

2009

**Australian Apprentices
Taskforce – Final Report**

December 2009

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Introduction

This report records the Australian Apprentices Taskforce's activities from May to December 2009.

The Taskforce was charged by the Council of Australian Governments (COAG) in April 2009 to undertake urgent work and make recommendations to COAG to support the engagement and the retention of apprentices during the economic downturn. Under the direction of the COAG Senior Officials VET Reform Working Group (SOVRWG), the Taskforce prepared an initial Discussion Paper, followed by an Options Paper for further consultation and testing of options, which culminated in an agreed Taskforce Report and Action Plan which was forwarded through the SOVRWG for consideration by COAG at its meeting on 7 December 2009.

The report presents a factual account and chronology of the events and research findings supporting the proposals and identified support measures put forward by the Taskforce to mitigate the impact of the economic downturn on the apprenticeship system nationally. The Taskforce was mindful of the constraining fiscal environment and the urgent need to determine cost effective, immediate, as well as longer term viable and implementable measures.

The report covers the following:

- ◆ background and terms of reference
- ◆ agreed process including consultation and testing options
- ◆ commissioned research findings
- ◆ economic outlook and likely impacts on apprenticeship engagement and retention
- ◆ current support and global financial crisis (GFC) specific initiatives for apprentices/employers
- ◆ COAG outcomes from 7 December 2009 meeting

Overview

The Taskforce reform proposals outlined how Governments can intervene to meet the short term challenge of maximising the number of apprentices who commence and who complete and also about how Governments in partnership with industry parties can quickly strengthen the system and its quality over the next few years. This is essential reform to increase participation and productivity. The Taskforce advocated that strong business, industry and government partnerships are key to addressing the challenges of engaging and retaining apprentices and their employers to foster a more resilient economy.

Given that there are indications that the downturn in the Australian economy may be less prolonged than expected, there was good reason for the Taskforce to focus on those measures which will stimulate a more rapid recovery in apprenticeship commencements, ensure maximum retention of existing apprentices and reforms to strengthen the system to address emerging trades skills shortages.

The Taskforce argued that it is imperative to take action to grow, strengthen and revitalise Australia's trade apprenticeship system. Without urgent action Australia faces a repeat of the experience of the 1990s when commencements declined by around 25% (just as they have done nationally in the last year) and where it took more than a decade for the training rate to recover.

The Taskforce clearly understood that apprenticeships are only one pathway, albeit a most valuable and well established one, contributing to the achievement of the COAG goals of lifting educational attainment and up-skilling the existing workforce. Without discounting the important place of other education and training priorities in the creation of a more qualified workforce, the Taskforce has focussed its recommendations on traditional trade apprenticeships. These apprenticeships are concentrated in the occupations such as engineering and construction which are critical not only to our global competitiveness but essential to ensure there is an appropriately trained and skilled workforce to respond as the economy recovers.

The Taskforce strongly supports the need for a continued public policy focus on trades to ensure the sustainability of these reforms. In developing the essential reform initiatives the Taskforce focused on what is best for the apprentice and the industry – this is the path to ensure that duplication and waste are minimised and to enable a more streamlined, effective and transparent system.

COAG outcomes

The Taskforce proposals were considered by COAG at its 7 December 2009 meeting. COAG agreed to the following cost-neutral actions recommended by the Taskforce, to be developed and implemented through MCTEE, and to strengthen implementation of actions agreed by COAG in July 2009. Implementation guidance is outlined at Attachment 1.

Action 1

Develop and progressively implement a more seamless apprenticeship access, re-entry, deferral and support system with an implementation plan to be finalised and agreed by MCTEE.

Action 2

Develop and implement nationally consistent standards for training plans by December 2010.

Action 3

Work with the Industry Skills Councils to develop and introduce a reformed pre-apprenticeship system with increased opportunities to engage the 2010 senior student and early school leaver cohort in early 2010 and in subsequent years.

Action 4

Undertake an immediate review to re-prioritise apprenticeship and traineeship incentives to better target quality outcomes and commencement and retention of trade apprentices, including consideration of strengthened financial support for trade apprentices in areas of skill shortages.

Action 5

Work with industry to undertake a nationally consistent and targeted communication strategy and messaging to communicate the benefits of the trade apprenticeship system and to strengthen the training and apprenticeship culture and the mutual contribution of the industrial parties and governments to increased participation, employer engagement and quality.

Action 6

Facilitate, in conjunction with industry parties, the necessary agreements, administrative arrangements and support mechanisms to ensure that there is effective implementation of competency based progression and completion for apprentices.

Action 7

MCTEE to establish an action group prior to the end of 2009, chaired by an NSOC member and representative of jurisdictions and industry, to oversee the implementation of these agreed actions and to report outcomes to MCTEE prior to the end of 2010.

Action 8

All governments reaffirm their commitment to the 10% objective agreed to at the July 2009 COAG meeting.

Action 9

All States and Territories to strengthen immediately their mentoring and support for out of trade apprentices and those at risk of losing their apprenticeship.

Action 10

All States and Territories to provide regular and ongoing real-time apprenticeship data to NCVER for publication from March 2010.

Background

At its meeting on 30 April 2009, COAG¹ stated that:

All governments further recognised that during an economic downturn Australian Apprentices are more vulnerable. As an industry-led system, all governments acknowledged the need for governments and industry to work cooperatively to support Australian Apprentices.

COAG therefore agreed to the establishment of a time-limited taskforce, including industry membership, to undertake urgent work to support the engagement and retention of Australian Apprentices.

To undertake this urgent task the process outlined below was agreed in order to achieve the objectives outlined in the approved Terms of Reference for the Taskforce:

The Taskforce will recommend to COAG short and medium term actions to:

- a) provide immediate support for at risk apprentices and trainees to retain their employment and complete their qualifications;
- b) assist apprentices and trainees who have lost their jobs to continue their training and complete their qualifications;
- c) maintain or increase apprentice and trainee employment and training including possible reforms to improve apprentice and/or employer take up of training and improve completion of apprenticeship and traineeship qualifications; and
- d) improve the opportunities for young unemployed, at risk youth and existing workers without post school qualifications to achieve access to an apprenticeship.

Agreed process

An industry led taskforce was established during May/June 2009 to develop an urgent action plan to identify how best to support Australian Apprentices² during an economic downturn so that the Australian economy emerges from the downturn with an appropriately skilled workforce. The Terms of Reference objectives were developed into a short discussion paper and circulated to key stakeholders seeking their ideas and input. An Options Paper was developed as an outcome of the ideas and input from stakeholders and targeted actions and strategies were developed, refined and prioritised through research, critical analysis, consultation and testing with key stakeholders. Recommended proposals and support measures aimed to improve apprenticeship commencements,

¹ COAG -Council of Australian Governments. Full Communiqué at http://www.coag.gov.au/coag_meeting_outcomes/2009-04-30/index.cfm

² Australian Apprentice - An Australian Apprentice means a person who has a current Commonwealth Registration Number in relation to a full-time apprenticeship, traineeship or trainee apprenticeship under the scheme known as Australian Apprenticeships, but does not include a person whose registration number is suspended

retention and quality and strengthen initiatives already in place by the Commonwealth and States and Territories.

Taskforce established:

The Australian Apprentices Taskforce was established in May 2009. The Taskforce was co-chaired by Ms Simone Wetzlar, General Executive Manager – People, Health, Safety and Environment, Thiess Pty Ltd and Mr Julius Roe, National President of the Australian Manufacturing Workers Union. Membership included employer and employee nominees and Commonwealth and state government representatives. Liaison with all States and Territories and consultation with relevant experts and stakeholders and contemporary commissioned research helped strengthen development of actions and support proposed measures. The fourteen-member Taskforce met face-to-face on three occasions and regularly by teleconference to determine and progress issues and meet tight timeframes.

COAG endorsement:

The Taskforce submitted an Action Plan for consideration by COAG at its 2 July 2009 meeting. COAG endorsement was granted for immediate implementation of the following actions as recommended by the Taskforce:

- *when contracting for government stimulus and infrastructure projects, all States and Territories will aim to secure at least 10 per cent of the total contract labour hours to be undertaken by apprentices and trainees and those seeking to up-skill, where this does not result in unreasonable costs to business;*
- *all States and Territories will establish an out-of-trade register, and provide targeted job matching and mentoring services for apprentices and trainees; and*
- *all States and Territories will provide monthly data to the National Centre for Vocational Education Research (NCVER) to enable NCVER to report regularly to the Australian Apprentices Taskforce on emerging trends in apprenticeships during the downturn.*

COAG also requested that the Taskforce, under the direction of the COAG Senior Officials VET Reform Working Group, report back on implementation and further urgent actions to support apprentices during the economic downturn at the next COAG meeting.

