each other in terms of maintaining that code of conduct.

The national standards are a very comprehensive set of standards. They were developed by the federal government and all states and territories. It was a consultation process that went for some three or four years, and I believe that the 30 group training companies that I referred to earlier have all satisfied those standards.

The CHAIR — Getting back to Hugh's point and Maxine's point, I do not want you to confuse our inquiry with the Maxwell inquiry. They are running in similar time frames but they are quite separate; nevertheless they are related, of course. But on page 5 of your submission you have called for the Occupational Health and Safety Act to be amended to clearly identify apprentices and trainees in the employ of GTCs as a distinct class of employee I take it from that what you are actually asking is that that modification be made for group training companies where they act as not for profits, because if it was not the case surely anyone can then say, 'Well, I am acting as a group training company for profit, and I want to get those exemptions or concessions as well'.

Mr GLOVER — Yes, that would be our position.

The CHAIR — Right. So if I go back one step then, you are arguing in effect that 'group training company' ought to be a title more restricted in use and restricted to companies that do not act for profit, and that would be the effect of having a modification. You have not spelt that out clearly —

Mr GLOVER — No.

The CHAIR — I see that as a distinction that is being presented in a sense — that group training works better where it is not tainted by the for-profit consideration. In fact that is its historic nature, isn't it?

Mr GLOVER — It is its historic nature. I have to say that the intention as you have just stated was not our intention. Our intention was to ensure that group training companies continue to be able to do what they do and remain viable. We were trying to look at fair and reasonable way of ensuring that. The WorkCover issues are a significant barrier. There is no intention to promote for profit or not for profit, one as being better than the other. I think that would be a fairly troubled area, because I am aware of for-profit organisations that operate in activities similar to ours and not necessarily the same as ours and I believe that the quality of training is beyond question. I think that there are some things that not-for-profit companies do because of the nature of their development that pastoral care is a very significant and important part of what we do.

The CHAIR — We have got a couple of minutes left, so are there any last questions?

Mr DELAHUNTY — What is the success rate of moving apprenticeships and traineeships into full-time employment? In my area it is very good. Have you got a figure? You might want to come back to us.

Ms JONAS — Overall it is very high.

Mr DELAHUNTY — If you want to come back to us and give that information —

Mr GLOVER — We have seen figures of 92 per cent, and that is a National Centre for Vocational Education Research figure as I understand it, and it is significantly higher than the conversion into ongoing employment from other forms or the more traditional form of apprenticeship and traineeship.

Mr DELAHUNTY — If you could give us those figures we would really appreciate it.

Ms JONAS — Yes, we can do that.

The CHAIR — Thank you very much. Our time is up. As we go through this inquiry we may have the need to come back and talk to you again, whether it is formally or informally. I hope that is not a problem. I suspect we will want to check certain things out and run some arguments past you in one way or the other. We do appreciate the time you have given us this morning. We will make sure that a transcript of today's proceedings is delivered to you. That should take about a week or so, and you will certainly get a copy of our report which is due by the end the year. Thank you for your attendance today.

Witnesses withdrew.