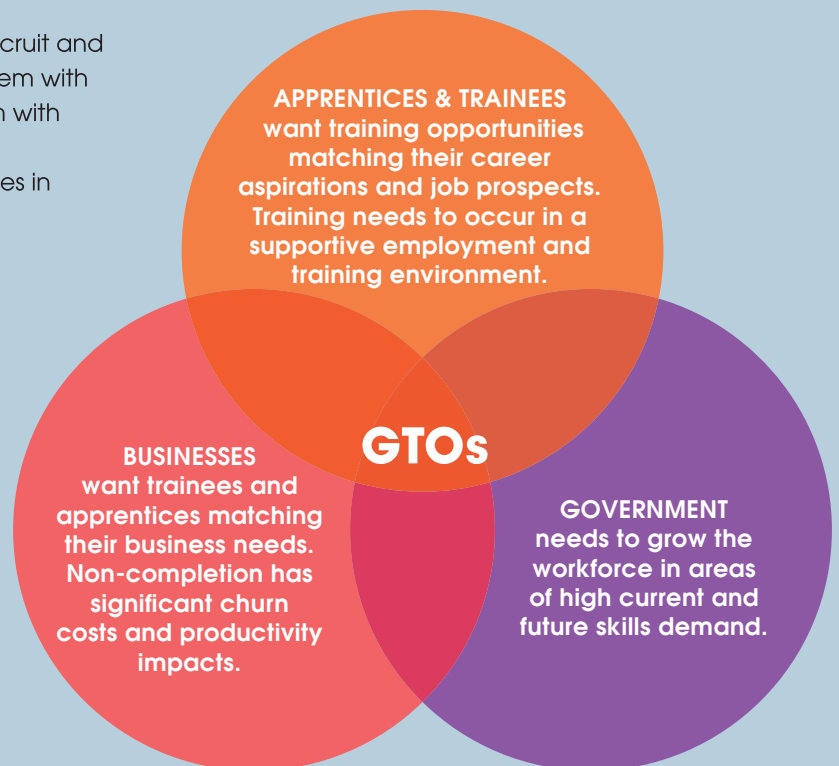


# THE GTO ADVANTAGE

**At a time when businesses, industries and entire regions are experiencing critical skills shortages, and non-completion is a key issue facing the apprenticeship and traineeship sector and the focus of many government policy initiatives, the GTO Advantage is more important than ever.**

## What are GTOs?

- GTOs are Group Training Organisations – they recruit and employ apprentices and trainees, and place them with businesses (“host employers”) who provide them with work and on-the-job training
- GTOs employ over 6,500 apprentices and trainees in NSW and ACT\*
- GTOs achieve higher completions than direct employers
- GTOs work with schools to promote apprenticeship and traineeship careers
- GTOs deliver career development and pre-apprenticeship programs
- GTOs are apprentice and trainee specialists
- GTOs ensure the right apprentice/trainee for businesses
- GTOs are the legal employer of the apprentice/trainee
- GTOs do all the paperwork, compliance and administration
- GTOs provide support and mentoring for the apprentice/trainee and business



The Apprentice Employment Network (AEN) NSW & ACT is the industry association representing more than 30 Group Training Organisations (GTOs).

In 2022 AEN NSW & ACT commissioned social impact specialists, Social Outcomes, to develop an evidence based report on the value GTOs deliver to businesses, apprentices and trainees, and government. The report analyses existing research and data regarding the role that GTOs play in advancing a skilled workforce across Australian industries and elevates the research through targeted stakeholder consultation and interviews with a sample of GTOs, host employers, industry contacts, government stakeholders and the industry association itself. This document summarises some key findings of the report.

\*Social Outcomes – AEN NSW ACT GTO Value Proposition Report May 2022



**Apprentice  
Employment Network**  
NSW & ACT



**social  
outcomes**

# THE GTO ADVANTAGE

- Engage with schools, employment services, career programs giving access to a larger pool of prepared candidates
- Screen applicants for work readiness relevant to employer
- Support through induction period
- Rigorous matching between hosts and candidates

## Recruitment, selection and induction outcomes

Right apprentices/trainees for the right employer, targeting business needs.