Discussion Paper consultation:

To support its deliberations and assist in the development of strategies to mitigate the impact of the current economic downturn on apprenticeships and traineeships, the Taskforce circulated a Discussion Paper to key stakeholders during June/July 2009. Responses from fifty eight stakeholders were received reflecting significant support for the work of the Taskforce and the general direction proposed. Stakeholder feedback on the Discussion Paper was analysed and options developed for further examination.

Options Paper and testing:

During August 2009, the Taskforce's Options Paper, informed by research and stakeholder input, was circulated to key stakeholders of the apprenticeship system for final consideration and testing of the targeted options. Due to time constraints, the opportunity for testing was limited. However, sixty

valuable responses were received with overwhelming support for the options proposed. This enabled the Taskforce to make informed recommendations to COAG aiming to:

maximise the number of employers taking on or continuing to train apprentices now as well as to support apprentices and trainees to complete their training to enable increased productivity in an improved employment market.

Summary of the challenge – informed by research and stakeholders views:

In the year preceding the work of the Taskforce, more than 100,000 young people lost their jobs.

Without urgent reform action Australia cannot meet the challenges of the next decade including:

- ◆ The need to power a new wave of productivity through skills and innovation which must be based upon higher levels of broad based qualifications in the workforce
- ◆ Achieving the COAG targets³ if we don't have a stronger and more qualified trades workforce and the strengthened apprenticeship system required to achieve it
- ◆ The increasing demand for trades skills given the pipeline of nation building infrastructure and resource projects and the challenges of adaption to climate change and associated new manufacturing, retrofitting of buildings, transport, recycling and renewable energy
- ◆ The need to ensure that our workforce and our young people in particular have the broad based qualifications that enable them to have greater job security, more rewarding careers and to be a part of a flexible, productive and innovative workforce
- ◆ The clear evidence of an ageing trades workforce.

The Taskforce reviewed available research and commissioned further research from the National Centre for Vocational Education Research (NCVER) on current trends in Australian Apprentice commencement and cancellation rates⁴, and a consultant's review of international developments in apprenticeship systems. Using the outcomes from fifty eight submissions received and the contemporary research, the Taskforce further developed and refined actions and strategies.

Commissioned research by the University of Sydney's Workplace Research Unit⁵ and NCVER findings and contemporary state and territory statistics (Attachment 2) supported the proposals and strategies identified by the Taskforce to mitigate the impact of the current economic downturn on the

³ The pertinent COAG targets relate to lifting the proportion of Australians with post school qualifications, higher qualifications and the proportion of young people completing year 12 or equivalent and are summarised as follows:

- halving the proportion of Australians ages 20-64 without qualifications at Certificate III level and above between 2009 and 2020;
- doubling the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.; and
- a 90% year 12 or equivalent rate by 2015.

⁴ Karmel, T & Misko, J 2009 *Apprenticeships and traineeships during the downturn*, NCVER, Adelaide

⁵ Buchanan, J et al 2009 *From Preserving to Renovating Australian Apprenticeships: Insights from recent international experiences*. Workplace Research Centre The University of Sydney

apprenticeship system, and maximise the number of employers taking on or continuing to train apprentices now; as well as to support apprentices and trainees to complete their training to enable increased productivity in an improved employment market.

The commissioned research by the University of Sydney's Workplace Research Unit reinforced the views of the Taskforce that the commitment of industry, unions and governments to Australian apprenticeships needs to be strengthened through closer improved workplace culture, increased support and communications. The Taskforce believes in the importance of quality in the apprenticeship system, which was highlighted in the commissioned research. The Taskforce understands the need for quality to be encouraged through incentives to employers and providers and in the integration of on and off the job training.

The research undertaken by the Taskforce has shown that today:

- ◆ in skilled trade apprenticeships there has been a steep decline in commencements of up to 25% reflecting two main factors – the decline in employment and increase in redundancies in the industries in which traditional trades are based due to the global financial crisis (GFC) and the fact that subsidies are perceived to be significantly less than the costs of training an apprentice and therefore are insufficient to discourage redundancies;
- ◆ traineeships in community services and health areas where there has been no decline and in some cases increases reflecting two main factors – increased regulatory requirements for staff to have qualifications and the lack of any decrease in employment demand in the sectors; and
- ◆ traineeships in the service sector of the economy where there has been no significant decline reflecting two main factors – the relative resilience of consumer demand and employment in the sectors and the level of subsidies (both government and wage discounts), which remains valuable for employers.

The Taskforce embraces the COAG objectives of a more qualified workforce. Broad based qualifications which integrate work and learning are an essential basis for genuine flexibility, mobility, innovation, productivity and job security in the workforce. At the same time the competency based Training Packages upon which our industry trade qualifications are based do enable skills sets to be identified which can be important in upskilling and in ensuring that training can meet immediate demands. The flexible opportunities that competency based training provides should be maximised through all trades within, and building upon, the foundation of broad based qualifications.

The Taskforce believes that the partnerships that apprenticeship represents between work and learning, between the efforts of industry and government, and between broad education and practical workplace application are essential ingredients for the next wave of productivity and for a flexible, inclusive workforce and sustainable future. For this reason it is important that a strengthened apprenticeship system should remain the pathway to a qualified trades workforce.

The Taskforce determined that trade apprenticeships continue to offer good employment and career path outcomes. An apprenticeship should continue to ensure:

- ◆ a joint contractual commitment of the employer and the apprentice to the completion of an industry recognised qualification;

- ◆ a joint financial contribution by the employer, the government and the apprentice (including through time and reduced wages) to the development of a qualified trades workforce for industry;
- ◆ a broad based qualification outcome which enables a tradesperson to have a career path in their chosen industry and to have the underpinning skills and knowledge which goes beyond the particular machinery and work practices of a particular firm and enables workers to adapt to meet the requirements of a dynamic economy and future technological and organisational changes;
- ◆ the integration of on and off the job learning including a sustained period of structured on the job learning and practice.

However, the Taskforce believes that if the training and completion rates are to be lifted, the joint responsibility of the industry parties, the government and training providers to ensure the quality of the learning and employment experience must be strengthened.

In this context however it was essential for the Taskforce to examine what changes to the present administration, structure and delivery system for apprenticeships are necessary in order to overcome the identified problems. Completion rates are too low; the training rate has not been sufficient, even in some of the boom times; the growing numbers of engineering and construction projects in the pipeline; to deal with the ageing trades workforce; the need for a more highly qualified workforce, and many employers have not been prepared to invest in the training of apprentices especially in the current difficult economic times despite significant government assistance.

The Taskforce focused on:

- ◆ **Short term measures to lift completion and retention.** This is essential to protect the substantial existing investment by employers, governments and individuals and will reduce the extent of the downturn in apprenticeship numbers.
- ◆ **Short term measures to lift commencements.** This is essential to reduce the impact of the downturn on apprenticeship numbers.
- ◆ **Medium term measures to reduce the length of time before apprentice numbers recover and to lift the training rate over the longer term** (that is, the proportion of the traditional trades workforce who are apprentices in each of the key occupational areas). This is essential given the experience of the past two downturns. It is also needed to avoid skills shortages, better deal with future downturns, address the replacement of an ageing trades workforce, and contribute to the COAG objectives of increasing the proportion of the population with higher level qualifications.

Australian Apprentices Taskforce Roundtable:

An Australian Apprentices Taskforce Roundtable was held on 20 November 2009. It was attended by Deputy Prime, the Hon Julia Minister Gillard MP, Senator the Hon Mark Arbib, Minister for Employment Participation, Parliamentary Secretary Jason Clare, industry and employee bodies and senior DEEWR staff. The aim of the Roundtable was to bring government and industry together to address how action can be taken to grow, strengthen and revitalise Australia's trade apprenticeship system. The co-chair of the Australian Apprentices Taskforce attended the Roundtable and spoke of

the recommendations developed by the Taskforce to address current issues in the Australian Apprenticeships system to be forwarded to COAG for consideration in December 2009.

The Roundtable reinforced the need for strengthened support systems for employers and apprentices and emphasised that the quality of the training and workforce experience were key to the retention and completion of apprenticeships.

Economic Outlook at May 2009

Since mid-2008 a global financial crisis (GFC) originally stemming from a collapse of sub-prime lending in the US, broadened into a global recession:

- ◆ the economic outlook of Australia's major trading partners has been progressively downgraded, with Japan, Europe and the US now all in recession;
- ◆ Asian merchandise exports and global steel production have both fallen substantially since October 2008, driving major falls in Australian commodity prices;
- ◆ global equity markets have almost halved in value; and
- ◆ where scarce credit is available, very large yield spreads (300-500 basis points) on interest rates have created extremely difficult credit conditions for business.

For Australia, these difficult global economic conditions are reflected in reduced exports of bulk commodities, reduced business and dwelling investment, and slowing of both consumer spending and employment growth. In the 2009 Commonwealth Budget introduced in May, the Treasury forecast:

- ◆ negative economic growth of ¼%;
- ◆ a decline of 18½% in business investment; and
- ◆ an increase in unemployment of 2¼% to 8¼%.

