

# **Australian Apprenticeship Services and Supports Discussion Paper**

This paper reflects the Department of Employment and Workplace Relations preliminary views and is not Government policy.

# Apprenticeships need to keep pace with changes in the labour market

The high number of apprentices currently in-training reflects significant investment in the apprenticeship system since 2020.

Despite renewed interest in the apprenticeship model, Australia's apprenticeship system is facing three critical challenges:



Falling completion rates



A lack of diversity



**Growing skills shortages** 

From the 2017 Australian
Apprenticeship cohort, 55.7 per
cent successfully completed.
Completions are in steady decline

First Nations Australians, women, apprentices with disability and regional Australians need greater representation to achieve improved outcomes.

38 per cent of **skills shortages** are in occupations with a **VET pathway.** 

# **Key Questions**

**This paper explores existing services and supports** and seeks views on opportunities to address three key, and long-standing, questions facing the Apprenticeship System:



What changes are needed to drive up the completion rate?



How can the services delivered better encourage and support apprentices from diverse backgrounds?



How can the support services be optimised to meet the current and future needs of apprentices and employers?

# The Australian Government is seeking your view on apprenticeships

# Outcome of the Jobs and Skills Summit

The Australian Government has committed to work in partnership with states, territories and stakeholders to explore options to improve apprenticeship support services and drive-up completions.

#### **Purpose of this Paper**

This paper tracks the **journey of an apprentice** and seeks views on how we can address key issues at every stage of the apprenticeship lifecycle. It is focused on non-financial supports. A review of financial supports will be undertaken in late 2023.

Responses to this paper will **inform apprenticeship services and supports** that the Australian Government takes forward.

For background on the apprenticeship system as it is now and key data and evidence, please review the <u>Apprenticeship Background Paper</u>.

#### How to get involved?

Written submissions are sought by **16 December 2022**. Submissions can be provided via the <u>online form</u>.

Throughout the paper, questions are raised to **foster discussion**. Submissions **may address one or more of the questions or issues** raised in this paper or provide a **more general response**.

Submissions will be supplemented by facilitated roundtables and targeted consultation with states, territories and key stakeholders.

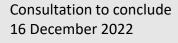
Release of Paper 16 November 2022



Consultation with key stakeholders commences 16 November 2022



Final date for response submissions to Paper 16 December 2022





## Australian Apprenticeships – Overview of the data – 31 March 2022

#### **In-Training**



387,830 apprentices and trainees are intraining (56,660 more than 31 March 2021)

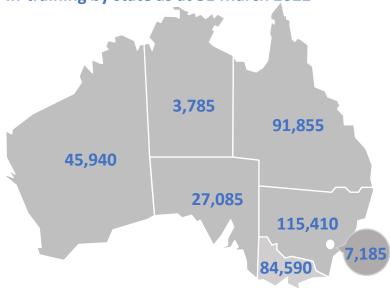


There are 273,340 male and 114,485 female apprentices and trainees in-training



There are 234,280 trade apprentices and trainees and 153,445 non-trade apprentices and trainees in-training

#### In-training by state as at 31 March 2022



#### Commencements



For 12 months to March 2022, there were **234,700 commencements** (44,960 more than in the previous 12 months)



There are **144,295 males and 90,400 female commencements (females up 29 per cent** from the previous 12 months)



There were **103,185 trade commencements** and **131,410 in non-trade** commencements

#### Top five trade occupations (commencements):

Bricklayers/carpenters/joiners (15,675)
Electricians (13,670)
Automotive Electricians/mechanics (12,235)
Plumbers (7,895)
Food Trader Workers (7,240)

# Top five non-trade occupations (commencements):

General Clerks (19,300)
Sales Assistants/Salespersons (14,185)
Hospitality Workers (13,865)
Child Carers (11,145)
Office and Practice Managers (10,675)

#### Completions



and 110,925 cancelled in the 12 month period ending in March 2022



From the 2017 Australian Apprenticeship cohort, **55.7 per cent successfully completed** 



