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1. Introduction

The Australian Council for Private Education and Training (ACPET) is the peak, national industry association for independent providers of post-compulsory education and training. ACPET represents more than 1,100 organisations, from schools to higher education institutes, delivering a full range of education, training and English language courses to both domestic and international students.

ACPET welcomes the opportunity to present a response to the Australian Apprenticeship Taskforce (AAT) discussion paper. ACPET is fully supportive of measures to develop a planning and implementation strategy for engaging and retaining Australian Apprentices as well as supporting qualified trades people to stay in the trade.

ACPET is committed to building an education and training system in Australia which helps all individuals to establish rewarding, social and economic lives that contribute to a productive and socially inclusive nation.

The steps being taken by the Council of Australian Governments (COAG) to build strong business, industry and government partnerships are essential to addressing the challenges of engaging and retaining Australian Apprentices to foster a more resilient economy. ACPET, as the representative voice of private education and training providers, welcome the opportunity to be part of these partnerships.

2. Key Messages

ACPET acknowledges the need for employers to be able to retrain and up-skill their workforce through effective attraction, retention and retraining strategies, and in particular, the use of employment-based models of training such as Australian Apprenticeships.

ACPET reinforces the need to establish an education and training system which consists of:

a. A single tertiary system with streamlined regulation across the higher education and vocational education and training (VET) sectors;
b. An Australian Qualification Framework (AQF) using a broader framework to encourage innovation and flexibility;
c. Representative decision making and approval processes involving the users (clients and providers) of the system; and
d. A democratic market economy to enable the right of the client to choose a quality education and training provider.
Specifically in terms of Australian Apprenticeships, ACPET supports the development and implementation of policy to ensure a systematic and sustainable approach to recruitment, retention and/or up-skilling of apprentices and trades people in all economic situations. Federal and state/territory governments need to take a more systematic approach rather than the current fragmented approaches although ACPET recognizes the current use of a number of ‘good or best practices’ across different trades and various regions.

ACPET encourages the AAT to:

- a. implement a systematic approach;
- b. support client choice;
- c. encourage and sustain strategic partnerships; and
- d. use available research.

Governments need to develop a broad framework of principles under which employment-based models of training like Australian Apprenticeships can be delivered, modified quickly and reshaped if required, based on client needs and external factors such as the current global financial crisis (GFC).

The need to adapt the model of delivery is constantly impacted by factors such as:

- The apprentice’s needs such as current age, location, existing knowledge and skills, literacy and numeracy levels, and access to transport;
- The employer’s needs such as current contracts, workforce demographics, and legislative requirements;
- Industry needs such as technological and climate change policy on job roles and workforce practices;
- Policy decisions such as the amount of funding available to deliver training, incentives and support available, and streamlining of license requirements; and
- External factors such as national workforce needs, the global financial crisis, and national skills shortages.

3. The ACPET Position

ACPET acknowledges that the Australian Apprenticeship model of training, despite a number of problems, is still considered as one of the most effective employment-based training models, nationally and internationally.

The strength of employment-based training, in pedagogical terms, lies in the provision of experiential learning in workplaces that complements experiences in educational institutions. The five main elements which make this an effective approach to developing vocational competence are experiences
of the vocational practice, the duration of the learning contract, expert support, the link to formal education, and assessment and certification.¹

As stated in the report Effective Models of Employment-based Training, that although Australian Apprenticeships continue to make a significant contribution to the Australian workforce, the full potential of the model is limited by persistent issues such as: ‘Inconsistent regulatory arrangements, non-compliance by employers and registered training organisations, poor audit processes, variations in the interpretation and practice of competency-based training, and wages and awards’.

ACPET support the statement in this report that calls for a compendium of models to be used for Australian Apprenticeships and other employment-based training rather than the one size fits all approach.

‘Any new models of employment-based training should address existing problems, as well as take into account the emerging needs of industry for skilled labour. The design of the models must also address an ageing workforce and allow flexible entry points for all age groups. Furthermore, future employment-based training models also need to keep pace with how work is organised in an environment characterised by increased competition, outsourcing, casualisation and an emphasis on specialisation and innovation. What is becoming apparent is the need for a ‘compendium of models’, rather than a ‘one size fits all’ approach’.²

ACPET also encourages that the AAT needs to examine policy and practices such as internships and work/professional integrated learning associated with higher level qualifications for the Para-professional. This analysis is needed as part of career pathway planning for Trades people. The use of employment-based models in enhancing quality learning for higher-level qualifications is an effective alternative to traditional institute-based learning.