These adverse conditions are reflected in the real domestic economy, with the Australian Industry Group (AIG) Performance of Manufacturing Index falling to an historical low of 30.1, well below the 50 point mark separating expansion from contraction. A large proportion of firms cited weak domestic and overseas orders. Some also pointed to a lack of credit; project cancellations; weak demand from the automotive sector and competition pressures.⁶

Likely Impacts on Apprenticeship Engagement and Retention

Given the very difficult credit conditions and sharp reduction in commodity exports, forecasts suggest the greatest impacts of the downturn will fall on construction, manufacturing and mining industries. These industries employ the greatest share of construction and engineering occupations, including apprentices.

There is evidence from past downturns that trade apprentice numbers are likely to be adversely affected. The National Industry Skills Committee (NISC) has compiled a report on apprentice and traineeship trends over the past two economic downturns in Australia.⁷ In both the early 1990's recession and the 2001 downturn, the numbers of trades apprentices in training fell, although the early

⁶ PMI April 2009 Australian Industry Group

⁷ National Industry Skills Committee, 2008 *Employment & Skilling Implications of the Australian Economic Slowdown*, TVET, Melbourne

1990's recession was much more severe and the fall in contracts was 25%. The numbers of apprentices in training did not recover to pre-recession levels until 1997, and this is likely to have impeded the recovery.

NCVER has compiled analysis of likely impacts on apprenticeships and traineeships during the downturn, and concludes there is already considerable evidence of impacts on apprentices, but not on trainees.⁸ NCVER finds trade apprenticeship commencements in the December quarter 2008 have fallen substantially on the corresponding quarter in the previous year in a number of areas, especially construction, automotive, and electro technology and telecommunications. These trades experienced an average fall of 19.3%.

Skilled trade apprenticeship numbers are highly affected by economic down turn in Australia. More importantly in the 1980s and 1990s recessions apprenticeship numbers were affected very severely and very quickly but took a decade to recover. Partly this is due to the fact that apprenticeships are concentrated in trade exposed areas of the economy seriously affected by global downturn such as engineering and manufacturing, and in construction which also tends to be very cyclical. Partly it is also a reflection of the youth labour market more generally. Because apprenticeship is directly linked to employment it is inevitable that commencements will decline in a downturn without other countervailing factors.

In the past state instrumentalities and government employers acted as a significant counter cyclical agent – they trained far more than they used. Likewise in this economic contraction Government and some private infrastructure programs have commenced and stimulus packages distributed which in theory should assist speedy recovery. In other countries there are important countervailing factors – co-determination of training in Germany slows any reduction in commencements, strong culture around training also can assist government subsidies, job creation schemes, and links to public infrastructure and other projects.

The other key area for intervention is of course to lift the completion or retention rates. In some ways this is easier to achieve than the creation of new jobs in a downturn. From an economy wide perspective, the extent of non-completion has long been seen as a problem. The costs of non-completion are believed to fall more heavily on employers given their concentration in the early part of the training contract period where drop outs are more frequent. There are also costs that accrue to the public funding authorities in terms of training subsidies and to individuals in terms of disruption to their skill acquisition.

The implementation of strategies that both maximise commencements and support the retention of apprentices and trainees in employment and training are now essential for medium and longer term recovery and growth in the Australian economy.

⁸ Karmel, T & Misko, J 2009 *Apprenticeships and traineeships during the downturn*, NCVER, Adelaide

Current Measures and Efforts by Australian Governments to Support Apprentices

Effective apprenticeship training takes place in a market environment that is heavily dependent upon the actions of both the demand and supply side of the equation. This makes the system highly sensitive to shifts in price relativities in the labour market, economic fluctuations in general, and shifts in technology and Government policy.

Attachment 3 summaries measures provided by the Commonwealth, States and Territories to specifically support apprentices. All jurisdictions make significant investments in measures to support Apprentices. Measures include:

- ◆ significant subsidies and tax rebates for employers;
- ◆ subsidies paid to apprentices and trainees to offset specific costs such as travel and accommodation, living away from home, uniforms, tools, and so on;
- ◆ information, placement, referral, mentoring and advocacy services;
- ◆ market intermediation through group training organisations, enabling a wider range of more specialised employers to host apprentices; and
- ◆ additional assistance to support participation of groups under-represented in the relevant occupations.

Australian Government Budget 2009

The Australian Government's May 2009 budget provided \$3.8 billion investment in Australian Apprenticeships over four years. This is in addition to providing \$145 million for Securing Apprentices measures. Extensive support continues to be provided by States and Territories and the Commonwealth.

Generally these arrangements or their precursors have been in place for many years, and of themselves, have not prevented significant reductions in apprentice numbers in past downturns.

The Budget announcement represents a strategic reconfiguration of financial support for the nearly 430,000 people currently undertaking an Australian Apprenticeship and their employers. In addition to the reconfiguration, the changes involve the extension of eligibility for some existing employer payments and greater administrative streamlining. For example, the \$3,800 Tools for Your Trade payment for Australian Apprentices in selected trade occupations, agricultural Australian Apprentices and, if in rural and regional Australia horticultural Australian Apprentices. This payment will replace the Apprenticeship Wage Top-Up payment, the Commonwealth Trade Learning Scholarship and the Tools for Your Trade voucher. The Commonwealth estimates that these new arrangements will increase the number of Australian Apprentices eligible to receive this support by up to 14,000 people annually.

Some previous programs were discontinued in the Budget, after low take-up rates, overly complex administration (in particular, administrative burden on employers and Apprentices, which could have impacted on take-up), and overlaps with other programs. In particular:

- ◆ The Apprenticeship Training (Fee) Voucher program was discontinued, after it was found to have a low take up rate and had been largely superseded by the Productivity Places Program, which funds the cost of training and qualifications at Certificate II level and above.
- ◆ The Increased Opportunities for School based Apprentices in the Trades program was abolished from 1 July 2009, given that take up rates for this program were low and there are a number of other overlapping programs that provide targeted assistance for school based apprentices such as:
 - Joint Group Training Program
 - Other State and Territory Government programs
 - Trade Training Centres in Schools Program which provides \$2.5 billion over 10 years
 - Schools Grants for on the job training measure which provides \$98 million over four years for grants to schools to enable students to undertake on the job training for one day a week for 20 weeks.

The completion of apprenticeships and traineeships

From an economy wide perspective, the extent of non-completion has long been seen as a problem. This raises the question of the extent that the causes are related to individual characteristics such as age, ethnicity, social background and prior education, or to environmental factors that occur in particular types of apprenticeship. The costs of non-completion are believed to fall more heavily on employers given their concentration in the early part of the training period where drop outs are more frequent. There are also costs that accrue to the public funding authorities in terms of training subsidies and to individuals in terms of disruption to their skill acquisition.

There have been a number of explorations of reasons for non-completion. Data from NCVER Apprentice and Trainee Destination Survey (NCVER, 2008) indicates that two-thirds of non-completers site employment-related issues (including leaving jobs or changing careers, losing jobs and redundancy, and poor interpersonal relationships with bosses and colleagues). Non-completers are also far more likely to have been dissatisfied with pay, and with on-the-job training.

In research using the Direct Entry Level Training Administration database (DELTA) for a submission to the Fair Pay Commission in 2006, it was found that the rate of cancellation for apprentices aged 14 and over from traditional apprenticeships was 49.4%. Further, apprentice wages only had an impact on cancellation in the first year of a training contract, with this variable insignificant in explaining cancellation in latter periods. Another study⁹ indicates that 20-24 year olds, relative wages appear not to be important in explaining the risk of cancellation at any stage of the apprenticeship.

A more significant factor in cancellation was reported to be recent changes in the structure of training provision that have disrupted continuity. In particular, where private training providers closed during the contract period, students tended to quit rather than transfer to other providers.

Harris et al¹⁰ found the major success factors for completion included:

⁹ Trendle, B 2007 Working Paper 44: The labour market and apprenticeship retention in Queensland's traditional trades variation, Department of Education and Training, Brisbane

¹⁰ Harris R, Simons M, Symons H & Clayton B (2001) 'Factors that contribute to retention and completion in apprenticeship and traineeships' in N Smart (ed) *Australian Apprenticeships: research Readings*, NCVER, Adelaide

- ◆ strong personal commitment by the apprentice to the training contract
- ◆ strong social support network including family, partner friends
- ◆ an initial placement that provides the individual with what they need to start and continue in the apprenticeship
- ◆ satisfaction with prior experience of the vocational or occupational area
- ◆ supportive workplace supervisors and managers
- ◆ a workplace culture which is supportive
- ◆ opportunities to participate in some form of structured training
- ◆ reliable transport
- ◆ availability of alternative career paths
- ◆ value placed on the qualification.

Apprentices form a group of retrenched workers that require specific consideration because of the nature of the training contract and existing training entitlements provided by States and Territories through User Choice arrangements. In most cases States and Territories have measures in place to support apprentices who are stood down or terminated, including retrenched apprentices.

