

Australian Government Response

Apprenticeships for the 21st Century Expert Panel Recommendations

Recommendation 1

Establish a National Custodian to oversee reform that will ensure Australia has a high-quality Australian Apprenticeships system that:

- responds to the needs of the economy
- supports nationally consistent standards for employment and training of apprentices and trainees
- focuses on retention and completion of apprentices and trainees
- supports high-quality skill development to ensure all apprentices and trainees have well-rounded and highly respected skills required by the economy.

As a first step an independent taskforce should be established to work with the eight jurisdictions to align their systems and develop a framework and process for the establishment of the National Custodian. The taskforce would be led by an independent chair and have a representative from each state and territory government, a union and an employer group.

Australian Government response

The Australian Government is committed to building a high-quality and nationally consistent Australian Apprenticeships system which supports apprentices, trainees and employers and responds to the needs of the economy.

The National Workforce and Productivity Agency will provide advice on the Australian Apprenticeships system to ensure it is building the skills needed to support the economy.

The Government is working with state and territory governments to harmonise Australian Apprenticeships arrangements. At a meeting of Commonwealth and state and territory ministers on 25 November 2011, states and territories agreed to a set of principles to guide this work, including reducing barriers to moving across jurisdictions and ensuring greater consistency of declared apprenticeship and traineeship pathways.

Recommendation 2

Enhance the quality and effectiveness of the Australian Apprenticeships system by clarifying the roles and consolidating the number of stakeholders in the system, ensuring that services are provided by the most appropriate provider, duplication of service delivery is reduced and administrative processes are streamlined. The National Custodian would ultimately be tasked with this role and will require Australian and state and territory governments—in consultation with industry, unions and other key stakeholders—to work together. In the interim the independent taskforce would progress this work.

Australian Government response

The Australian Government is working with state and territory governments to ensure harmonisation of Australian Apprenticeships arrangements across jurisdictions. Agreement to progress these reforms was made by Commonwealth and state and territory ministers at a meeting on 25 November 2011.

Agreed principles for harmonisation, including reducing barriers to moving across jurisdictions and improving consistency of declared apprenticeship and traineeship pathways, will guide this work and progress will be reported to ministers on a regular basis.

Over the next two years, the Australian Government will fundamentally reform Australian Apprenticeships Support Services.

By creating central points of contact, Australian Apprentices and employers will have easier access to more effective services. This will eliminate duplication by service providers and clarify stakeholder roles.

The Australian Government agrees that streamlined processes, greater clarity and improved service provision is essential and will work with state and territory governments, industry and other stakeholders to achieve this.

An important element of this streamlining will involve working with services to simplify administrative processes by rolling out e-business functionality.

On 29 October 2011, the Government released an open tender process for the provision of Australian Apprenticeships Support Services for two years (1 July 2012 to 30 June 2014). This tender process closed on 2 December 2011, and prompted a great response from industry.

The Government will continue to work closely with industry during this process of harmonisation and reform.

An Industry Consultation Group made up of representatives from employer groups, unions, Industry Skills Councils and training providers will be created to ensure that industry is kept informed of progress and given an opportunity to input into the process.

Recommendation 3

Establish a formal accreditation process for the pre-qualification and training of all employers of apprentices and trainees to ensure a nationally consistent minimum standard of high quality employment and training is provided. In addition establish an Excellence in Employment Scheme to recognise and reward those employers who have consistently demonstrated their commitment to excellence in training apprentices and trainees.

Australian Government response

The Government will support state-based initiatives to ensure minimum standards for employers of apprentices and trainees without creating an additional layer of accreditation.

Utilising the \$101 million Australian Apprenticeships Mentoring Package, the Government will engage with peak industry bodies to develop strategies that support employers to understand their responsibilities when employing apprentices and trainees.

The Government supports improving the quality of on-the-job training and acknowledges that state and territory governments already have a variety of strategies to address employers who do not meet minimum training standards.

The Government seeks to encourage all employers to aspire to high-quality workplace practices. The annual Australian Training Awards recognise and celebrate excellence in the sector.

Recommendation 4

Establish structured support for employers to provide high-quality employment and workforce development experiences for eligible apprentices and trainees. The focus of Australian Government support should be on assisting employers to provide high-quality on-the-job and off-the-job training through support services such as mentoring and pastoral care.

Australian Government response

The most effective way to improve Australian Apprenticeships completion rates is to better support the apprentice/employer relationship, including assisting employers to understand and fulfil their responsibilities.

The \$101 million Australian Apprenticeships Mentoring package, announced as part of the 2011–12 Budget, will support employers to provide a quality training and employment experience.

