A shared responsibility
Apprenticeships for the 21st Century

Submission
April 2011
About ACPET

Established in 1992, the Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has over 1,000 members nationally delivering a full range of higher education and vocational education and training (VET), including apprenticeships and traineeships, and English language courses across all States and Territories.

ACPET’s mission is to enhance quality, choice, innovation and diversity in Australian education and training. ACPET works with governments, education and training providers, industries, and community organisations, to ensure vocational and higher education and training services are well-targeted, accessible, and well-delivered with courses of high quality, and providing for choice and diversity.

ACPET welcomes the opportunity to respond to the recommendations found in A shared responsibility – Apprenticeships for the 21st Century Final Report of the Expert Panel (the Report). The release of the Report by the Expert Panel provides the impetus to drive genuine reform in the apprenticeship system. ACPET believes that this opportunity should be seized on. There are many examples of high quality delivery across different industry areas. These success stores should be used as the benchmark upon which the apprenticeship system should be reformed.

Given the diversity of industries that the apprenticeship system serves it is important to realise that a one size fits all approach to developing a more effective and efficient system it is not necessarily the model that should be pursued. NCVER has undertaken a significant amount of research in identifying best practice for delivering apprenticeships and traineeships.

ACPET contends that the momentum for reform that has been generated as a result of the Expert Panel’s report needs to embrace the diversity of the apprenticeship system. Within this diversity of practice it is often organisational culture that will determine the successful completion of apprenticeships and traineeships.

Commitment to quality outcomes
Case Study - Motor Trades Association Queensland

MTA Training has been delivering training to apprentices with this company since mid 2004. I have been in the mechanical repair business all my working life – approximately 50 years. I have had numerous apprentices pass through the various businesses I have managed over those years.

One of the apprentices we employed in 2004 was already doing his training with Tony Wilson through MTA. We had not been involved with this procedure before this time. All the apprentices before this had had to go away to do their training. This was very expensive for apprentices and their families and we thought having the trainer come to the workshop would be a more appropriate way to teach apprentices with less disruption to all concerned.

We have found MTA Training (Tony Wilson) to be very efficient. He always emails ahead to tell us when the next session has been allocated and if the time is convenient for us. The apprentices learn both practical and theory from Tony. He is able to show the apprentices parts and procedures on the vehicles that are in the workshop on the training day. To date, we would have had about 10 apprentices use this system of training.

Tony contacts us each time he does training here and reports on the progress of each apprentice. If there is some way he believes the apprentice may be helped, he will offer a suggestion. We appreciate this gesture as sometimes we may not see a problem where someone else who only comes into the area occasionally will pick it up.

We believe our business has definitely benefitted from this type of on premises training for apprentices. Under this scheme, we have the knowledge that the apprentice is receiving his training as we can see it happen. Also the tutor is available to communicate directly with us about the progress of the student. The other benefit for the student is the cost. As stated previously, other apprentices we had in the past had to go to Brisbane for training and this was very expensive for them and probably not as thorough as the one-on-one training received under the MTA Training delivery methods with Tony.

NCVER High-quality traineeships: Identifying what works

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1 NCVER High-quality traineeships: Identifying what works
MTAQ make it clear to all parties what their responsibilities are when the apprenticeship begins. This helps to manage expectations and provides the framework for how the apprenticeship will progress.

If instances arise where an employer or apprentice are unhappy the parties are consulted with and brought together if necessary. MTAQ will work with their clients provide the right level of support to ensure the apprenticeship is completed.

ACPET agrees with themes running through the Report that the efficiency and effectiveness of the Australian apprenticeship system can be improved by directing investment and incentives towards employers who are committed to their apprentices and trainees and demonstrate this commitment through mentoring, providing diversity of tasks, engage quality Registered Training Organisations and who strategically use the apprenticeship system as part of their workforce development plan.

ACPET’s submission is divided into two sections A) ACPET’s concerns with the completion rate data that is being used to inform policy; B) ACPET’s response to the recommendations found in the Report.