Results of consultation

Over one hundred and thirty responses to the Taskforce's consultation and options papers were received from a range of stakeholders, including employers, employee representatives, government service providers, Group Training Organisations and Peak Industry Bodies. The submissions reflected significant support for the work of the Taskforce and the general direction proposed in the Discussion and Options Papers.

What the stakeholders said ...

...about maximising commencements and increasing completions

Consultation feedback reiterated the importance of maintaining the integrity of the apprenticeship model where productive work and structured learning are linked. However, it was acknowledged that more flexible methods of delivery should be explored to facilitate the ongoing training of new, continuing, and retrenched apprentices, to ensure that the demand for skilled tradespersons can be met when the economy recovers.

There was acknowledgement that the industries with the most significant reductions in commencements, and increases in retrenchments, should be targeted for assistance in the short term. As well as considering the impact on specific industries it was recommended that the Taskforce consider patterns in the regional distribution of effects of the economic downturn.

"Solutions need to be flexible, adaptable and able to be brokered at a local level. We recommend the creation of local hubs and processes to facilitate work and training retention strategies through collaboration between industries, enterprises and training providers which can provide customised solutions to local problems"

- Industry Skills Council

There was widespread support for assessing existing Commonwealth and State/Territory programs to ensure that they are simplified, and focussed on retention, new commencements and completions of apprenticeships and traineeships.

In supporting the need for simplification of the apprenticeship and traineeship system some feedback was provided that employers are confused by the overlap of apprenticeship responsibilities between the Australian Government and State and Territory Governments and that we needed to implement a national "best practice" apprenticeship system for the whole of Australia.

One suggestion raised by a number of stakeholders was to remove limiting eligibility criteria for incentives, eg Australian apprentices are not eligible for incentives if they have achieved a prior qualification in the last seven years.

Most respondents referred to financial incentives for employers and there was a range of suggestions on the form that these incentives could take including:

- ◆ an increased level of funding for employers in at-risk industries during the downturn
- ◆ a larger proportion of funding paid in the early stages of an apprenticeship (to balance the lower level of productivity)
- ◆ another payment on successful completion.

Other incentives that were proposed included:

- ◆ introduction of a recognition scheme for committed employers of apprentices, to be managed by employer bodies
- ◆ professional development opportunities for employers of apprentices on techniques to recruit and retain suitable individuals as apprentices – to be provided by employer bodies

In addition there was strong support for a nationally consistent communication campaign that includes a complementary package of key messages. The campaign should draw together all of the existing agencies, in all jurisdictions, to promote the common messages in a consistent way. A recurring theme in the feedback was the importance of a simple process to direct employers, potential apprentices and trainees, and other stakeholder groups to clear and simple information that meets their needs.

There was support for mechanisms to ensure employers of apprentices and trainees, in all states and territories, have access to a payroll tax rebate scheme.

Many submissions supported establishing industry focussed pre-apprenticeship programs as pathways for the recruitment of suitable apprenticeship candidates. Benefits included:

- ◆ providing participants with a taste of working in the industry prior to entering into a contract of training, leading to a reduction in the cancellation rate
- ◆ assisting in the recruitment of potential apprentices during the downturn
- ◆ shortening the period of the apprenticeship (where agreed credit arrangements are in place)
- ◆ exposing participants to workplace practice and enhancing future employment as an apprentice.

Respondents provided similar views on the features of a good practice pre-apprenticeship program, including utilising a combination of institutional training, workplace simulation and structured work placement; linked to training package qualifications; covering both technical skills and foundation skills; resulting in agreed credit towards an apprenticeship and involving employers in program design, the selection of participants and the units of competency to be undertaken.

“conditions should apply to the endorsement of a pre-apprenticeship program:
It should clearly identify how successful completion will contribute to credit for both competency and ‘time served’ against the requirements of a Training Contract; and
It should lead to, and be based on, a relevant Training Package Qualification.
...any credits that result from the successful completion of such a program should be applied to the commencement of the nominal term of the apprenticeship”

- Industrial Union

In consideration of the current economic constraints, most stakeholders were supportive of developing a nationally consistent approach for apprentices to defer or suspend their training contract if required, and support to re-enter the system with full credit. With such a system in place, out of trade apprentices may be encouraged to re-enter an apprenticeship arrangement at a later time and the investment in the initial training will not be lost.

While implementation of competency based progression and completion has been agreed nationally at a policy level, feedback from a number of peak bodies suggested that it is not being adequately progressed.

“Completion of an apprenticeship or progression within an apprenticeship is still rooted in the notion of time-served rather than competency based. Changing the mindset of employers particularly in small to medium enterprises (SMEs) and traditional trades is a longer term proposition but worthy of examination.”

- TAFE Association

...about retaining apprentices through the downturn

Most respondents supported flexible delivery arrangements, however, ten submissions from peak bodies including employer bodies, unions, and industry skills councils advised that care was needed in determining the overall quantum and timing of institutional training, cautioning that the integrity of the apprenticeship and traineeship system must be maintained. While the structure of the training program may change, the overall balance of on and off the job training is critical for job outcomes.

There were some varying views about the use of e-learning options, which may be due to the traditional nature of learning programs and student cohorts across industries.

A range of existing service providers were suggested as possible providers of targeted mentoring services for at risk apprentices/trainees and their employers – including direct indentured arrangements and Group Training Organisations (GTOs). The service could be in the form of case management and include strategies to keep the apprentice/trainee in employment and training. As previously mentioned, some feedback has suggested that solutions need to be flexible, adaptable and able to be brokered at a local level.

...about supporting out of trade/retrained apprentices

Similar to at risk apprentices, respondents were keen for support to be provided to out of trade/retrained apprentices. Actions could include mechanisms to record and track these individuals and the provision of intermediaries to case manage access to employment opportunities and continuation of off job training. It was generally agreed that these individuals should have access to government funding support, through existing government arrangements, to cover their living expenses while continuing training.

Provision of information about the arrangements put in place should form part of the national communications strategy proposed to support apprentices and maintain the development of Australia's skills base during the economic downturn.

“There needs to be a central information source on how to access apprentices, including how to develop a training plan for the remaining training that needs to take place. A national portal containing this information and providing access to State and Territory out of trade registers needs to be established and then promoted by relevant business and industry groups.”

- Peak Industry Body

Proposed Options for Taskforce consideration

The Taskforce supported that measures should be restricted to and directed at selected traditional trades¹¹. This does not mean that changes to the traineeship system should not occur but rather there are other processes and avenues to deal with identified issues in the traineeship system and ensure that the potential of that system is fully realised.

The Taskforce believes that it is important for Government, employers, and unions to continue to reaffirm the critical importance of the COAG objectives of lifting our investment in education and training and meeting the objectives set by COAG of significantly increasing the qualifications level of the Australian population and the equity of access to such increased qualifications. It is central to lifting our productive performance as a nation and to safeguarding our living standards, opportunities for quality employment and improved equality of opportunity.

Traditional trades apprenticeships are an important part of meeting these objectives. They are concentrated in occupations such as in engineering and construction which are critical to our global competitiveness. Many studies have shown that to be part of the new opportunities for productivity arising from developments such as the “knowledge economy”, “globalisation” and the “digital revolution” there is a need to narrow the divide between theory and practice, between institutional and workplace learning and to recognise and enable diverse pathways to learning throughout working life. Many studies have confirmed the good employment and career path outcomes for those who have completed a traditional trade apprenticeship. Despite the age of the traditional apprenticeship system it reflects many of the features required for learning to meet the modern challenges.

The Taskforce recommended proposals were in two parts. Firstly **recommendations to strengthen and revitalise the trades apprenticeship system** and secondly **recommendations to strengthen the effective implementation of the decisions COAG has already taken in response to the recommendations of the Taskforce.**

¹¹ By traditional trades -it means the occupations that comprise the Australian Standard Classification of Occupations (ASCO) Tradespersons and Related Workers Major Group, as follows:

- Tradespersons and related workers – not further defined (ASCO 40)
- Mechanical and fabrication engineering tradespersons (ASCO 41)
- Automotive tradespersons (ASCO 42)
- Electrical and electronics engineering tradespersons (ASCO 43)
- Construction tradespersons (ASCO 44)
- Food tradespersons (ASCO 45)
- Skilled agriculture and horticulture workers (ASCO 46)
- Other tradespersons and related workers (ASCO 49). The largest occupations in this category are hairdressing, cabinet-making and printing.

Attachment 1

Recommendations to strengthen the national trades apprenticeship system

The reforms we propose to revitalise the trades apprenticeship system are:

1. Seamless apprenticeship access and support system

- (a) Create a more transparent and easier to access apprenticeship system and end the confusing, disjointed and overly complicated mechanisms for navigating the current systems. The new system should be client centred and designed to maximise access for employers and apprentices.

