



RETAIL



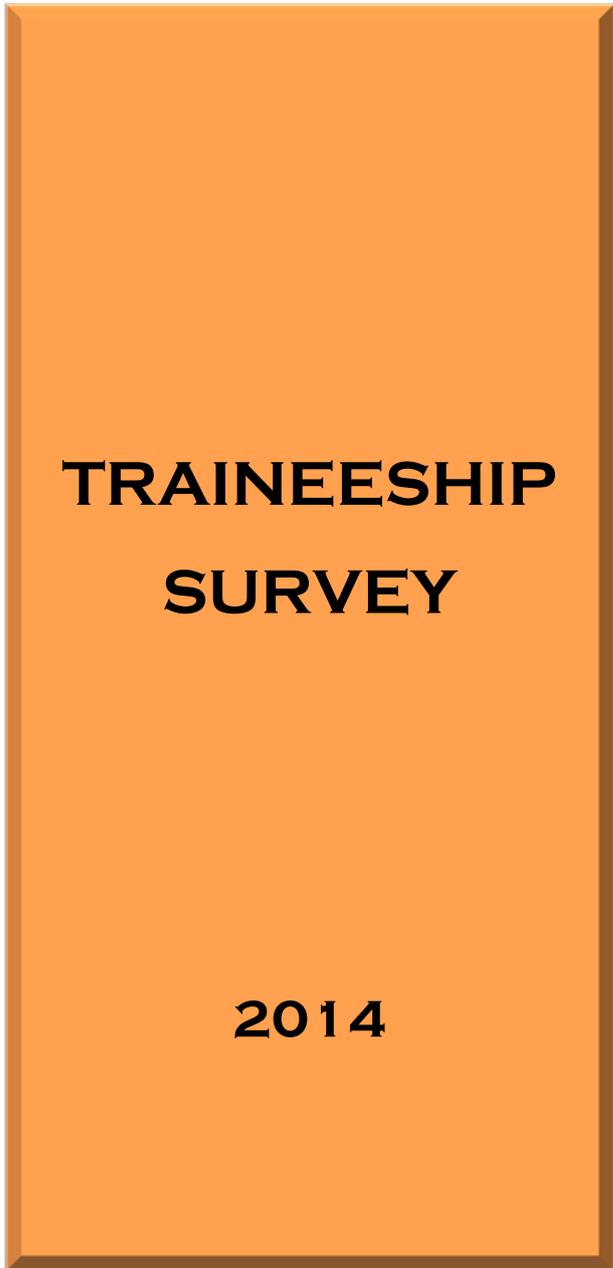
FLORISTRY



**COMMUNITY
PHARMACY**



FAST FOOD



**TRAINEESHIP
SURVEY**

2014





TRAINEESHIP SURVEY 2014

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TRAINEESHIP SURVEY 2014

Project Objectives

To establish reasons for the decrease in uptake of Certificate II, III and IV traineeships in the Retail, Floristry and Community Pharmacy industry sectors.

The uptake of traineeships in Certificate II in Retail have shown a marked decrease while the numbers in training in Certificate III and IV are not showing an increase to compensate this decline. The removal of employer incentives at Certificate II level is thought to have had a major impact on training in these industries.

The Retail and Personal Services Training Council undertook a consultation process with employers who had previously employed trainees to ascertain the reasons they no longer engage in the traineeship program.



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INTRODUCTION

One of the roles of the Retail and Personal Services Training Council (RAPS) is to help identify the training needs of industries under its coverage.

In May 2011, the Federal Government removed employer incentives for Certificate II traineeships, except for nominated equity groups such as Indigenous Australians, those in rural or remote areas, school based, mature aged and job seekers with severe barriers to employment. Additionally, from 3 August 2013, the Federal Government ceased the completion incentive payment of \$3,000 to employers engaging existing workers as trainees in non-priority occupations.

In July 2012, as a result of the 2012-2013 Federal Budget, further reforms were made to the employer incentive payments available for existing workers undertaking an apprenticeship or traineeship at Certificate 3 level or higher not listed on the National Skills Needs List. These reforms resulted in the removal of the standard \$1,500 commencement payment but an increased standard completion payment from 2,500 to \$3,000. However In August 2013, the Federal Government ceased these payments (for existing workers) altogether for non-priority occupations.

Russell Zimmerman, the Executive Director of the Australian Retail Association, considered that without the incentive payments to influence employers engaging in traineeships, enrolments into retail traineeships could decline by at least 50%. He believed that many employers had accessed existing worker incentives in favour of new entrant incentives, due to wanting to trial employees for longer periods of time and offer traineeships in recognition of performance. Mr Zimmerman stated *“this change will achieve a reduction in training and skills development and once again impact negatively on small business and employment opportunities”*.

A recent study by the Australian Workforce and Productivity Agency found that over the next five years retail employment is projected to grow by 8.9 per cent – 109,000 new jobs. The study also found that in order to address concerns raised by stakeholders for retail qualifications, it recommends that governments provide funding for Certificate II level qualifications in retail where a Certificate II is demonstrated to be the industry standard entry level qualification and preferably where the training is integrated with structured workplace learning.¹

It is evident from statistics obtained from The Department of Training and Workforce Development (see Table 1) that from the beginning of 2013, there has been a significant decline in the number of traineeships being commenced in Western Australia in the RAPS industry sectors. The RAPS Training Council decided to seek the views of employers who

¹ 2014: Australian Workforce and Productivity Agency in association with Service Skills Australia. Retail workforce study: Adapting to new and emerging trends. March 2014.