Summary of ACPET’s position

- ACPET’s accepts Recommendations 1 and 2 on the proviso that ACPET seeks further detail on the process to establish the National Custodian.
- ACPET accepts Recommendation 3.
- ACPET does not accept Recommendation 4.
- ACPET does not accept Recommendation 5.
- ACPET accepts Recommendation 6
  ACPET does not support the concept of eligible apprentices and trainees, we do support the notion of an Employer Contribution Scheme.
- ACPET accepts Recommendation 7.
- ACPET accepts Recommendation 8.
- ACPET accepts Recommendation 9, but cautions that the system must avoid creating duplication and must be accepted by industry.
- ACPET accepts Recommendation 10.
- ACPET accepts Recommendation 11 on the proviso that the training sector be actively involved in the strategy to raise the status of apprenticeships and traineeships.
- ACPET accepts Recommendations 12 and 13 relating to improved recognition of prior learning and current competencies.
- ACPET accepts Recommendation 14
Part A. ACPET’s concerns with the completion rate data

Private providers include commercial and not-for-profit entities, community groups, and industry and enterprise-based organisations. Research conducted for ACPET in 2010 indicates private providers deliver training to 1.44 million equivalent full time students around Australia each year.\(^2\)

The Report states that Completion rates for Australian apprenticeships are unacceptably low at about 48 per cent. ACPET contends that this is not a true representation of completion rates and therefore should not be the starting point on which policy is based.

The issue of completion rate data has been raised by various stakeholders including TAFE NSW, ACCI and Service Skills Australia (SSA)\(^3\). Importantly, the SSA report, The benefits of accurately measuring non-completions\(^4\), found a non-completion rate under 9.3% in the six month period from mid-July 2010, representing rate amongst 1,600 trainees across three providers.

ACPET acknowledges that there has been debate both publicly and privately regarding the SSA report including an article in the Campus Review which noted ‘the National Centre for Vocational Education Research (NCVER) has dismissed the Service Skills Australia (SSA) report’s methodology as “ridiculous”.’\(^5\) In response John Mitchell has penned in Campus Review “I would like the NCVER to agree to work together with SSA and JMA and all other stakeholders, in mutual respect, for the good of the sector, to improve the accuracy of current VET measurement systems.”\(^6\) ACPET asserts that this should at least be a starting point to improve the accuracy of the apprenticeship data.

ACPET shares the concerns of industry stakeholders regarding completion rate data, accordingly ACPET wrote to members of the Expert Panel to convey these concerns. A response received from the Department of Education, Employment and Workplace Relations noted “Panel members are well aware of the limitations of the current practice of using training contracts as a tool for calculating data on completion rates.” ACPET believes that it is imperative that these concerns regarding the limitations of data be resolved before the development of major policy initiatives.

Further to the concerns raised by ACPET, ACCI, SSA and TAFE NSW there have been concerns regarding completion rate data raised by ACPET member MEGT.

\(^2\) WHK Horwath, for ACPET, Education Industry Survey 2010.  
\(^3\) VET completion rates better than reported  
\(^4\) The benefits of accurately measuring non-completions Prepared for Service Skills Australia by John Mitchell & Associates  
\(^5\) VET completion rates underestimated: skills council Campus Review 28 March 2011  
\(^6\) NCVER ‘needs to listen’ Campus Review April 4 April 2011
MEGT (Australia) Ltd has had 28 years of experience working in the VET sector as an Australian Apprenticeships Centre (AAC), a Group Training Organisation (GTO), a Registered Training Organisation (RTO) and an Employment Services Australia (ESA) provider.

The number of Australian apprenticeship commencements in the 12 months ending 31 March 2010 was 284,000. As a national Australian Apprenticeships Centre, MEGT signed up 76,017 commencements in the same period, equating to a percentage of 26.8%. Accordingly MEGT is expertly placed to provide completion rate data analysis.

MEGT noted the following in a recent submission to Skills Australia

MEGT believes that the ‘completion rate’ per individual Australian Apprentice is significantly higher than 50%. The rationale behind this statement is twofold:

Rationale 1: Apprentices who change employers during the course of their apprenticeship are deemed ‘recommencements’. Due to the variances in legislative requirements in each state jurisdiction there are ambiguities and discrepancies in the methods used to record and measure apprentices who re-commence which impacts on reportable retention rates.

Rationale 2: The successful recording of a ‘completion’ is dependent upon key stakeholder input and a complicated system for processing the data collection, with little incentive and/or disincentive for “getting it right”.