We propose the creation of a seamless apprenticeship system with clear entry points into the system; co-ordinated information and support; and clearer simpler processes for entry, re-entry, deferral and successful completion. This would clarify entry points for job matching into an apprenticeship for employers, teachers, parents, out of trade apprentices and potential apprentices and better integrate the work of various agencies. It should also include the development of nationally consistent processes to facilitate deferral and re-entry into the system with maximum credit. Parents, employers and students should be able to access and understand the trade apprenticeship system in much the same way as they now understand the systems for entry, deferral and re-entry to the university system.

- (b) Create a higher quality education and training experience for apprentices and employers to increase participation and completions.

We propose that the support systems provided by State and Commonwealth agencies and by providers, group training organisations and industry parties be better coordinated. We also propose that this effort must be more strongly focused on the mentoring and case management support to apprentices and employers required to maximise the quality of the training and employment for apprentices, particularly in the early stages, and to maximise completions. Better coordination of the effort of various agencies, clarity of responsibilities and common standards and objectives will leverage greater benefit from existing resources. Consistent standards for the effective implementation of training plans to lift the quality of the training experience, for better coordination, for case management, and for independent dispute resolution should be finalised in consultation with stakeholders and implemented over the next twelve months. This should build upon, and be integrated with, the immediate support measures recommended for support of out of trade apprentices and to support completions (see recommendation 8).

Recommendation 1

COAG agrees to the Commonwealth and all States and Territories developing and progressively implementing a more seamless apprenticeship access, re-entry, deferral and support system. An implementation plan is to be finalised early in 2010 for approval by MCTEE in March 2010. COAG agrees to the Commonwealth and all States and Territories developing and implementing nationally consistent standards for training plans by December 2010.

2. Reformed pre-apprenticeship system

Provide a better introduction to an apprenticeship and enhanced pathways through a reformed pre-apprenticeship system which is better integrated into an apprenticeship, is more consistent, and which has a stronger focus on strengthening literacy and numeracy and other educational foundations.

Given the current downturn in apprenticeship opportunities the State, Commonwealth and local government agencies need to ensure resources are available for widespread pre-apprenticeship opportunities to engage the 2010 student cohort. This must include expansion of opportunities for pre-apprenticeships for senior secondary students.

The relevant Industry Skills Councils need to be charged with finalising reformed pre-apprenticeships for their industries consistent with our recommendations and formally integrated into training packages within six months. Together with the relevant jurisdictions they should also finalise advice on better integration into the year 12 certificate outcomes whether delivered in schools, by a registered training provider or in combination. The Taskforce believes that there are considerable opportunities to shift VET in schools effort into strengthened pre-apprenticeship programs, including in schools, and that this would maximise the potential of the trade training centres in schools program.

The Taskforce recommends that the reformed pre-apprenticeships should include the following features:

- ◆ programs with a range of duration including longer term programs (e.g. 6 to 12 month programs);
- ◆ include foundation skills such as literacy, numeracy, occupational health and safety, work environment (e.g. bullying, harassment), computer skills (to enable access to online training), and employability skills;
- ◆ programs drawing from units of competency from first stage of apprenticeship utilising a combination of institutional training, workplace simulation and structured work placement;
- ◆ ensure that the pre-apprenticeship is defined in the Training Package to ensure that industry is involved in the program design and to ensure greater relevance, consistency, articulation and credit;
- ◆ agreed competencies credit which will reduce the duration of the apprenticeship and provide for earlier wages progression;
- ◆ ensure that the pathways promote equitable access to apprenticeship and do not impose additional costs or barriers for disadvantaged groups; and

- ◆ improved schools/VET interface.

Recommendation 2

COAG agrees to the Commonwealth and all States and Territories working closely with the Industry Skills Councils to develop and introduce a reformed pre-apprenticeship system with increased opportunities to engage the 2010 senior student and early school leaver cohort in early 2010 and in subsequent years.

3. Reformed apprenticeship incentives

Reform the system of Government incentive payments for apprenticeship and traineeship to ensure that:

- ◆ they are more closely linked to the training effort and the costs involved;
- ◆ they promote and are responsive to the qualification priorities for industry, the economy and the workforce;
- ◆ they better reflect state and territory skills needs;
- ◆ they promote the delivery of quality on and off the job education and training consistent with the training plan; and
- ◆ they help maximise successful completions.

The Taskforce also calls for jurisdictions to consider some immediate re-prioritisation of incentives to stimulate trade apprenticeship commencements, retention and completions given the substantial decline in commencements over the past 12 months and the substantial social and economic costs of failure to retain current apprentices particularly in the current circumstances. There is no doubt that additional incentives can make a difference to apprenticeship commencements and completions.

In the short term the review of incentives should consider both the quantity of the incentive which is available to underpin the commencement of new apprentices and changing the timing of incentives in respect to apprentices presently in training to ensure that there is an immediate level of assistance available. Any proposed changes should not detract from the current completion payment incentives.

A process of continual review of incentives should be utilised to ensure effective targeting.

Recommendation 3

COAG agrees to the Commonwealth and all States and Territories undertaking an immediate review to re-prioritise apprenticeship and traineeship incentives to better target quality outcomes and commencement and retention of trade apprentices.

4. Strengthened relationships and messaging

- (a) Strengthen the training and apprenticeship culture and the mutual contribution of the industrial parties and governments to increased participation, employer engagement and quality.

Critical to this is the development of stronger relationships and clearer responsibilities for Registered Training Organisations (RTOs) and industry in the delivery of education and training and assessment of competency in accordance with the Training Plan.

Apprenticeship incentives, regulation and administration systems should all promote strengthened culture, engagement and investment by the parties.

Opportunities should be expanded for jurisdictions, AACs, RTOs, industry parties, and ISCs to implement and champion best practice activities and professional development opportunities and to support employers to recruit and retain apprentices. In particular, there should be benchmarks for employer and RTO partnerships, enhancement of programs to lift the engagement of workplace supervisors and assessors of apprentices and enhancement of the role of GTOs in engaging small to medium enterprise employers. Recognition systems such as Worldskills and Training Awards should be strongly promoted.

The overseeing body (recommendation 6) will need to identify and coordinate the role of various stakeholders and how this work can continue in a sustainable way in the interests of apprentices, employers and industry.

- (b) Effectively communicate the benefits of the trade apprenticeship system and how to engage with it amongst employers and potential apprentices and their families.

The Taskforce proposes the development of a stronger and nationally consistent targeted communications strategy and messages to promote the employment of apprentices and the value of quality apprenticeships that complements existing VET campaigns and links with the streamlined system and common access points (recommendation 1). Communications particularly targeted at the promotion of best practice examples, the use of the out of trade apprentices register and other initiatives proposed by the Taskforce is also required.

Recommendation 4

COAG agrees to the Commonwealth and all States and Territories work with industry to undertake a nationally consistent and targeted communication strategy and messaging to communicate the benefits of the trade apprenticeship system and to strengthen the training and apprenticeship culture and the mutual contribution of the industrial parties and governments to increased participation, employer engagement and quality.

5. Implementation of competency based progressions

Ensure that apprenticeship is flexible through the more effective implementation of competency based progression and completion.

The Taskforce proposes enhancement of the implementation of competency based pay progression and completion through work with the government agencies, industry parties and providers in targeted

industries to ensure that the following features are incorporated: competency sign off by employers and RTOs, professional development for RTOs, appropriate dispute resolution processes, agreed progression processes, and quality outcomes for apprentices and employers. These reforms will build on the successful model in engineering and remove some of the factors which have severely limited the take up of competency based progression and completion. Properly implemented the model rewards and encourages apprentices and more rapid skill acquisition whilst maintaining the quality and integrity of the apprenticeship and the confidence of the industry and the employer that competency has been achieved prior to progression. Essential to this is the strengthening of the apprenticeship culture (see recommendation 4) in the critical trade occupations and industries.

Recommendation 5

COAG agrees to the Commonwealth and all States and Territories in conjunction with industry parties facilitating the necessary agreements, administrative arrangements and support mechanisms to ensure that there is effective implementation of competency based progression and completion for apprentices.

6. Establishment of an oversight body

An overseeing body to implement Taskforce recommendations.

The Taskforce proposes that an overseeing group, either an existing or new body, be charged with overseeing/managing and facilitating the rapid and effective implementation of endorsed COAG outcomes. The overseeing group should be charged with developing an implementation plan by April 2010 and to identify responsible bodies and partners for each initiative for report back to COAG through the relevant Ministerial Council. The overseeing group should utilise regular real time data on apprenticeship commencements and completions in their implementation planning. A body such as the National Quality Council could take on this role due to their diverse representation inclusive of strong industry, government and union participation and direct reporting to the appropriate Ministerial Council.

Recommendation 6:

COAG agrees to MCTEE urgently establishing prior to the end of 2009 an action group chaired by an NSOC member and representative of jurisdictions and industry to oversee the implementation of those recommendations accepted by COAG and to report outcomes to MCTEE prior to end 2010.