The Australian Apprenticeships Mentoring package and the Accelerated Australian Apprenticeships package, delivered as part of Australian Government Skills Connect, will simplify industry access to programs supporting skills development.

Reforming Australian Apprenticeships Support Services and working with states and territories to achieve a harmonised, national system will also ensure more effective support is available to employers. This work is already underway and will be guided by principles for harmonisation agreed at a Commonwealth and state and territory ministers meeting on 25 November 2011.

Recommendation 5

Redirect current Australian Government employer incentives to provide structured support services to eligible apprentices and trainees and their employers in occupations that are priorities for the Australian economy. While a wide range of occupations should be trained through apprenticeship and traineeship pathways, Australian Government support should focus on occupations that have tangible and enduring value for the economy—both in the traditional trades and the newer forms of apprenticeships and traineeships, such as community services, health services and information technology.

Australian Government response

The Government considers incentives could be simplified and better targeted to meet Australia's skills needs. The Government has commissioned an independent econometric review to identify support frameworks that will have the most impact.

The Australian Apprenticeships Incentives Program provides substantial financial support to employers and Australian Apprentices. The Government will consider options for reform of the Australian Apprenticeships Incentives Program to simplify and better target payments to more effectively support Australia's skills needs.

Effective support services are a vital feature of the Australian Apprenticeships system. The Government will reform Australian Apprenticeships Support Services and has introduced the Australian Apprenticeships Mentoring package to better support apprentices, trainees and their employers.

In response to the Expert Panel's report, the Australian Government has already taken initial steps to better target incentive payments. From Budget night 2011, access to the standard commencement incentive and the Group Training Organisations completion incentive for Certificate II level qualifications have been targeted only at Indigenous Australians, apprentices with disability, Australian School-based Apprentices, the mature aged, those in a rural or regional area and job seekers with severe barriers to employment.

Recommendation 6

Reinforce the need for a shared responsibility for the Australian Apprenticeships system by establishing an Employer Contribution Scheme in which employer contributions will be matched by the Australian Government. Employers who meet defined benchmarks for training and support of eligible apprentices and trainees would have their contribution rebated, either in part or in full.

Australian Government response

The Government does not support this recommendation as it believes industry is keen to cooperate voluntarily in a genuine partnership to improve the Australian Apprenticeships system.

Recommendation 7

Facilitate a cooperative and flexible approach by governments and industry bodies to allow for the continuation of both training and employment of apprentices and trainees during periods of economic downturn. Early intervention should be a key element of this approach. Support for a range of measures to be in place until economic recovery occurs could include:

- reduction of work hours offset by additional training
- increased off-the-job training
- placement with other employers within the industry
- increased mentoring and support.

Australian Government response

A flexible system that provides support where and when it is most needed, especially in minimising the damaging effects of an economic downturn, is essential for participants and the Australian economy.

The newly established Australian Government Skills Connect consolidates a number of skills programs to ensure workers can make the transition to areas where skilled labour is in strong demand.

The Australian Apprenticeships Reform package, announced in the 2011–12 Budget, includes two key programs that will deliver holistic workforce solutions under Australian Government Skills Connect: the Australian Apprenticeships Mentoring program and the Accelerated Australian Apprenticeships program.

Applications for the Australian Apprenticeships Mentoring program opened on 3 November 2011.

In addition, the Accelerated Australian Apprenticeships initiative will support alternative training pathway models aimed at increasing completion rates. Applications to participate in the Accelerated Australian Apprenticeships Program opened on 21 November 2011.

Recommendation 8

Formally regulate the quality of VET in Schools within the VET system to enhance the consistency and quality of training across all jurisdictions and to recognise the potential of VET in Schools as a pathway into an apprenticeship or traineeship.

Australian Government response

On 1 July 2011, the Australian Government established the Australian Skills Quality Authority (ASQA) to ensure nationally approved quality standards are met by the VET sector. Schools operating as registered training organisations are already regulated by ASQA, in addition to state and territory regulations.

VET in Schools is an important pathway to Australian Apprenticeships and the Government will continue to invest in quality program delivery, including through initiatives such as Trade Training Centres, National Trade Cadetships and Australian Apprenticeships Advisers.

Applications for funding are now available for the Australian Apprenticeships Advisers program as part of the Australian Apprenticeships Mentoring Package.

The National Trade Cadetship advisory panel plays an important role in ensuring the delivery of high-quality VET in Schools, and will provide important advice on the implementation of the National Trade Cadetship initiative, which could be utilised in developing new pathways to further education and training.

These initiatives will inform future directions for enhancements to VET in Schools programs.

Recommendation 9

Increase national consistency in preparatory training by directing the National Quality Council to develop definitions for pre-apprenticeship and pre-vocational training.