Rationale 1: Recommencing Apprentices

Australian Apprenticeships Centres (AACs) are responsible for registering the commencement of every Australian Apprenticeship. The data is entered on to the Department of Education, Employment and Workplace Relation’s (DEEWR) information system which is linked to each State Training Authority’s (STA) information system. The STAs use the AAC data to supply NCVER with their statistics.

MEGT AAC is responsible for the registration of over a quarter of the nation’s Australian Apprentices. Due to the size of MEGT’s data collection, MEGT believes that this data set provides a meaningful representation of the nation’s Australian Apprentice’s commencement, recommencement and completion statistics for the purpose of analysis.

Based on the registration data, MEGT believes that the number of recommencing apprentices is significant, particularly in the Skill Shortage Trades.

MEGT has analysed its own commencement/recommencement data for the past three financial years. The results for the 2010 Financial Year (FY) are recorded below for (a) Total Registrations and (b) Skill Shortage Registrations.

<table>
<thead>
<tr>
<th>Total Registrations</th>
<th>73,361</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencements</td>
<td>65,846</td>
</tr>
<tr>
<td>Recommencements</td>
<td>7,515</td>
</tr>
<tr>
<td>Skill Shortage Registrations</td>
<td>21,249</td>
</tr>
<tr>
<td>Commencements</td>
<td>15,392</td>
</tr>
<tr>
<td>Recommencements</td>
<td>5,857</td>
</tr>
</tbody>
</table>

The FY 2010 Skills Shortage recommencement rate of 28% is consistent with MEGT’s previous financial year data for recommencements – FY 2009 recorded 28% and FY 2008 recorded 27% recommencements.

For every recommencement a cancellation/withdrawal must be recorded. In some states the data tracks and records each cancellation as an individual statistic rather than tracking the outcome linked to an individual apprentice (based
on a unique identifier) therefore it could be argued that 28% of cancellations potentially could be completions provided the apprentice recommences and completes their apprenticeship.

MEGT sought clarification from the NCVER on how cancellations were recorded. The NCVER advised:

A recommencement, where the apprentice cancelled or withdrew from their previous apprenticeship, then completed the recommenced apprenticeship would be counted as one cancellation/withdrawal and one completion.

Therefore an apprentice who has had four employers over the life span of their apprenticeship would contribute three cancellations and one completion count to the statistics, depending on which state/jurisdiction they are in.

MEGT understands that the methodology used by the NCVER to record recommencements is currently under review and in the future may more accurately reflect recommencement statistics however the data presented in the Skills Australia discussion paper is based on the old methodology as outlined above.

Rationale 2: Successful recording of a completion
The successful recording of a ‘completion’ is dependent upon key stakeholder input and a complicated system for processing the data collection with little incentive and/or disincentive for ‘getting it right’.

The recording of a ‘completion’ is significantly affected by:
- Inactivity by employers to provide ‘completion information’ to STAs either through ignorance, lack of incentive and/or lack of penalty.
- Inactivity by apprentice to gather completion evidence to provide to their employer either through ignorance and/or lack of incentive.
- Restrictions within STA data systems
- Disincentives by all stakeholders to follow up supposed ‘non-completers’ to ascertain their “completion status”.

MEGT is concerned that the following factors distort the current STA and NCVER publicised completion rates:
- Completions attained outside of a Training Contract
- Requirement for provision of completion evidence by employer and/or RTO
- Completions prior to the ‘Expected End Date’
- Registrations with an ‘expired’ status that may be completions
- STA ‘System Closure’ database restrictions

ACPET acknowledges that the Report notes “non-completion statistics can be somewhat misleading, as data management systems in some jurisdictions record non-completion in circumstances where apprentices and trainees transfer between employers.”

Recommendation

Given the explicit recognition by the Expert Panel that there are issues with the accuracy of the completion rate data, the evidence provided by MEGT and concerns raised by SSA, ACCI and TAFE NSW, ACPET recommends that as a matter of priority Government should develop and implement a streamlined reporting system that generates accurate completion rate data that will assist in the formation of effective policy.