Recommendations to strengthen COAG endorsed actions.

COAG at its 2 July 2009 meeting responded immediately to the urgent actions called for by the Taskforce. The Taskforce now propose measures to strengthen their effectiveness.

1. Strengthening the COAG 10% objective

COAG agreed to use the government stimulus and infrastructure projects contracts to maximise the employment of Australian apprenticeships by aiming to secure at least 10 per cent of the total contract labour hours be undertaken by apprentices and trainees and those seeking to upskill. We now propose some measures to ensure that this is implemented most effectively.

The Taskforce has reviewed the initiatives being undertaken by each of the jurisdictions in response to the COAG objective and recommends:

- a) That all jurisdictions should incorporate the following elements in their processes:
 - successful tenderers to be advised of a clear requirement which is designed to at least meet the minimum hours objective
 - there should be clear reporting requirements placed on successful tenderers at the initial stage, during and at the conclusion of the project
 - there should be sample auditing of whether claims are met
 - jurisdictions should advise the numbers of apprentices engaged on affected projects so that there can be some aggregate reporting of estimated outcomes to COAG. Where quotas have not been met states and territories are to advise COAG of action to remediate the situation e.g. letters sent to contractors suggesting compliance or they will jeopardise future work on Government projects
 - States and Territories consider a tool such as the on line site developed by South Australia, to assist successful tenderers to better understand the 10% objective and more easily implement and report on it
 - a systematic linkage to out of trades apprenticeship register and processes to facilitate take up of out of trades apprentices under the 10% objective (as implemented in South Australia and Western Australia).
- b) That coordinators general be requested to report on implementation.
- c) That an evaluation through NCVER be undertaken to determine the effectiveness of the 10% objective outcomes in each jurisdiction and report back to COAG.

Recommendation 7:

COAG agrees to the Commonwealth and all States and Territories immediately strengthening the implementation and reporting of the agreed 10% objective.

COAG agreed that all States and Territories establish an out of trade register, and provide targeted job matching and mentoring services for apprentices and trainees.

2. Strengthening mentoring and support for out of trade apprentices

We now propose some new measures to maximise the interventions to support those on the out of trade register and to maximise the numbers who remain with education and training and find a new employer.

The Taskforce noted that all jurisdictions have taken some action to implement an out-of-trade register/continuing apprentices placement service to assist apprentices/trainees whose training contracts have been suspended, cancelled or are at risk of being cancelled, and who are looking to secure employment, in order to complete their apprenticeship. In addition, employers have the opportunity to access and identify apprentices/trainees who meet their employment needs.

The Taskforce has reviewed the initiatives being taken by the jurisdictions and recommends: For the out of trade register/service initiative to be effective in increasing completion rates for apprentices jurisdictions need to ensure it is accompanied by:

- ◆ mentoring and support to both apprentices/trainees and employers, and:
- ◆ effective linkage and co-ordination of the work of various agencies and intermediaries particularly those at the local level who are best placed to provide early detection and intervention (including AAC, GTOs, Job Services Australia providers and State agencies):
 - -to provide early detection and intervention assistance and a case management approach around support, mentoring and new job placement;
 - to maximise the impact of the federal government bonus to employers who agree to take on out of trade apprentices;
 - to determine appropriate joint action, inclusive of affected industry parties, to respond effectively to group situations of apprentices at risk of retrenchment, more particularly young people up to 25 years of age;
 - to simplify and streamline access, processes and information about income support and allowances, and re-entry paths after time away from the industry; and
 - to work towards improving access for employers, apprentices, and support agencies by linking all jurisdiction out of trade registers/services.

Where industry and industrial parties are in agreement, some completion of off the job training during down times should be progressed whilst maintaining the integrity of the apprenticeship system. The Taskforce recommends urgent identification and execution of suitable and broader off the job training experience/s, to assist with retention and completion during the time of suspension, down time or out of trade situations. This should include consideration of training in green skills, higher level skills, and broader educational foundations especially targeting the inclusion of literacy and numeracy education. AACs, GTOs, Job Services Australia, RTOs, Skills Councils and State Agencies should be required by jurisdictions to facilitate this outcome. Programs such as the 370 Degrees program for electrical apprentices in Victoria which joined up State and Commonwealth programs to ensure apprentices were retained and continued their training during the downturn and received income support form a

model for this which should be considered more broadly. This initiative requires close monitoring and evaluation by key parties.

Jurisdictions exercise flexibility through the use of available relocation and travel support to provide apprentices who are suspended, on down time or out of trade with help to access training and new employers.

Jurisdictions should ensure that mentoring, support, coordination and flexible training arrangements in (a), (b) and (c) above are extended to cases where employers are proposing retrenchments in industry sub-sectors particularly critical to the employment of trades apprentices and where the employer commits to the retention of the apprentices. The AACs, State Agencies, Job Services Australia providers and RTOs should have a role in identifying such at risk apprentices and providing employers and apprentices with support.

The implementation of these enhanced processes should be coordinated through the overseeing group (recommendation 6). The Taskforce may provide some further advice on implementation options following consultation with members at its next meeting.

Recommendation 8:

COAG agrees to all States and Territories immediately strengthening their mentoring and support for out of trade apprentices and those at risk of losing their apprenticeship.

3. Monitor apprenticeship data more regularly and with less time delay.

We now propose that by March 2010 real time predictive data is available on commencements in major trades occupations to governments and key industry stakeholders on a regular and timely basis. Such real time data is essential for the effective management of the implementation of the measures proposed by the Taskforce. The Taskforce recommends that NCVER be charged with providing this data utilising the methodology developed by the Taskforce (see also recommendation 6).

Recommendation 9:

COAG agrees to all States and Territories providing regular and ongoing real time apprenticeship data to NCVER for publication from March 2010.

Attachment 2

Emerging National Apprenticeship Commencement Trends

A methodology for estimating emerging apprenticeship commencement trends was agreed by the Australian Apprentices Taskforce as a basis for all states and territories to use in developing a national picture. Apprentice new commencement data for the most recent months of the analysis period (6 to 8 months depending on the jurisdiction) has been adjusted upwards (estimated) to take into account the lags associated with the reporting/ registration/ approval of contracts of training.

Apprentice new commencements (All States aggregated and using adjusted data for 2009) excludes ACT and NT

	No. of apprentice new commencements
2007-08	80,284
2008-09 (estimated)	63,300
Change	-17,000
% change	-21%
	No. of apprentice new commencements
Jan - Jun 2008	48,780
Jan - Jun 2009 (estimated)	36,300
Change	-12,500
% change	-26%

Apprentice new commencements - main occupational groupings (combined NSW, VIC & QLD)

	Automotive & Engineering	Construction	Electronics & Telecommunications	Food
2007-08	15919	19073	9453	7292
2008-09 (estimated)	12500	13400	7500	6700
Change	-3400	-5700	-2000	-600
% change	-21%	-30%	-21%	-8%
	Automotive & Engineering	Construction	Electronics & Telecommunications	Food
Jan - Jun 2008	10579	11485	6155	3855
Jan - Jun 2009 (estimated)	7900	7400	4600	3700
Change	-2700	-4000	-1500	-150
% change	-25%	-35%	-25%	-4%

Attachment 3

Current support and GFC specific initiatives for apprentices/employers

Commonwealth programs

Current initiatives (Commonwealth): Program Name	Objectives
Apprenticeship Wage Top-up	To address skills shortages (ceases 31 December 2009)
Commonwealth Trade Learning Scholarship	To assist eligible Australian Apprentices in skills shortage area, working for small or medium sized enterprise or a Group Training Organisation (ceases 31 December 2009)
Tools For Your Trade voucher Initiative (\$800)	To ensure Australian Apprentices have the necessary tools to meet their employment needs (ceases 12 May 2009)
Tools For Your Trade cash payment	To provide financial support to Australian Apprentices (commences 1 January 2010)
Support for Mid-Career Apprentices	To encourage workers to upgrade their skills in a trade experiencing skills shortages – changes to Support for Adult Australian Apprentices 1 January 2010
Living Away From Home Allowance	To provide additional financial support where an Australian Apprentice has to move away from their parental home to participate in an Australian Apprenticeship.
Disabled Australian Apprentice Wage Support	To encourage employers to provides Australian Apprenticeship opportunities to people with disabilities
Assistance for Tutorial, Interpreter and Mentor Services for Disabled Australian Apprentices	To assist Australian Apprentices with disability to reach their full potential as a skilled worker and to ensure that they are not excluded from participation in the program.
Rural and Regional Skills Shortage Incentive	To boost training in rural and regional Australia
Commencement, Recommencement and Completion Incentives (for Certificate II, III and IV level qualifications)	To address national skills needs and encourage employers to engage people undertaking Australian Apprenticeships
Commencement, Recommencement and Completion Incentives for Diploma and Advanced Diploma qualifications	To address industry requirements for a more highly skilled workforce.
Innovation Incentive	To build Australia's competitive advantage in both emerging and traditional industries.
Mature Aged Worker Incentive	To provide support to mature aged workers looking to improve their skills to obtain work.
Australian School-based Apprenticeships Incentive	To provide a pathway from school to an Australian Apprenticeship.
Productivity Places Program	Provision of 85,000 training places in areas of skill shortages
Youth Allowance (including Austudy for over 25s and ABSTUDY)	To address national skills needs and encourage people to enter Australian Apprenticeships