Australian Government response

The Government will work with Industry Skills Councils to improve national consistency in preparatory training and requirements for qualifications, which may be used in preparatory training programs.

Recommendation 10

Provide additional support for apprentices and trainees who face specific challenges, such as:

- Indigenous Australians
- disability
- located in regional or remote Australia
- having poor language, literacy and numeracy skills.

Australian Government support will be provided to these apprentices, trainees and their employers to assist in overcoming barriers to participation and completion of their apprenticeship or traineeship. Support will be through the provision of tailored structured support services and the continuation of some current Australian Government employer incentives.

Australian Government response

The Australian Government is committed to removing barriers to participation and ensuring that all Australians have the opportunity to reach their potential in the workforce.

Support for equity groups is a focus of reforms to the Australian Apprenticeships Support Services and will be considered in future frameworks of the Australian Apprenticeships Incentives Program.

The Government announced targeted support for equity groups in the 2011-12 Budget through the Australian Apprenticeships Mentoring program and through additional funding for the Australian Apprenticeships Access Program.

Recommendation 11

Implement a strategy to raise the status of apprenticeships and traineeships including promotion as a valued career choice for both males and females. This should be led by the Australian Government, in consultation with state and territory governments, industry bodies and unions. The National Custodian, when established, will lead the ongoing effort to raise the status of apprentices and trainees.

Australian Government response

Australian Apprenticeships provide important pathways to meaningful and valued careers for many Australians.

The Government has introduced an Australian Apprenticeships Ambassadors program to help raise the status of apprenticeships and traineeships as a valued career pathway for females and males alike.

Initial Australian Apprenticeships Ambassadors who have agreed to help promote Australian Apprenticeships include Mr Kevin Sheedy AM, Mr Andrew Ryan, Mr Neil Perry and Mr Cameron Ling.

As well as providing pathways for individuals, Australian Apprenticeships are essential to providing the supply of skilled labour needed by the Australian economy. The Government has recently commenced a campaign to encourage Australians to improve their qualifications, including through Australian Apprenticeships.

Recommendation 12

Promote a culture of competency-based progression in apprenticeships and traineeships, in partnership with industry bodies and employers. Additionally, a greater acceptance and achievement of competency-based wage and training progression should be supported by all stakeholders.

Australian Government response

The Australian Government sees competency-based wage and training progression in apprenticeships and traineeships as a priority area and will continue to promote competency-based progression through the Accelerated Australian Apprenticeships package announced in the 2011–12 Budget.

The Government is working with industry stakeholders to develop a model clause that supports a more flexible approach to training through the modern awards system and removes restrictions to competency-based progression from existing awards.

Recommendation 13

Improve the implementation of Recognition of Prior Learning (RPL) and Recognition of Current Competence (RCC) and support provisions for such recognition in modern awards to ensure that flexibility and mobility are supported.

Australian Government response

The Government is committed to increasing flexibility and encouraging mobility in the workforce through the implementation of Recognition of Prior Learning and Recognition of Current Competence.

The Accelerated Australian Apprenticeships initiative, announced in the 2011–12 Budget, supports the shift to competency-based progression, which will support the implementation of Recognition of Prior Learning and Recognition of Current Competence.

The National Apprenticeships Program, launched in March 2011, also allows Australian Apprentices to advance through their training as they demonstrate required competencies, to achieve a trade qualification sooner.

The Government will also support the inclusion of Recognition of Prior Learning and Recognition of Current Competence provisions in modern awards in any reviews undertaken by Fair Work Australia.

Recommendation 14

Support a review of apprenticeship and traineeship provisions, wages and conditions by Fair Work Australia, considering:

- the removal of barriers to competency-based wage progression in modern awards
- apprentice and trainee award pay compared to going rates of pay
- age, diversity and circumstances of commencing apprentices and trainees
- allowances (travel, tools, clothing, course fees)
- cost to apprentices and trainees of participation in an Australian Apprenticeship
- part-time and school-based arrangements
- recognition of pre-apprenticeship and pre-vocational programs
- supervision ratios for apprentices and trainees.

Australian Government response

The Australian Government agrees that a review of apprentice and trainee wages and conditions by Fair Work Australia is warranted, and intends to actively contribute to the review.

The Government recognises the close interaction between apprentice wages and conditions as well as Government incentives. The Government will consider these matters concurrently, to ensure that we maintain training effort and do not inadvertently damage the pathways for those seeking skills.

The Government will support an approach that includes recognition of competency-based wage progression, while also taking into account factors such as existing skills, experience and age.

The Government will support Recognition of Prior Learning and Recognition of Current Competence provisions in modern awards in any reviews undertaken by Fair Work Australia.