ACPET recommends that we need to move beyond a system where we judge the success of the apprenticeship system singularly qualitative data. Data should be used to as segment of measuring success, not the starting point. The first principle of the apprenticeship system should be to build the skills needed to support Australian industry. Qualitative data can only go so far as to determine if this principle is being achieved.
Part B. ACPET’s response to the recommendations found in the Report

In the part B of ACPET’s submission we are pleased to respond to the recommendations of the Expert Panel.

Recommendation 1

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

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

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

Recommendation 2

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

ACPET’s Response to Recommendations 1 and 2

ACPET welcomes the Expert Panel’s identification of issues associated with duplication of service delivery and burdensome administrative processes. The expert panel has reported ‘There is no obvious enduring forum for employer bodies, unions or governments to progress a strategic vision for future Australian apprenticeships system arrangements.’ We support an agenda that seeks to address these constraints on the apprenticeship system.

It is deeply concerning to ACPET that the Expert Panel has excluded Registered Training Organisations (RTOs) from this proposal to develop a vision for the future. RTOs are one of the cornerstones of the apprenticeship system, indeed government policy for more than a decade has been driven by the concept of ‘user choice’ for employers and apprentices in relation to the RTO they wish to work with through the apprenticeship contract. If RTOs are not included in a process designed to streamline and harmonise the system, then the harmonisation process will be set up to fail. Accordingly it is essential that training providers have representation on the independent task force.
The Expert Panel has recommend that

“... as a first step, a taskforce be established to deal with these issues and work towards alignment of the eight jurisdictions. In addition the taskforce would develop a framework and process for the establishment of the National Custodian. The work of the taskforce could include reviewing the alignment of administrative and regulatory instruments to ensure that the relevant recommendations of this report are reflected, recognising that these issues are complex but not insurmountable. We propose that the taskforce be initially for two years, but with a view that it will pave the way for an effective National Custodian. This could be similar to the approach taken in the development of a national occupational licensing system.”

Whilst ACPET accepts that there is a need to clarify the role of various stakeholders within the system we contend that it is essential that the role of the National Custodian does not overlap with Industry Skills Councils, the Australian Skills Quality Authority, or State/Territory and Federal Education and Training Departments.

ACPET does take this opportunity to raise the issue of whether States and Territories are likely to refer powers to a National Custodian if they have not done so to ASQA, this will be particularly relevant in the case of Victoria and Western Australia.

**ACPET’s supports Recommendations 1 and 2.**

**ACPET seeks further detail on the process to establish the National Custodian.**

**Recommendation 3**

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

**ACPET’s Response**

A significant role of the Australian Apprenticeships Centres (AACs) is to provide support to employers and apprentices including monitoring apprentices. AACs should be funded so that they can carry out this role at a level that produces the desired outcomes. It should in turn be the role of the National Custodian to monitor this. It is also imperative that a flexible funding system is in place that can meet the unique needs of all types of enterprises. Small businesses will require different levels of support than larger businesses.

Furthermore it must also be recognised that RTOs are responsible for training, conducting assessments and issuing qualifications. ACPET would like to see funding delivered to these
stakeholders to support professional development and continuous improvement initiatives as part of any initiative designed to improve the Australian apprenticeship system.

ACPET accepts Recommendation 3.

Recommendation 4

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

Recommendation 5

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

ACPET's Response to Recommendations 4 and 5

An appropriate framework for the National Custodian will go some way to addressing the issue raised by Skills Australia that there is a lack of clarity around the ultimate ownership of responsibility for the wellbeing of apprentices and the quality of the Australian Apprenticeship experience. ACPET supports the recommendation that the Australian Government should support employers to provide high quality on-the-job and off-the-job training. However ACPET contends that support should be focussed on the entire apprenticeship system, including RTOs not just segments of the system. Part of Government support should focus on professional development for RTOs to the level of public benefit.

The Expert Panel has proposed ‘that to give greater strength to the current Australian apprenticeship system, highlighting some apprenticeships and traineeships as priorities is necessary.’ ACPET does not support this proposal.

The report notes:

‘There have been a range of reforms and incremental policy interventions in the last 20 years which have significantly influenced the focus of the Australian apprenticeships system. The interventions have been based on important policy drivers, such as raising the status of Australian apprenticeship qualifications and expanding the scope of apprenticeships and traineeships to cover a broader range of occupations.'
This has led to significant positive outcomes, including increasing and broadening the skills in the community and providing credentialed and reputable skill formation in a wider range of occupations.’