Current initiatives (Commonwealth): Program Name	Objectives
The Trade Training Centres in Schools Program	To enable all secondary schools across Australia to apply for funding to construct and operate Trade Training Centres providing students with Certificate III or above qualifications in trades experiencing skills shortages or in emerging industries.
Joint Group Training Program	To provide Group Training Organisations (GTOs) with funds to develop strategies and initiatives which encourage and improve the commencements and completions in Australian Apprenticeships in line with nationally agreed priority areas across skills, clients and geographic locations. Funding is provided on a 1:1 basis between the Australian and State/Territory Governments
Group Training in the Trades Program - Pre-vocational component	To provide pre-vocational training in the trades to assist people to articulate into an Australian apprenticeship.
Fast Track Apprenticeships Program	Funding is provided to Registered Training Organisations to work with employers and industry to develop and implement apprenticeship pathways that reduce the time taken to complete entire apprenticeships (not just off-the-job components) in a way that ensures quality and meets the skills and training needs of industry, employers and apprentices.
Australian Apprenticeships Access program	To provide 9,500 ongoing pre-vocational training and support places per annum.

Additional initiatives (Commonwealth): Program Name	Objectives
Securing Apprenticeships and Traineeships initiative	To support out-of-trade Australian Apprentices to remain connected to the workforce and to maintain their investment in training. To increase the national skills base through successful completion of Australian Apprenticeships training
Training and Learning Bonus	Financial support to assist with costs of the 2009 academic year.
National Partnership on the Nation Building and Jobs Plan	Australian Apprentices are retained or commenced through a commitment by jurisdictions to give priority in contracting and tendering arrangements for government funded infrastructure construction to businesses that have a demonstrated commitment to adding or retaining trainees and apprentices.
The Australian Apprenticeships Access Program	To provide in 2009-10 an additional 5,500 tailored pre-vocational training and support places to help vulnerable job seekers gain an apprenticeship or move into further training.

New South Wales programs

Current initiatives (NSW): Program Name	Objectives
Ben Chifley Scholarships	To support apprentices in country NSW who are struggling to make ends meet. 10 Scholarships are awarded per year for apprentices in first, second and third year (a total of 30 Scholarships each year)
\$200 Gear Up Allowance	Assist apprentices to purchase appropriate and safe clothing, including uniforms and protective equipment
\$100 rebate on an apprentice's car registration	Assist apprentices with costs of a vehicle, which is often needed to attend a worksite or off-the-job training

Current initiatives (NSW): Program Name	Objectives
Travel concessions	Assist apprentices and trainees with train, rail & ferry travel costs to and from work and formal training
Vocational Travel and Accommodation Assistance (VTAS)	Subsidies and allowances are provided to apprentices and trainees to assist them in meeting costs incurred for travel and accommodation related to off-the-job training with a registered training provider

Additional initiatives (NSW): Program Name	Objectives
Continuing Apprentices Placement Service (CAPS)	<p>The objectives of the service are to:</p> <ul style="list-style-type: none"> provide an avenue for employers to register their willingness to take on a partially completed apprentice or trainee provide committed apprentices and trainees the opportunity to continue their apprenticeship or traineeship provide a one-off relocation allowance for apprentices and trainees needing to move to or from a regional area to continue their apprenticeship or traineeship have a positive impact on apprenticeship and traineeship completion rates increase the numbers of apprenticeships and traineeships and enhance the skills of industry and individuals to reduce skills shortages extend existing links with key client groups consistent with implementation of the NSW Skills Centres strategy
NSW Public Sector Apprenticeship Strategy	<ul style="list-style-type: none"> To boost jobs for young people and the NSW economy 4,000 additional apprenticeship places through state government agencies over four years 2000 cadetships in NSW public sector agencies

South Australia programs

Current initiatives (SA): Program Name	Objectives
Drought Apprentice Retention Program	Support apprentices in drought affected areas to remain connected to the workforce and to maintain the investment in training
Apprentice/Travel & Accommodation Subsidy	Assist apprentices/trainees in regional/remote SA to access off job training.
User Choice	Support the training of apprentices and trainees to broaden and enhance South Australia's skills base.
Traineeship and Apprenticeship Information Service	Support the training of apprentices and trainees to broaden and enhance South Australia's skills base.
Joint Group Training Funding Program	To support the retention and employment of apprentices employed by Group Training Organisations
Out of Trade Register	To support out-of-trade apprentices and trainees to remain connected to the workforce and to maintain the investment in training.

Additional initiatives (SA): Program Name	Objectives
Expanded web enabled Out of Trade Register	To support out-of-trade apprentices and trainees to remain connected to the workforce and to maintain the investment in training
10% Plan	To support the retention and employment of apprentices and trainees

Additional initiatives (SA): Program Name	Objectives
Joint Group Training Funding Program	To support the retention and employment of apprentices employed by Group Training Organisations
Apprentice/Trainee Support Initiatives	To support the retention and employment of apprentices and trainees
Payroll Tax Rebate Scheme	Support the training of apprentices and trainees to broaden and enhance South Australia's skills base.
Career Start	Support the training of apprentices and trainees to broaden and enhance South Australia's skills base.
Aboriginal Apprenticeship Program	Support the training of Aboriginal apprentices and trainees to broaden and enhance South Australia's skills base
Apprentice and Trainee Workcover Level Exemption	Support the training of apprentices and trainees to broaden and enhance South Australia's skills base.

Western Australian programs

Current initiatives (WA): Program Name	Objectives
ApprentiCentre	To provide: mentoring and support; apprenticeship and traineeship training contract registration and management ; and coordinated access to services in WA relating to apprenticeships and traineeships.
Aboriginal School Based Training Program	To assist indigenous Western Australian School Students to access a pathway into apprenticeships and traineeships.
School Apprenticeship Link	To assist Western Australian School Students to access a pathway into apprenticeships.
Free Certificate IV in Training and Assessment Program	To provide employers and supervisors with skills to build and improve training skills so they can provide apprentices and trainees with a quality training experience.
Apprentice Edge Card	To reward apprentices and trainees with discounts at a number of WA retailers as part of a strategy to raise awareness of services offered by ApprentiCentre.
Fast Track Apprenticeships	To enable workers have their current skills and industry experience formally recognised allowing an accelerated progression through the relevant trade apprenticeship.
ApprentiCentre Jobs Board	To provide a service to connect potential employers with potential apprentices and trainees. Employers can advertise vacancies and potential apprentices/trainees can register for suitable vacancies.
Priority Start Building Policy	To require employers tendering for state government building and infrastructure work to employ apprentices and trainees.
Payroll Tax Exemption	To exempt employers from payroll tax in relation to apprentices and trainees.
Joint Group Training Program Funding	To provide Group Training Organisations with funding for targeted outcomes for apprenticeships and traineeships based on priority areas.

Additional initiatives (WA): Program Name	Objectives
Securing Out of Trade Apprentice Initiative	To re-engage cancelled or suspended apprentices with a Group Training Organisation for a 12 week placement with a host employer to complete their apprenticeship. Funding of \$1800 for a 12 week period. To support GTOs in attempts to re-engage their apprentices where a host placement cannot be found after a four week period. Funding of \$1800 for a 12 week period.
Temporary rebate of workers' compensation premiums.	To help to maintain the development of a skilled workforce needed when the State's economy returns to growth.
Critical Response Team	To provide additional support for employers and employees affected by the economic downturn.

Northern Territory programs

Current initiatives (NT): Program Name	Objectives
Apprentice Travel and Accommodation Allowance	To offset travel and accommodation costs for apprentices attending block training away from their home locality
Occupational Shortage Employer Incentives	To encourage the employment and retention of additional apprentices/trainees within identified occupational shortage areas
Disadvantaged Groups Employer Incentives	To encourage the employment and retention of additional apprentices/trainees from disadvantaged groups
Workwear/Workgear Bonus Scheme	To assist eligible Northern Territory apprentices and trainees with costs they incur buying workwear, safety gear and other work related necessities during the first year of their apprenticeship or traineeship.

Additional initiatives (NT): Program Name	Objectives
Joint Group Training funding Program	To encourage the employment, retention and completion of apprentices and trainees employed through group training arrangements
Employment of Public Sector Apprentices and Trainees	To employ an additional 100 apprentices and trainees in the public sector.

