

# Apprentice scheme flop investigated

Claims have been made that an apprenticeship scheme was defrauded.

By **PAUL ROBINSON**  
WORKPLACE EDITOR

The Victoria Police has stepped up its inquiry into a government-funded apprenticeship scheme after it was placed into receivership this week.

Major fraud squad detectives said yesterday that former key officials from the Building Industry Group scheme had been reinterviewed over claims that up to \$1 million had been embezzled from the group since it began in the late 1980s.

Asked if inquiries were continuing, one police officer said: "We are right in the thick of it . . . we are taking it very seriously."

The squad was called in two years ago to investigate the BIG scheme after board members found evidence of fraud and the alleged diversion of funds to other companies.

Police have also examined allegations of theft, forgery, double-dipping of state and federal funds, "phantom" Aboriginal apprentices and credit card abuse. No charges have been laid.

Administrator Lowe Lippmann, appointed after the collapse of the BIG scheme last week, has advised the scheme's 210 apprentices that they no longer have work.

The apprentices were placed with host employers who, with government subsidies, funded their jobs and provided a tertiary education.

Master Builders Association executive director Brian Welch said the association, which runs a rival placement scheme, would try to place up to 50 of the apprentices. Building unions have also begun a campaign to encourage builders to hire the rest.

Premier Steve Bracks said the government would work with employers to maintain training arrangements and would ask other operators to take on the remaining apprentices.

BIG scheme board member and Construction, Forestry, Mining and Energy Union secretary Martin Kingham said the collapse followed a two-year struggle to repay debts incurred through alleged mismanagement and double-dipping into government subsidies.

"Even with the back debts, BIGs was trading OK, but the government has imposed a limit on the quota of apprentices to be placed in the next round," Mr Kingham said. "That wiped out the long-term plan to repay the debt and left us with no responsible alternative but to place the company into the hands of an administrator."

After the embezzlement allegations were made in 1999, *The Age* revealed 14 employees left the BIG scheme, including the then company secretary and chief executive, Mark Butcher, a former union official.

Mr Butcher told *The Age* in October, 1999 he knew nothing of any financial irregularity. Denying any impropriety, he said allegations made against the BIG scheme administration had nothing to do with his decision to leave the company.