Completion rates have been declining steadily over time

# COMPLETION RATE BY YEAR OF COMMENCEMENT (NCVER)

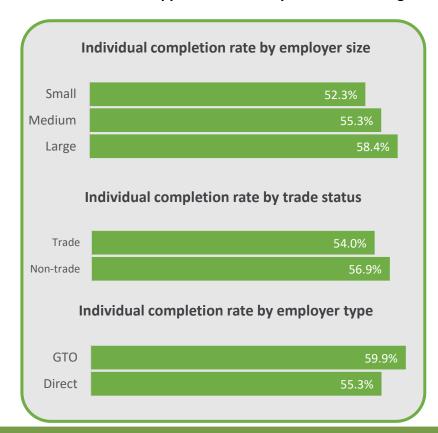


## **Australian Apprenticeship Outcomes**

Individual completion rates for the 2017 commencing cohort

Declining completion rates, in part, are a consequence of a healthy economy. When **unemployment is low, the opportunity cost of doing an apprenticeship rises**. This trend is a large contributor to the emerging skills shortages we are observing.

This is why it's critical that policy decisions centre on improving the environment for apprentices to complete their training.



# Industries with the highest number of commencements in 2017

Industry	Completion rate	Number of commencements
Construction Services	53.6%	28,140
Administrative Services	53.6%	25,720
Food and Beverage Services	51.3%	18,455
Repair and Maintenance	53.9%	7,920
Social Assistance Services	61.2%	6,620
Building Construction	58.1%	4,870
Personal and Other Services	45.5%	4,725
Other Store-Based Retailing	49.3%	4,485
Food Product Manufacturing	51.9%	4,340
Food Retailing	53.0%	3,330

# Individual completion rates by Industry from the 2017 commencing cohort

#### Industries with the highest completion rates

(excluding industries with less than 500 commencements)

Industry	Completion rate	Number of commencements	
Defence	86.5%	905	
Electricity Supply	81.6%	575	
Public Administration	77.0%	2,975	
Coal Mining	74.5%	875	
Adult, Community and Other Education	74.0%	1,100	

#### Industries with the lowest completion rates

(excluding industries with less than 500 commencements)

Industry	Completion rate	Number of commencements		
Waste Collection, Treatment and Disposal Services	44.5%	625		
Transport Support Service	ces 44.5%	1,000		
Personal and Other Services	45.5%	4,725		
Furniture and Other Manufacturing	47.2%	1,695		
Accommodation	48.0%	890		

In order to grow the skilled workforce, Australian Apprenticeships need to support diversity

# How can the services delivered better encourage and support apprentices from diverse backgrounds?

- Improving participation from apprentices who identify as Culturally and Linguistically Diverse (CALD) or having a disability, First Nations Australians, women and regional and remote Australians, is a crucial step in achieving outcomes for these cohorts.
- It is not only a matter of increasing commencements, but ensuring support is available through the entire apprenticeship to completion.
- Initiatives such as Support for Women in Trades provides personalised In-Training Support along with expanding access to networking, mentoring services and entrepreneurship training. There may be room for more specialised offerings to help these cohorts complete their training.

	Apprentices in training as at 31 March 2022 (percentages are of in-training population)	Total Australian Population aged 15-64  (percentages are of total population aged 15-64)	Completion rate for 2017 commencing cohort in trade occupations	Completion rate for 2017 commencing cohort in non-trade occupations
Total	387,830	16,518,000	55.1%	56.2%
Women	29.5%	50.1%	48.0%	60.2%
Disability	2.8%	12.7%	42.4%	57.4%
First Nations Australians	5.4%	3.7%	42.3%	52.7%
Regional or Remote	36.7%	27.9%	58.7%*	52%*
Youth (15-24 years old)	61.6%	12.0%	54.9%	58.7%
Mature aged (45 to 64)	7.6%	24.6%	52.6%	54.6%
Culturally and Linguistically Diverse (CALD)	Inconsistently captured	Inconsistently captured	Inconsistently captured	Inconsistently captured

Note, red is materially below average Green is materially above average



# The Australian Apprenticeship Lifecycle

Pre-Commencement Career Advice

Sign-up

Year 1

Off-the-job training Continued Training

Years 3 & 4

## **Pre-Apprenticeships – preparing to start and exploring options**



A pre-apprenticeship, pre-traineeship or pre-vocational program is designed to prepare an individual for entry into an apprenticeship. It often consists of off-the-job training with a Registered Training Organisation (RTO) and may contain an element of work experience with an employer. Pre-apprenticeships may be tailored to the apprentice's foundational skills needs.