Tasmanian programs

Current initiatives (TAS): Program Name	Objectives
Fee Cap - \$990	Stimulate demand by reducing cost to employers and apprentices
Travel allowances	Support apprentices and trainees
Training consultancy	Support apprentices and trainees and employers
Literacy and numeracy support	Support apprentices and trainees
Payroll-tax rebate on apprentice wages	Stimulate demand by reducing cost to employers
Building and construction training levy (a hypothecated tax on users of building services used in part for employment subsidies.	Stimulate demand by reducing cost to employers through subsidies
Out of Trade register	To assist people return to trade
Skills Response Unit	Respond to closures, retrenchments etc

Additional initiatives (TAS): Program Name	Objectives
Targeted industry intelligence	Awareness of closures, downsizing and flow-on effects
Case management	Placing apprentices and trainees
Liaison and collaboration with economic development agencies and DEEWR	Awareness of vulnerabilities and coordinated response action
Group training monitoring	Awareness and response
Assessment services (Tasmanian Skills Institute)	Assist displaced apprentices make transitions

Victorian programs

Current initiatives (VIC): Program Name	Objectives
Apprentice/Traineeship Completion Bonus Program	To provide an incentive to employers to encourage apprentices and trainees to complete their training.
Apprentice Trade Bonus	To provide financial support to first year apprentices in traditional trades to partially offset the low wages paid to first year apprentices in many industries

Additional initiatives (VIC): Program Name	Objectives
Apprentice/Traineeship Completion Bonus Program plus new Early Completion Bonus	To provide an incentive to employers to encourage apprentices and trainees to complete their training, plus an additional incentive payment to encourage early completion.
Out of trade list	To assist out of trade apprentices find another employer.
Change to TAFE program delivery guidelines	To allow unemployed apprentices to complete their qualification.
Additional funding to Group Training Association of Victoria	Additional funding has been provided to Group Training Association of Victoria so it can provide Skills Victoria with monthly reports on out of trade apprentices and regional trends
Apprentice retention projects	To assist in apprentice retention: Expanding pre-apps – Stage 1 Materials and other support for employers and apprentices Additional support to help place out of trade apprentices Trialling new models of apprenticeship delivery

Australian Capital Territory programs

Current initiatives (ACT): Program Name	Objectives
National WorldSkills Australia Competition.	Showcase the talents of ACT Australian apprentices and test their abilities against competitors in various industries and businesses
Workforce Initiatives	Support the design of a skills Development Centre and other initiatives in ACT Health to meet its training and research needs.
Building Maintaining ACTPS Capacity	Attract and retain workers, enhance leadership skills and accountability, improve graduate recruitment, entry level traineeships and strategies for older workers

Current initiatives (ACT): Program Name	Objectives
Customised Student Support Program	Fund the CIT Vocational College to develop customised learning programs
ACTPS Executive Development and Future Leaders Program.	Support succession planning and the development of educational leaders at all levels of the ACT Public service.
Supporting jobs	refurbish existing schools as early childhood schools
Supporting quality training	provide professional development to RTOs through various forums
Student Connect	A pilot to connect international students with employers through formalised regular work experience
ACT Public Service Attraction and Retention Framework	reflect the ageing workforce and need for entry level recruits
Professional development for midwives and nurses.	ACT Health to offer a graduate one year transition to practice
Expansion of InTACT's ICT Traineeship Program	Support building skills in the ICT sector
COAG's Reform Agenda	Continued active participation in working groups and on committees
Expansion of CIT's scholarship program	
Steering Advisory Group	To advise on careers education and student transitions
Bringing Nurses Back to the Workforce	ACT Health provides a refresher program, the Commonwealth Program:
Return to Work Grants	To fund women to return to work through support for attending short courses, paying for childcare to attend interviews, funding for the purchase of equipment, clothing or text books
Silver Lining Kits	Were developed and distributed as part of the Silver Lining Project.
Careers Guidance pilot program	To train teachers to deliver career advice in 2008, with
Skills development Centre at The Canberra Hospital.	Promote skills
CIT's Trade Skills Centre	For plumbing pre-vocational and Building and Construction programs
"Roundtables"	Discuss issues impacting on business and industry sectors and to insulate the ACT economy and Canberra business against the impact of the global financial downturn.

Additional initiatives (ACT): Program Name	Objectives
Australian Government's Productivity Places Program (PPP) Phase III	To assist in addressing skills shortages
Fyshwick Trades Skill Centre	Develop feasibility study and design
Supervision of apprentices and trainees	Distribute a Supervising your apprentice or trainee pack to employers to assist them provide appropriate supervision in the workplace
Engagement with community about VET	Purchase advertising space in B2B magazine highlighting department sponsored VET events/forums
COAG Communiqué on Jobs, Training and Youth Transitions in the ACT	Create a position to manage the Government's response to the Communiqué to support young people during transitional stages through education, training and employment to maximise educational outcomes and qualifications and in turn increase the opportunities to be engaged in the workforce.
"Green" Job Opportunities	New "green" job opportunities are emerging as many sectors respond to climate change. In 2009 the Government will seek to identify opportunities that may exist in this area

Queensland programs

Current initiatives (QLD): Program Name	Objectives
User Choice	User Choice is a program that provides public funding to RTOs and works in conjunction with the apprenticeship and traineeship system. User Choice allows employers, together with their apprentices/trainees to negotiate directly with RTOs to arrange training to meet their specific needs
Queensland Training Information Service	Is a system for clients to search or browse for information on apprenticeships and traineeships approved by the Training and Employment Recognition Council for delivery in Queensland, including details on supporting courses and qualifications, restricted callings and preferred suppliers (RTOs).
Train-to-retain	An initiative to ensure a quality training experience in a safe and supportive workplace providing benefits to employers and industries by creating more productive workplaces.
Travel and Accommodation Subsidy	The Apprenticeship and Traineeship Travel and Accommodation Subsidy (TRACC) is provided to apprentices and trainees (other than school-based as they obtain subsidies through Education) to assist in offsetting the costs incurred in attending structured training.
Payroll Tax	Employers employing apprentices and trainees are exempt from paying payroll tax.
Financial Assistance Apprentices Trainees	Apprentices and trainees whose training contracts are cancelled may be supported financially to attend a training organisation to assist them to re-enter a training contract.
10% policy	An initiative which supports the retention and employment of apprentices and trainees within the construction industry.
Training Queensland Customer Centre	The provision of information on the apprenticeships and traineeship system within Queensland via: Dedicated web site 1800 number
Construction Skills Queensland	Construction Skills Queensland acts as a single point of contact to help attract, recruit, train and retain workers, therefore ensuring a sustainable workforce with the right skills in the right place at the right time.
Training Ombudsman	The Training Ombudsman's office considers and investigates complaints from apprentices, trainees and employers who believe they have been treated unfairly or unreasonably.

Additional initiatives (QLD): Program Name	Objectives
Apprentice and Trainee package: Maintaining the Effectiveness of Queensland's Apprenticeship and Traineeship System During the Global Financial Crisis	The package of initiatives is focussed around four key strategies: maintaining apprentice and trainee commencement levels early intervention to retain apprentices and trainees assisting apprentices and trainees that have been cancelled, and upskilling recently completed apprentices and trainees.

Additional initiatives (QLD): Program Name	Objectives
Trade Training Taskforce	<p>The Trade Training Taskforce brings together key industry and government stakeholders to develop and implement urgent measures that ensure apprentices and trainees in training, and those who have lost employment or are at risk of losing employment, are supported to complete their training</p> <p>The Taskforce is responsible for: developing and progressing a package of strategies that support apprentices and trainees during the current labour market environment involving employers, unions and other key stakeholders in discussions determining and monitoring the implementation of the package discussing with the Commonwealth Government how best to co-ordinate joint activities monitoring implementation progress and reporting to the Minister for Education and Training.</p>
Construction Skills Queensland	Implementation of a pilot program in the Sunshine Coast/Wide Bay region in which industry supports employers, apprentices and trainees.
Stand Down/Suspension	Development of a procedure which allows stood down/suspended apprentices to participate in training, allowing progression through their apprenticeship
Training Queensland Regional Staff	Regional staff are providing additional assistance to apprentices and trainees affected by the GFC. This assistance provides support and encouragement for further employment opportunities or training that will assist in the progression through the apprenticeship or traineeship.
Register of Apprentices and Trainees at risk or cancelled due to GFC.	A register of apprentices and trainees who have been stood down or whose training contract has been cancelled has been established and is being managed by the Department of Education and Training. This database is being used to actively case manage those apprentices and trainees back into work or training leading to work.
Institutionally Based Pathway	A pathway for apprentices allowing late 3rd and 4th year apprentices to complete their qualification outside of their apprenticeship.
Targeted retention strategies action.	Key service delivery areas, i.e. regional officers of the department, skilling Solutions Queensland, Centres of Excellence, Group Training Organisations and other key stakeholders have been engaged to work collaboratively on targeted retention strategies for apprentices and trainees.
Introducing a Gap Year in Apprenticeships	Provision to suspend an apprenticeship/traineeship as a last resort to avoid cancellation of the training contract.