The Report also refers to the Council of Australian Governments (COAG) outcomes of the participation and productivity agenda being:

- the working-age population has the depth and breadth of skills and capabilities required for the 21st century labour market;
- the supply of skills provided by the national training system responds to meet changing labour market demand.’

Given the report has identified that apprenticeships and traineeships have increased and broadened the skills in the community over a wide range of occupations, it would clearly be unhelpful to make changes to the funding model that has driven this growth and greater depth, in favour of Government support being directed only to ‘eligible’ apprentices and trainees rather than all apprentices and trainees.

The NCVER publication *Apprentices and Trainees September 2010* set out the commencements by occupation and state/territory, 12 months ending 30 September 2010. The Table below is an extract from Table 17, page 16 of the report.

<table>
<thead>
<tr>
<th>Occupation (ANZSCO) group</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>SA</th>
<th>WA</th>
<th>Tas</th>
<th>NT</th>
<th>ACT</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 Hospitality, retail and service managers</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
<td>0.1</td>
<td>0</td>
<td>0</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>43 Hospitality workers</td>
<td>6.8</td>
<td>6.4</td>
<td>2.6</td>
<td>0.7</td>
<td>1.3</td>
<td>0.5</td>
<td>0.1</td>
<td>0.5</td>
<td>18.8</td>
</tr>
<tr>
<td>44 Protective service workers</td>
<td>0.3</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>0</td>
<td>0</td>
<td>0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>45 Sports and personal service workers</td>
<td>1.6</td>
<td>2.5</td>
<td>1.3</td>
<td>0.4</td>
<td>0.6</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>6.8</td>
</tr>
<tr>
<td>51 Office managers and program administrators</td>
<td>12</td>
<td>4.3</td>
<td>6.3</td>
<td>2.3</td>
<td>0.3</td>
<td>0.5</td>
<td>0.1</td>
<td>0.5</td>
<td>26.2</td>
</tr>
<tr>
<td>52 Personal assistants and secretaries</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>53 General clerical workers</td>
<td>3.5</td>
<td>2.7</td>
<td>2.8</td>
<td>1</td>
<td>1.3</td>
<td>0.5</td>
<td>0.2</td>
<td>0.2</td>
<td>12.3</td>
</tr>
<tr>
<td>54 Inquiry clerks and receptionists</td>
<td>3.7</td>
<td>4.2</td>
<td>1.3</td>
<td>0.8</td>
<td>0.4</td>
<td>0.4</td>
<td>0</td>
<td>0</td>
<td>10.8</td>
</tr>
<tr>
<td>55 Numerical clerks</td>
<td>2.6</td>
<td>0.9</td>
<td>1.5</td>
<td>0.3</td>
<td>0.5</td>
<td>0.1</td>
<td>0</td>
<td>0.1</td>
<td>6</td>
</tr>
<tr>
<td>56 Clerical and office support workers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>59 Other clerical and administrative workers</td>
<td>1.5</td>
<td>1.9</td>
<td>0.7</td>
<td>0.3</td>
<td>0.6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>61 Sales representatives and agents</td>
<td>2.6</td>
<td>0.4</td>
<td>1.3</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0</td>
<td>0.1</td>
<td>4.8</td>
</tr>
<tr>
<td>62 Sales assistants and salespersons</td>
<td>10.3</td>
<td>15.6</td>
<td>7.6</td>
<td>3.9</td>
<td>2.2</td>
<td>1.2</td>
<td>0.3</td>
<td>0.5</td>
<td>41.5</td>
</tr>
<tr>
<td>63 Sales support workers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>71 Machine and stationary plant operators</td>
<td>1.1</td>
<td>0.6</td>
<td>1</td>
<td>0.6</td>
<td>1.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0</td>
<td>4.6</td>
</tr>
<tr>
<td>72 Mobile plant operators</td>
<td>0.6</td>
<td>0.3</td>
<td>0.9</td>
<td>0.2</td>
<td>0.2</td>
<td>0</td>
<td>0.1</td>
<td>0</td>
<td>2.4</td>
</tr>
<tr>
<td>73 Road and rail drivers</td>
<td>3.2</td>
<td>1.6</td>
<td>1.7</td>
<td>0.8</td>
<td>0.7</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>8.3</td>
</tr>
<tr>
<td>74 Storepersons</td>
<td>3.3</td>
<td>2.3</td>
<td>1.3</td>
<td>0.4</td>
<td>0.6</td>
<td>0.1</td>
<td>0.1</td>
<td>0</td>
<td>8.1</td>
</tr>
</tbody>
</table>
If the Government was to implement a support structure for eligible apprenticeships and traineeships then on the September 2010 figures we would see support withdrawn for 182,800 of the 305,400 commencements. That equates to 60% of all commencements. It is difficult to comprehend how removing such support reconciles with COAG agenda of halving the number of people without qualifications at Certificate III or above between 2009 and 2020. Further ACPET notes that the Expert Panel recommends that Government support be modelled around needs of the economy. Whilst ACPET supports proving initiatives to reduce skills shortages in different occupations the research shows that increasing the number of people trained for specific occupations does not necessarily resolve them and that a range of characteristics relating to employment in an occupation/industry are typically contributing factors. Any attempt to provide more funding for occupations experiencing skill shortages must not be through a reduction in funding to occupations where the demand for and supply of skills is in balance. ACPET’s concern is that Government policy changes may distort the successful functioning of a segment of the market and may actually alter the balance and result in a skills shortage emerging in these occupations.