The benefits of doing a pre-apprenticeship include exploring an industry without committing to a full apprenticeship, gaining valuable work experiences, developing on-the-job and industry-specific skills, using training networks to find and secure an employer for a full apprenticeship and receiving credit for completed study towards a full apprenticeship.

Through the pre-apprenticeship process, Australian Apprenticeship Support Network Providers (AASNs) can also identify literacy and numeracy developmental requirements and help prepare employers and apprentices for additional training with the RTO.



- 1. How could services better support the match between apprentices and employers?
- 2. In a tight labour market, is a pre-apprenticeship attractive to potential apprentices and employers?



Initiatives such as 'Try a trade' provide assurance before making the commitment to take on a full apprenticeship. This is particularly useful for non-traditional cohorts who may be hesitant.



Pre-Apprenticeships are most common in traditional trades such as Automotive, Plumbing and Electrical



Pre-Apprenticeships generally combine hands on and off-the-job training to support the apprentice to enter the workplace with foundation skills and relevant safety certifications.



Employers value preapprenticeships and view them as an opportunity for candidates to demonstrate commitment to work and training while building foundational skills between school and employment.



Supporting foundational skills pathways early in the apprenticeship can avoid shocks later in the apprenticeship and decrease cancellations.

## Ahead of the commitment - "I want an apprenticeship" or "I want to employ an apprentice"



AASNs are contracted to play an active role to support the VET stream of careers advice in schools by participating in careers expos, attending VET classes and providing advice to school groups as part of universal services. They are also contracted to promote and market apprenticeship pathways to industry, employers and potential apprentices.



AASNs are the entry point to the apprenticeship system and provide pre-commencement advice to potential apprentices and employers. AASNs are contracted to provide pre-employment advice and intensive personalised assistance, aptitude testing and advice on training or employment pathways.



- 1. How can parents and schools access advice on apprenticeship pathways to support career decisions?
- 2. How can we better sell apprenticeships in priority industries and occupations?





As at 31 March 2022, the three most common trade occupations are Electricians, Carpenters and Joiners and Motor Mechanics. The three most common non-trade occupations are General Clerks, Child Carers and Sales Assistants.



80% of the time an apprenticeship is ended early, the decision is made by the apprentice



AASNs deliver 30,000 Gateway Places per annum



More female apprentices (72%) cancel their apprenticeships in the first year, compared with males (61%).

## Formalising the apprenticeship – "We are ready to sign the training contract"



AASNs are contracted to sign-up all apprenticeships, give an overview of roles and responsibilities of employers and apprentices, help to select qualifications and appropriate RTOs, as well as confirm the apprenticeship arrangement is genuine. After initial meetings with an AASN, employers and apprentices meet to sign Training Contracts. Training Contracts formalise the training relationship between the employer and apprentice.



All Training Contracts are recorded in the Commonwealth Apprenticeship Data Management System (ADMS) and sent to the relevant State Training Authority for approval and registration. State Training Authorities ensure training arrangements are consistent with their relevant legislation. Training Plans outline the training and assessment the apprentice will undertake to prepare them for the workforce.



- 1. How can the sign-up process ensure the employer and apprentice feel supported, understand their responsibilities, understand the frequency and form of AASN contact to expect and know where to go for help?
- 2. What do apprentices and employers most value in the sign-up process? Are there alternative approaches?



In the 12 months ending 31 March 2022, **234,700** Apprentices commenced



apprentices a combined total of 11.8 hours to prepare for and attend a sign-up.



Over half of employers (54%) say hiring an apprentice is more complicated than hiring others.



Australian Apprentices that speak a language other than English or identify as having a disability appear to be the cohorts with most difficulty at sign-up.



Only 29% of apprentices indicate that sign-ups via video conferencing would be helpful

## Getting the foundations right - work and training commences



**Pre-Apprenticeships** 

Following approval of the Training Contract from the State Training Authority, the apprentice commences work and training with their employer and RTO. If the AASN identifies the apprentice is at risk of cancelling during their training, the AASN can provide additional personalised support, including pastoral care, counselling and conflict resolution.