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have previously employed trainees in the community pharmacy, floristry, and retail sectors to determine what some of the reasons for the decline might be and to establish whether the removal of Certificate II employer incentives has had a significant impact.

Table 1.

Traineeship Commencements by qualification²

Qualification	12 months to 31 December 2011	12 months to 31 December 2012	12 months to 31 December 2013
Certificate II in Community Pharmacy	47	20	46
Certificate III in Community Pharmacy	129	204	199
Certificate IV in Community Pharmacy	10	11	13
Certificate II in Retail Services*	403	216	125
Certificate III in Retail Operations*	1,330	1,581	780
Certificate IV in Retail Management	387	301	328

* These are the new qualification titles

METHODOLOGY

In May 2013 the Department of Training and Workforce Development were approached and supplied a list of employers who had employed retail, community pharmacy and floristry trainees between 2010 and 2013.

In mid-August 1,373 surveys with reply paid envelopes were posted to employers of Certificate II, III and IV trainees in the Community Pharmacy, Floristry and Retail industry sectors.

Of the 1,373 surveys posted out, only 77 (5.6%) were returned completed and another 76 (5.5%) were “returned to sender” as the business was no longer operating.

The survey was conducted from August 2013 with the closing date extended to December 2013 due to the very small number of responses.

² 2013: GOVERNMENT OF WESTERN AUSTRALIA. Department of Training and Workforce Development. Training Records System: Cognos. December 2013.



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SUMMARY OF RESPONSES

- 32% of employers responded that the withdrawal of employer incentives was the main reason they are no longer able to afford to employ trainees, with another 27% citing lack of government funding or financial assistance. One business stated “they were disappointed to see the gradual reduction of funding to employers for trainees”. The amount of funding available to employers is always a consideration to this particular business as they prefer to pay all fees and are reluctant to impose traineeship fees on their employees.
- 23% of those who responded were unable to employ trainees due to the downturn in the retail industry and higher costs involved in employing staff, which has resulted in lower staff numbers. Some of the costs mentioned included: GST, insurance, workers compensation and superannuation (which they consider needs to be indexed).
- The time required to supervise trainees was an issue for only two employers.
- Two other employers thought registered training organisations (RTOs) did not give enough support, due to not being able to afford to visit more often, and one business stated they had experienced difficulty accessing floristry training in Karratha.
- 50% of employers responded that they are experiencing problems obtaining the right staff/potential trainees due mainly to: lack of work ethic and commitment, people getting highly paid jobs in the mines and the transient nature of the industry – ‘the crowding out effect.’
- Pharmacies, in particular, experience difficulty finding staff who are prepared to commit to completing a certificate who “*don't feel it is worth it unless they get a promotion into management*” and businesses stated that it would be preferable to have a Certificate II traineeship that lasts 12 months which can be extended to Certificate III if required - as it is difficult to get staff to commit for 2 years anymore.
- One Pharmacy only took on a trainee because they had support from the school and the Pharmacy Guild. They consider there “*needs to be more funding for these programs and to catch the young people while they are young and before they develop poor work attitude*”. Also that “*a pharmacy assistant was once seen as a “career” – and we need to get it back to that*”.
- Floristry and community pharmacy businesses, in particular, are finding they are retaining their trained staff longer, as the unemployment rate increases due to the downturn in the retail sector. The smaller pharmacies especially are retaining their trained staff as it is not cost effective for them to employ trainees. The comment was made that, as pharmacies must have trained assistants, they cannot avoid recognised training – however it may be



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more cost effective for them to employ older and qualified people rather than train young people.

- ◆ A number of employers requested that traineeships be retained whilst others requested funding for existing staff members who have been employed longer than three months, ie have existing worker funding returned.
- ◆ Many employees, particularly in the fast food industry, are either part-time or are immigrants, and are not eligible for funding.



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CONCLUSION

The survey proved to be costly and time intensive for the Retail and Personal Services Training Council with a disappointing return rate. However the employers who did respond were very clear that the major reasons for not employing trainees were:

1. The withdrawal of employer incentives and lack of government funding or financial assistance for small to medium businesses.
2. Employers were unable to employ trainees due to the downturn in the retail industry and higher costs involved in employing staff; this has resulted in lower staff numbers.
3. 50% of employers responded that they are experiencing problems obtaining the right staff/potential trainees due mainly to: lack of work ethic and commitment, people getting highly paid jobs in the mines and the transient nature of the industry – ‘the crowding out effect.’
4. Pharmacies, in particular, responded that they are experience difficulties finding staff who are prepared to commit to completing a certificate and that it would be preferable to have a Certificate II traineeship that lasts 12 months which can then be extended to Certificate III if required - as it is difficult to get staff to commit for 2 years anymore.
5. A number of employers requested that traineeships be retained whilst others requested funding for existing staff members who have been employed longer than three months, ie have existing worker funding returned.



QUESTIONNAIRE

**TRAINEESHIPS IN THE RETAIL INDUSTRY SECTORS
IN WESTERN AUSTRALIA**

Contact Details (optional)

Company Name:

Contact Name:

Address:

..... Post Code:.....

Telephone:Email:

1. Which industry sector do you represent? *(please tick)*

Retail Community Pharmacy Fast Food Floristry

2. Do you currently employ trainees? **YES/NO** *(please circle)*.

3. If **YES**, could you please provide details of:

Certificate Name and Level of Qualification (eg Retail - Certificate II, III or IV)	Number of Trainees

4. If you no longer employ trainees could you please advise of the reasons why not?

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5. Are there any additional comments or information you wish to add?

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Please use the additional page if you require more space for your responses.