The essential problem existing with Australian Apprenticeships in the current economic situation is the main requirement of this model - an employer willing to take on or retain an apprentice. The financial return on the investment in Australian Apprentices does not appear to an employer until a significant portion of the apprenticeship is completed i.e. when the apprentice becomes a productive employee.

The AAT needs to look at the key messages from the National Centre of Vocational Education and Research (NCVER) report Cost of Training Apprentices to develop a systematic approach to the factors which significantly impact on employers initially engaging and then retaining Australian Apprentices particularly during difficult financial times. The key messages³ from the report are:

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¹ NCVER report: Effective Models of Employment-based training, 2008, pg8
² NCVER report: Effective Models of Employment-based training, 2008, pg7
³ NCVER report: Cost of Training Apprentices, 2009, pg3
The apprenticeship model involves a substantial financial commitment from employers. The numbers currently involved in training apprentices attests to apprentices’ value to employers. The highest costs to employers are for supervision, as apprentice wages are more or less equal to their productivity. The effect of government incentives on employers’ decisions to train apprentices is minimal, as they do not represent a significant discount to employers. Apprentices also incur costs, based on the loss of potential wages (opportunity cost). The opportunity cost is very sensitive to the alternative wage available to the apprentice. Apprenticeships are more attractive to young people (because of lower opportunity costs) and will be unattractive to older people, unless the premium paid to qualified trades people is substantial.

As the GFC continues to impact on labour markets, it is essential that the Australian Government and State and Territory governments work with the clients of Australian Apprenticeships, the employers, the workers and the apprentices. It is also important for governments to interact closely with the stakeholder groups as it is the stakeholder groups who are involved on a regular basis with the client groups. Stakeholder groups include organisations such as Registered Training Organisations (RTOs), Australian Apprenticeship Centres (AACs), Group Training Organisations (GTOs) and support organisations such as schools and their networks as well as other community organisations.

a. Use of a systematic approach

ACPET acknowledges the value in a number of the policy changes which have been implemented to allow for:

- significant wage subsidies and tax rebates paid to employers;
- subsidies paid to apprentices and trainees to offset specific costs such as travel and accommodation, living away from home and uniforms and tools; and
- additional assistance to support participation of groups under-represented in the relevant occupations.

However, the number of different arrangements across the various states and territories can be confusing to the clients of these policy changes, particularly employers operating nationally. ACPET support a systematic approach and streamlining of policy reforms so that there is decreased confusion about the type of support which is available.

ACPET also refers to the aforementioned research Cost of Training Apprentices, as a valuable body of research from which the AAT could target policy reform in terms of how the support should be provided (i.e. when, type, amount) to produce the desired outcome of increasing uptake and retention of Australian Apprenticeships. As stated in this report:
The high cost of apprenticeships will constrain the numbers of employers willing to take on apprentices, especially in a downturn. Therefore, it is worth considering a model which reduces the cost to employers by making more use of institution-based training, so that apprentices require less supervision and are more productive in the workplace. Such a model may not reduce costs overall but would transfer costs from employers to governments and prospective apprentices.\(^4\)

In supporting this approach, ACPET endorses an approach where quality training providers who have the ability to meet the needs of clients have the opportunity to tender for the training.

**b. Providing the client with choice**

Currently, states and territories are responsible for managing the funding, through User Choice contract arrangements, to cover the direct cost of training Australian Apprentices. The intent of User Choice is to support the client to choose the provider most suitable to meet their needs by using learner-centred funding and advisory services. Previously, the provision of nationally recognised training and qualifications was mostly limited to the state and territory Technical and Further Education (TAFE) institutes although under new systems, non-government organisations can now register to provide nationally recognised training and qualifications under User Choice.

ACPET acknowledges that the non-government RTO now delivers a small portion of User Choice contracts but that the client is still limited in their choice due to contestable and non-contestable divisions of User Choice contracts by some of the states and territories.

The national website Training.com.au\(^5\) states that the client (employer and apprentice) can negotiate aspects of the training such as:

- the structure and content of the training;
- where the training will be delivered;
- how it will be delivered;
- when the training will occur and
- which trainer/facilitator will conduct the assessment of training.

ACPET questions whether current User Choice arrangements are really allowing the client to negotiate or that the RTO dictates the terms of delivery based on resources available (human and physical), class numbers and scheduling of training. A number of RTOs state that the financial value of the contract for the delivery of training is insufficient to allow their organisation to sufficiently customize training to meet the needs of clients however other RTOs are developing innovative delivery and assessment systems.