ACPET is also concerned that the Report has failed to take into account the affect an eligible apprentices and trainees list may have of the workforce from a gender perspective. The gender split in the retail workforce is 56.3% female and 43.7% male. Accordingly removing support could be detrimental to the COAG agenda of ‘increasing rates of female participation for a number of reasons—including increased educational attainment.

ACPET does not support the recommendation as set out by the Expert Panel that there should be a cohort of eligible apprentices and trainees that receive support to the exclusions of other groups.

**ACPET does not accept Recommendations 4 and 5.**

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8 Skills Info Retail trade http://www.skillsinfo.gov.au/skills/IndustryInformation/RetailTrade/  
Recommendation 6

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

ACPET’s Response to Recommendation 6

Whilst ACPET does not support the concept of eligible apprentices and trainees, we do support the notion of an Employer Contribution Scheme.

ACPET contends that enterprises should be encouraged to co-invest with individuals and governments where the enterprise accrues some of the benefits. ACPET’s position is based on the principles that:

- Enterprises support individual participation in knowledge and skill development in order to maximise learning and job outcomes for individual employees.
- Investment by the enterprise in workforce capability development is commensurate with the benefit to the individual enterprise.
- National or multi-jurisdictional enterprises have one consistent set of requirements for receipt of government funding programs.

Whilst ACPET recognises and agrees that enterprises have a role in funding the ongoing development of their workforce, it needs to be recognised that many employers are already heavily involved in supporting the development of their workforce outside of government assistance programs.

ACPET accepts Recommendation 6

ACPET does not support the concept of eligible apprentices and trainees.

We do support the notion of an Employer Contribution Scheme for apprenticeships and traineeships.

Recommendation 7

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

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

ACPET contends that the funding matrix must recognise the increased costs to RTOs when additional off the job training is incorporated into apprenticeships and traineeships.

ACPET accepts recommendation 7.

Recommendation 8

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

ACPET’s response

ACPET’s view is that advice that is provided to school students regarding VET pathways must be accurate and realistic, and that the quality and depth of VET delivered in schools must be equal to that provided in other RTOs.

ACPET contends that the Australian Skills Quality Authority should take an lead role in ensuring that the delivery of VET in schools is of a high quality.

ACPET accepts Recommendation 8.

Recommendation 9

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

ACPET’s response

ACPET recognises that pre-apprenticeship programs and pre-vocational training have a positive impact on learners. As a member of the National Quality Council ACPET can advise that the NQC has supported the development of nationally consistent definitions of pre-vocational training.

ACPET contends that for pre-vocational training to be an ongoing success it is essential that funding is made available to meet the full delivery cost of programs. ACPET also notes that Industry Skills Councils are focussing on developing training packages that comprise units designed to build some of the same skills that pre-vocational training is designed to build.

