



Reforming Apprentice Support

The ACTU Response to the Department of Employment and Workplace Relations Discussion Paper “*Australian Apprenticeship Services and Supports*”.

ACTU Submission, 14 December 2022
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Introduction

The Australian Council of Trade Unions (ACTU) is the peak trade union body in Australia, with 43 affiliated unions and states and regional trades and labour councils, representing approximately 2 million workers across the country. Australian unions represent tens of thousands of apprentices, trainees¹ and other workers undertaking work-based training in all industries across the country. We welcome the opportunity to provide feedback on the support provided to apprentices and its impact on the rate of completion of apprenticeships. We also welcome Government action on the issue of declining completion rates after what has been nearly a decade of inaction under the previous government.

This short submission will outline the view of the ACTU that the decline in completions, which is obviously the outcome of a number of complex factors, is at least partially attributable to a failure of the current apprentice support system to provide sufficient and effective support to apprentices and trainees. The Australian Apprentice Support Network system has, on a systemic level, failed to deliver the support necessary to halt or even significantly slow the decline in completions and must be radically reformed.

The Apprenticeship Model

Apprentices are crucial to the ongoing skilling of Australian workers. To build the jobs of the future we need to ensure that more workers have access to apprenticeship opportunities and that a robust system is in place to support apprentices. The apprenticeship model, a combination of in-classroom and on-the-job learning governed by a training contract has been an enduring one both in Australia and overseas. The fact that, as the Discussion Paper indicates, the number of people undertaking an apprenticeship in Australia and the number of commencements has continued to remain solid, actually increasing over the last year compared to previous years, is a testament to the attractiveness of the model to workers wanting to learn new skills and start their careers in an industry. That this continues to be the case despite the poor support for apprentices, relatively low pay for apprentices during a cost-of-living crisis and the increasing costs of undertaking an apprenticeship reinforces this fact. Employers continue to also show significant support for the apprenticeship model – with individual employers often working with unions to protect the model from government ‘reform’ which seeks to undermine its fundamental elements.

¹ A note on terminology. For the sake of brevity, the word ‘apprentice’ will be used throughout this submission to refer to both apprentices and trainees.

It is concerning therefore to see that the discussion paper continues this trend, making a number of worrying inferences about the impact of the critical off-the-job training component of apprenticeships on completion rates. We note that the Paper refers to this training as 'difficult to complete' and describes the standards applied to assessments as 'high'. To make these statements in the context of a discussion regarding low completion rates is to imply that off-the-job training represents a threat to completion rates. We utterly reject this implication and the motivations which underpin it. Off-the-job training is a crucial element of the apprenticeship model and is in place to ensure apprentices can develop appropriate skills to work safely and build their careers. Far from being due to the off-the-job training, it is our view that the fall in completions, which is not mirrored in other jurisdictions where apprentice models are also used, is due to a failure to support apprentices and is not attributable to a structural element of the apprenticeship model like off-the-job training. We strongly oppose any attempt to water down the apprenticeship model as part of a misguided and disingenuous attempt to increase completion rates.

The Failure of the Current System of Apprentice Support

The Discussion Paper contains a surfeit of evidence that the current system of apprentice support is a near-total failure. As the paper shows, in the 12 months to March 2022 more apprentices cancelled their training contracts than completed their training. Over that period, cancellations outstripped completions by 25,000 – nearly 30%. This appalling statistic, when combined with the reality that 80% of cancelled apprenticeships are initiated by the apprentice, clearly illustrates that apprentices are not receiving sufficient support to remain engaged in, and complete, their apprenticeship. The fact that, in the last fifteen years, the high point for apprenticeship completions was among those who began their apprenticeship in 2012. Of this cohort, 62% completed their course of training. That this represents the apotheosis of completions under the current system, where 1/3rd of apprentices still didn't complete their training, is a scathing indictment of the system designed to support apprentices and increase retention rates – the Australian Apprentice Support Network (AASN).

Currently, hundreds of millions of dollars are spent on apprentice support under a system which has failed to arrest the slide in completions and continues to deliver poor support outcomes. The Discussion Paper outlines the multiple responsibilities of the AASNs – responsibilities that we believe they are systemically prevented from delivering on due to the design and nature of the AASN system. It is our view, reinforced by the statistics presented in the Discussion Paper, that the current system of apprentice support, particularly the work undertaken by the AASNs, is failing to provide adequate support to apprentices. It is unacceptable to spend as much as we do on a role as important as that of the AASNs and to have that system continually fail to deliver results. As outlined above, we don't believe this is due to the failure of any particular AASN provider – it is our

belief that the AASN system, disconnected from industry and from the work apprentices are undertaking, is fundamentally unable to succeed. The system of apprentice support needs to be radically reformed and rebuilt under new principles. The contract renewal for AASNs in July 2023 provides an unmissable opportunity to undertake this crucial task.

Reforming the System of Apprentice Support

Despite its comprehensive canvassing of the damning statistics which illustrate the failure of the AASN system to adequately and meaningfully support Australian apprentices, the Discussion Paper fails to consider radical solutions to the ongoing crisis in apprenticeship completions. The Paper's incrementalist response to a problem which has gone unaddressed for a decade cannot be considered to be sufficient. While some of the matters raised in the paper, such as post-cancellation support and work to re-engage cancelled apprentices in the system are worthy of consideration, this consideration should occur within the context of a redesign of the apprenticeship support system. Other matters raised within the paper, such as 'better methods of identifying apprentices at risk of cancelling their apprenticeship' appear utterly disconnected from the fact that nearly 50% of apprentices are failing to finish their apprenticeship. This does not represent the outcome of poor identification of 'at risk' apprentices – this represents a system that puts ALL apprentices at risk of cancelling their apprenticeship.

Australia needs a radical overhaul of apprentice support to deliver more effective and holistic support to the whole cohort of apprentices. Statistics presented by the Discussion Paper clearly demonstrate that holistic, one-to-one and workplace-centred support means apprentices are more likely to complete their apprenticeship. Completion rates are higher both among apprentices employed in larger businesses, which are more likely to be experienced in apprentice employment and to have staff dedicated to that process, and those employed by Group Training Organisations. Apprentices employed in these circumstances are more likely to receive the support they need from their employers, offsetting the fact that it is clearly not being provided by the AASNs contracted to do so. Apprentices need support that is located in their workplace and where the work they are undertaking is understood by those providing them with support.

It is the view of Australian unions that a new system of support for Australian apprentices should be developed to replace the existing AASNs. That model should have the following attributes:

- Industry led – mentorship and support should have a direct connectivity with workers and the workplace
- Supported Tripartism - Unions and employers must be supported by the new system to act effectively to support and mentor apprentices.
- Connections to the industrial system.

- A holistic, wrap-around, case management approach to support provision.

Strong consideration should also be given to the benefits of a role for the newly created Jobs and Skills Australia (JSA) organisation in the apprenticeship support system. JSA clearly has a role to play in oversight of the apprentice support scheme as well as priority-setting in terms of industry priorities and planning.

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