- Provide WHS, human resources, supervision, training & mentoring support
- Work with RTOs to ensure training is fit-for-purpose
- Support apprentices/trainees to complete off the job training
- Ensure compliant workplace conditions (safety, pay etc)

## Workplace support and training outcomes

Right training and workplace supports reduce employer burden and improve workplace relationships

- GTO takes on payroll, WHS & regulatory obligations
- Host handback guarantee
- Continuity of employment for apprentices and trainees

## De-risked employment relationship and reduced administrative burden

Employment obligations and regulatory compliance are transferred to the GTO

- Higher completion rates reduce costs of churn
- Fully qualified staff improve productivity
- Skills shortages filled

## Completion and employment outcomes

Employers access qualified people to fill business needs. Apprentices/trainees increase employment prospects and earnings

## VALUE FOR MONEY

GTOs provide specialist recruitment services, workplace supervision and mentoring support; take on legal and administrative employer obligations; and generate improved completion outcomes; at a price that generally reflects typical employee on-costs.

### The Evidence:\*\*

- Apprentices and trainees who commenced with GTOs in NSW achieved up to 74% completion rates, compared to 59% with direct employers
- Apprentices commencing with GTOs are more likely to be young, indigenous and doing a trade than those employed directly
- GTO support with WHS assessment and compliance, workplace supervision plans, training coordination and support, and holistic mentoring helps to prevent and address some of the key contributing factors to non-completion e.g. broken workplace relationships, poor workplace conditions, difficulty completing training requirements and personal issues impacting apprentice/trainee performance
- Concerns about the long-term commitment to an apprentice, together with the administrative burden and complexity of navigating apprentice payroll entitlements and subsidies, training requirements, and other government regulations, are barriers to taking on new apprentices. This is especially the case for SMEs specialised employers. GTOs can minimise these risks

### The ways GTOs help deliver government policy imperatives

- GTOs help fill skills shortages;
- GTOs promote apprenticeships among equity groups;
- GTOs can help place out-of-trade apprentices;
- GTOs secure higher apprenticeship completions;
- GTOs bring policy solutions to governments; and
- GTOs support governments as host employers

“It’s not worth it if it’s not your core business. The process, obligations, audits and so on are not worth doing yourself, trying to keep abreast of the changes. It’s just plain easier to do it with a GTO.

Large host employer interview

“Matching student interest and disposition to careers is crucial..., yet in the past very little information about apprenticeships has been provided to school students and students were often discouraged from pursuing this pathway... Matching the ‘right’ person to the ‘right’ employer is also crucial, highlighting the importance of career counselling and pre-employment training, such as pre-apprenticeships, which give students a taste before committing to the apprenticeship. This exposure provides students with a clear understanding of the trade... helping to reduce mismatches between expectations and reality\*\*\*

“Working with GTOs gets a better completion rate and a better ‘product’. This means better apprentices because someone has looked after them, made sure they went to TAFE and did well in training, and they are guided and mentored better than if we did it ourselves. Otherwise, they would just fend for themselves, but GTOs nurture and support them through the process to get the best out of each person.

Large host employer interview



(The GTO we work with) delivers good quality people. The GTO targets people who match our requirements and are suitable for the role, not just in skill set but personality and culture fit too. They take the pain out of finding people... We have fewer issues with GTO employees. Host employer interview

**Our core business is mining. Hiring kids is the easy bit, but the administration that goes with it - signing people up to training contracts, organising TAFE, organising the competencies they need to do, it's becoming a skillset of its own. It's easier to get expertise from people whose core business is training people, not mining.** Large host employer interview

We don't have to worry about the paperwork - what the GTO achieved in 8 weeks would have taken me 8 months. They take care of all the employment contracts, leave, government subsidies and so on, so we can just focus on the training. We don't have the resources to deal with all that. Host employer interview

**If I had my way, all apprentices would be employed through a GTO because that means all apprentices would get the entitlements, supervision and support that they need – and that is no easy thing to achieve.** Industry stakeholder interview

It's cheaper to use GTOs. If you look at the time, effort, and money it would take my team, I would need 4-5 people each getting paid more than \$100K and they would be doing the work of the GTO experts, which I can get for cheaper. Large host employer interview

**Some big businesses need support on the ground and acknowledge that they are not apprenticeship experts. The large companies also find it difficult to source diverse candidates and GTOs provide specialist help to do that, it takes a lot of effort to run targeted campaigns. They want local community procurement, not 'head office' recruits.** GTO interview



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