Pre-apprenticeship programs are very useful for those learners who do not have the confidence, contacts or skills to approach an employer for an apprenticeship. However some trades have a strong reluctance to recognise pre-apprenticeship programs. This reluctance ensures the programs are not attractive to future apprentices and ensures they are not genuine pathways. A National Custodian
may be able to alter the position of trades that do not fully accept or support pre-apprenticeship programs.

ACPET notes the recent release of a NCVER paper\(^{10}\) that examines the issues of pre-apprenticeship programs. The key findings from *Pre-apprenticeships and their impact on apprenticeship completion and satisfaction* are:

- Pre-apprenticeships lead to only a modest increase in satisfaction with job-related aspects of apprenticeships (but not off-the-job training aspects).
- Pre-apprenticeships increase the likelihood of completion for apprentices in the construction, food and electro-technology trades and those with a Year 10 or Year 12 level of education.
- Pre-apprenticeships reduce the likelihood of completing an apprenticeship for hairdressers and apprentices in the automotive and engineering trades and for those people who already have a certificate III or higher qualification. This suggests that the design of pre-apprenticeships is important.
- In general, apprentices who have undertaken a pre-apprenticeship are less likely to discontinue their training because they did not like the type of work or training, but this does not translate into a higher likelihood of completion.

**ACPET accepts Recommendation 9, but cautions that the system must avoid creating duplication and must be accepted by industry.**

**Recommendation 10**

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

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

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

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\(^{10}\) *Pre-apprenticeships and their impact on apprenticeship completion and satisfaction*

ACPET’s Response

ACPET welcomes this recommendation from the Expert Panel. This recommendation supports the COAG agenda of halving the number of people without qualifications at Certificate III level or above between 2009 and 2020, which this submission has previously referred to.

ACPET notes that retail and hospitality are the main industries of employment in regional and remote areas. However, these occupations may be exempt from Government support if the Report’s recommendation on eligible apprentice and trainees is accepted. It is essential that policy be consistent in its goals; support for skills and up skilling employees in regional and remote areas requires support for hospitality and retail occupations.

For Recommendation 10 to be successful the full cost of providing support to apprentices and trainees who face specific challenges must be funded.

ACPET accepts Recommendation 10.

Recommendation 11

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

ACPET’s Response

ACPET welcomes this recommendation but notes that there is some contradiction between raising the status of apprenticeships and traineeships as a valued career choice while simultaneously deeming some apprenticeships and traineeships as ineligible for Government support. If there is to be a genuine attempt to raise the status apprenticeships and traineeships, then it is critical that such a strategy coves all apprenticeships and traineeships.

ACPET queries why the Expert Panel has not including the training sector in its list of stakeholders who will implement the strategy designed to raise the status of apprenticeships and traineeships. By ignoring a critical and integral element of the system any strategy is doomed to fail.

Earlier in this submission ACPET highlighted concerns with completion rate data. It is a poor advertisement for potential apprentices and trainees to hear commentary on ‘appalling’ completion

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rates. Such commentary serves to detract from the status of apprenticeships and traineeships and is a further reason why gathering accurate and timely data is essential.

**ACPET accepts Recommendation 11 on the proviso that training sector be part of a strategy raise the status of apprenticeships and traineeships.**

**Recommendation 12**

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

**Recommendation 13**

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

**ACPET’s Response to Recommendations 12 and 13**

Competency based progression is a hallmark of a VET system that fosters the recognition of skills and the capacity to be flexible to the individual needs of students and employers. Competency-based progression provides RTOs with the flexibility to tailor their offering to individual students, and must be promoted widely throughout the apprenticeship and traineeship system.

Effective competency-based progression will help to remove inefficiencies from the system and will allow students to progress through a qualification commensurate with the acquisition of skills rather than in a predetermined time frame.

**ACPET accepts Recommendations 12 and 13 relating to improved recognition of prior learning and current competencies.**

**Recommendation 14**

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

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

ACPET recognises that these issues raised by the Expert Panel can act as a barrier to an efficient and effective apprenticeship system. Many industry sectors have recognised that rates of pay set by modern awards do not reflect market activity, particularly those battling for staff in very tight labour markets, anecdotal evidence suggests many employers are paying the full award to trainees. This adds weight to the need for a review.

ACPET accepts Recommendation 14.