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\(^4\) NCVER report: Cost of Training Apprentices, 2009, pg3
practices i.e. use of technology and workplace assessment, which are aligned to the needs of the client.

Good practice strategies and solutions currently being used in meeting the needs of clients should be systematically endorsed and supported. Flexibility is still needed in a systematic approach to allow for industry needs, occupational differences, individual workplace practices, regional requirements and the individual needs of the client whether it is the employer or the apprentice.

c. Supporting strategic partnership arrangements

The number of stakeholder groups, including their roles and responsibilities in assisting clients before, during and after the completion of an Australian Apprenticeship, is once again confusing to clients. ACPET acknowledges the good work by these organisations including Australian Apprenticeship Centres (AACs), Group Training Organisations (GTOs), Registered Training Organisations, schools and other support groups in providing useful information, negotiating placements, making referrals, and offering mentoring and advocacy services.

However, ACPET supports an approach where the roles and responsibilities of stakeholder groups is clearly defined across a small number of stakeholders working together to produce the desired result – completion of the apprenticeship and retention of the worker as a trades person in the industry.

Presently, there is considerable duplication of marketing and education materials with each stakeholder producing their own websites, brochures, fact sheets etc to inform the client. Again, the AAT needs to ensure a systematic approach to partnership arrangements so that there is more effective use of available resources and information sharing.

Streamlining the number of stakeholders involved in the Australian Apprenticeship process, would ensure funds were available to further develop and support sustainable partnership arrangements particularly in regional and remote regions. Tendering and contract processes need to be reviewed so that organisations with a record of successful performance are able to continue partnership arrangements.

This does not mean that new organisations cannot enter a market area but it must be on the basis of the organisation’s ability to produce quality results and not on the basis of favourable cost factors to the government. Successful organisations should have the opportunity to renew contracts provided it has produced quality results.

d. Using the research to develop a compendium of models

A significant amount of research has been completed on Australian Apprenticeships. As stated, previously, this model is a strong example of the effectiveness of employment-based training with the
principles of this model being applicable to higher level qualifications. There is a lot to learn from this model where successful existing strategies need to be supported and enhanced to ensure there is future success, particularly in unstable economic conditions.

In 2006 the Council of Australian Governments (COAG) reached agreement on a package of additional measures to further transform employment-based training and skills recognition in the national VET system (Council of Australian Governments 2006). These measures included:

- accelerated employment-based training,
- mid-career workers to undertake an apprenticeship using recognition of prior learning (RPL), and gap training;
- intermediate or specialised qualifications in trades as well as full apprenticeships;
- more school-based Australian Apprenticeships;
- tackle inconsistencies in licensing (trades) issues to achieve, full mutual recognition of skills across Australia;
- employment-based training leading to higher qualification levels (paraprofessionals); and
- Business Skills Vouchers and equipment vouchers.

Despite the success of some of these initiatives, the AAT needs to take a systematic approach to ensure that strategies are in place to cope with the key drivers of change identified by research reviews of employment-based training in Australia by Ray (2001), Robinson (2001), Cully (2006) and Karmel (2006). These drivers are:

- Skilled labour needs to be competitive in a global market influenced by technological change and industrial restructuring. This has resulted in diversification of employment-based training so that it includes other occupations and industry areas than the regulated trades.
- Stepping stones are required through qualifications at levels lower than the traditional certificate III (for apprenticeship) for unemployed and disadvantaged youth, as well as existing workers without qualifications. This resulted in the introduction of traineeships
- Partly as a consequence of the ageing workforce and increasing global competition, the entire workforce needs to up-skill or re-skill. In 1992, age restrictions were lifted and employment-based training was extended to existing workers and other newcomers to the system. Traineeships for existing workers included recognition of their skills and up-skillling for a qualification within the Australian Qualifications Framework (AQF).
- The system needs to keep pace with changes in how work is organised through outsourcing, casualisation and with an emphasis on specialisation. Involvement in part-time apprenticeships and traineeships, including for school students, and the administration of

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6 NCVER report: Effective Models of Employment-based training, 2008, pg10
employment-based training through group training organisations accommodated some of these changes.

- There is a need for higher-level VET qualifications, at certificate IV and diploma levels, to meet changing technologies and increase productivity and competitiveness.

4. Contact

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