

The Australian Apprenticeship Support Network

Submission to the Department of Education and Training
July 2018

Introduction

The Australian Chamber welcomes the opportunity to provide input to the Department of Education and Training regarding the Australian Apprenticeship Support Network.

The Australian Chamber has maintained strong engagement with the Department over many years on Vocational Education and Training including Apprenticeships, providing highly considered and evidence-based viewpoints on the impact of training policy on the needs of business and the broader community. This submission does not set out to provide detailed commentary on all of the questions posed in the discussion paper; rather it takes a high-level approach to cover issues most relevant to the Australian Chamber's members.

Background

Apprenticeships have a long and significant history in Australia as an effective model for work based learning. Apprenticeships are a cornerstone of industry led skills development. The work integrated learning model, combining theoretical, mostly off-the-job learning with on-the-job practical validation of those skills in a real work environment, is widely accepted as a successful and highly valued skills development pathway for individuals and employers. VET pathways, particularly apprenticeships and traineeships, have job-outcome results at around 80-90% at the end of training, compared to around 68% for those graduating from an undergraduate degree. However, increasing number of young people are choosing to go to university after school and more young apprentices come from a low socioeconomic background with lower academic ability, including literacy and numeracy deficits¹. With the current outlook of apprenticeship commencements and completions on the decline, any services that can help arrest this decline is essential since they support and help retain young apprentices and enhance completion.

¹ NCVET Australian apprenticeships: trends, challenges and future opportunities for dealing with Industry 4.0



Figure 1: NCVER Apprentices and Trainees December Quarter 2017

The Australian Government in 2015 commenced the Australian Apprenticeship Support Network (AASN), which through 11 network providers delivers free support services to apprentices and employers, making it easier for employers to recruit, train and retain apprentices. This service is essential to the apprenticeship system. A barrier to employer engagement is red tape and the service provided by AASN is very important in reducing that burden. The AASN service also recognises the multitude of stakeholders in the system and the complexity of operating in multiple jurisdictions.

Existing contracts for AASN providers end in June 2019 and we welcome the consultation process to identify areas for improvement to ensure the AASN model continues to support apprentices and employers to build the all-important skills pipeline that Australia needs.

Issues for Consideration

1. Impact of the Skilling Australians Fund

A very strong consideration in the planning for the next contract will be the impact of the increased demand arising from the Skilling Australians Fund (SAF) projects. The new AASN contracts need to ensure there is sufficient resource available to deal with this increased demand. The objective of SAF in large part is to reengage employers with the system they have walked away from, as a result of the dramatic changes to policy and funding during the 2011-2015 period, and also to attract new employers to the system. The quality of service they receive through the AASN will be a critical influencer in whether engagement will be repeated. AASN providers currently provide services that assist clients in finding alternate pathways if an apprenticeship is not suited to them. This needs to be acknowledged and appropriately funded.

Role of Employer Incentives: Employer incentives play a role in ensuring hosting an apprentice is a viable commitment in terms of time and resources for an employer. Efforts are needed to bring in more employers within the system who are willing to take on apprentices, thus increasing the opportunities and choices available to potential apprentices. Incentives have contributed to the growth of apprentices² and their removal was a major reason for the decline in apprenticeships. We anticipate new incentives under SAF projects, to create apprenticeships in high growth sectors such as hospitality and tourism.

² NCVER The changing nature of apprenticeships: 1996–2016

2. National Marketing Strategy

As part of, but also additional to SAF, there is a pressing need for a National Marketing Strategy to increase opportunities for apprentice positions.

The Department should assume responsibility to create greater awareness and promote the value of apprenticeships and traineeships as a high value employment opportunity to school students, existing workers, and unemployed Australians as well as a strong option for employers. The viability of the AASN model relies on significant apprenticeship volumes, which creates demand for support services. AASN providers need to be part of the Marketing Strategy since their service includes marketing apprenticeships and allied services to potential apprentices.

Efforts need to be undertaken to ensure apprenticeships becomes a pathway of equal standing with higher education. The National Marketing Strategy could tie in with the Department's 'Real Skills for Real Careers' initiative by targeting a person's circle of influence to change the perception of vocational education and training (VET) and apprenticeships as a high quality education option on par with higher education. This can include working with schools, career advisers or counsellors, parents and teachers. To be able to influence and change an entrenched perception will require real commitment and funding from the Department.

3. Payment Structures

Although a majority of the resource is spent in providing services to employers and apprentices during the initial period, payments are geared towards the completion of the apprenticeship. This creates an environment that encourages bad behaviour by certain AASN providers. The payment structure needs to be appropriately weighted to reflect the work and resources invested throughout the lifecycle of the apprenticeship, particularly in the first six months.

An important objective of AASN providers is to provide mentoring and support to the apprentice when needed. However, AASN providers are not paid for contact hours and mentoring that exceeds the budgeted amount. There needs to be greater funding for at-risk cohorts that require intensive support and more contact hours. At the same time, funding needs to be increased for the general cohort to improve the detail and level of service provided. AASN providers need to be appropriately reimbursed for the services delivered, subject to quality outcomes (i.e., higher completions rates).

4. Servicing Regional and Remote Areas

Some AASN providers have had to cut expenses by reducing their physical footprint in regional and remote areas to remain viable. There is an inconsistent approach to providing services in remote locations with few providers continuing to provide regular face-to-face interactions. We are led to believe that in some cases, providers are not being held accountable to provide the appropriate level of service in regional and remote areas they committed to in their original contract. Since services must be delivered as a contractual obligation, the Department needs to enforce such contractual obligations or introduce a variation to the contract that is transparent to the market.

5. Reducing Red Tape

There needs to be more support for AASN providers to deliver services efficiently and effectively. By reducing the regulatory burden and red tape involved in the apprentice lifecycle, resources can be freed up to engage in the delivery of services rather than completing paperwork. For example, at the sign up stage, AASN providers only get an hour with the employer and the apprentice to gather

necessary information and answer the required 43 questions. Technology can be leveraged to ensure contact hours are not consumed in just ticking boxes on forms, but freed up to make the process qualitative and improve service quality. The signup process can be streamlined, allowing for online completion and utilising the face-to-face interaction to build a relationship with the apprentice and the employer and understand the level of support services required.

Any new regulatory and compliance requirements of AASN providers need to be evaluated to ensure they do not unduly increase the regulatory burden, creating additional red tape. Additionally, during consultation sessions run by the Department, suggestions for the Government to leverage technology platforms such as mobile applications (apps) to facilitate compliance were voiced. However, multiple platforms introduced across jurisdictions by States and Territory governments will only serve to exacerbate issues. AASN providers need to be able to leverage their network of staff and resources across jurisdictions to benefit from economies of scale, as would a national employer working with a certain AASN provider. A single national platform for regulatory compliance could be explored to ensure consistency and to track usage.

6. *Technology Platforms*

As mentioned, consideration of technology enhancements to the service will be important in ensuring that the AASN service remains responsive to the needs of employers and apprentices, as well as meeting the needs of the Commonwealth and State Governments. The difficulties associated with the failed attempt to update the entire platform are well known and there is no need to rehash them. That said, a key learning for the new contract will be to not assume that technology or any “innovation” proposed but not yet implemented will be built into the way the new contracts are finalised.

7. *Use of Data*

One of the frustrations with the current data system for apprentices is that due to the processes of jurisdictional clearance, the NCVER statistics on apprentice numbers are not delivered in a timely way. The AASN system managed by the Commonwealth provides virtually real time data. This should be available publicly even in a “range” or “trend” way on a monthly basis so that stakeholders can be better informed about the performance of the system.



About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

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