Departmental research shows apprentices find the first year particularly difficult, stating low wages, a breakdown in relationships at work, and not enjoying the work as the key reasons for dropping out of their apprenticeship.

States, Territories, and industry groups offer supervisor training and targeted resources including videos, guides and short courses on supervising and mentoring apprentices. 8.9% of apprentices cancel their training in the first 3 months. 26.6% cancel in the first 12 months.



- 1. How could employers be supported with their supervisory role of an apprentice?
- 2. How should advice on available supports and services to apprentices and employers be delivered?
- 3. How should extra supports such as mentoring, study assistance, mediation, career advice be promoted?
- 4. How can we make it easier to communicate regularly with apprentices in the first 12 months?



AASNs call to check in with all apprentices under the age of 25 in their first 3 months of training.



Apprentices who receive In-Training Support from their AASN are **9.8% more likely to stay** in a program than non-recipients.



8.7% more likely to complete a program than non-recipients.



A 2019 trial by the NSW Govt targeted sending **behaviourally informed personalised messages to learners** in the first 6 months. The trial showed the **benefits regular contact** and informative messaging have on apprenticeship outcomes. The trial demonstrated personalised messaging to apprentices in the first year **decreases cancellations by 2.8%.** 

Source: increasing completion of apprenticeships and traineeships using behaviourally informed messages

NSW Government March 2021

## Building skills and qualifications - off the job training



**Pre-Apprenticeships** 

Off-the-job training can be the most difficult part of the apprenticeship to complete. Apprentices are required to travel, often long distances if they're regional based, complete industry-based studies on top of their on-the-job training and are subject to high pass mark standards.



Balancing the training requirements with the reality that each apprentice enters the system with different levels of literacy, numeracy and industry experience is an ongoing challenge for the system. There should be no reason experienced workers are prevented from upskilling to achieve better occupational outcomes.



- 1. Is there sufficient flexibility to support apprentices with pre-existing skills and those who are excelling to progress faster through their apprenticeship?
- 2. What would assist regional apprentices experiencing difficulty in accessing their off-the-job training?
- 3. Is the value of releasing the apprentice for off-the-job training clear enough to the employer?

Training wages for a typical four-year 55% in year 1 apprenticeship are based on a **proportion** 65% in year 2 **of a qualified trade persons:** 75% in year 3 Assumes apprentice is 18 years old and completed year 12 88% in year 4

Training wages are generally **below the national minimum wage** of \$21.38 per hour.

- First year junior hairdressing apprentices earn \$12.34 per hour
- Aged care trainees start from \$12.12 per hour
- Electrical apprentices range from \$15.16 per hour in year 1 to \$22.34 in year 4.

The discount in training wages is designed to assist employers with the costs associated with supervision, providing on the job training, and allowing time for off the job training.

## Keeping a focus on a successful completion - continuing the apprenticeship



By end of the 2<sup>nd</sup> year, 6.8% of trade apprentices and 51.3% of non-trade apprentices have generally completed their qualification. Apprentices in their third and forth year are highly valued, with supervision requirements reducing and productivity returns to the business increasing. Trade apprentices who complete their second year are more likely to finish their apprenticeship with only 5% cancelling in the third year and 4% cancelling in the fourth year.



Throughout the entire apprenticeship, AASNs are contracted to provide personalised In-Training Support to apprentices and trainees at risk of not completing their training. This service is often accessed by disadvantaged or at-risk cohorts. Services provided are based on assessment of individual need and may include pastoral care, mentoring, counselling, career guidance, industry mentoring, conflict resolution and referral to specialist services.



- 1. Are targeted supports later in training effective enough for employers and apprentices to have an impact?
- 2. How can we better identify apprentices, particularly at-risk cohorts who need additional support?

#### Cumulative outcomes each year of an apprenticeship and traineeship





### Apprentices contribution is highly valued due to skills and experience - Years 3 & 4



At this stage, apprentices have gained a large range of workplace and technical skills. Apprentices are in a position to be more independent, contribute to the productivity of the employer. This is a key point with a higher level of movement between employers in many industries, often with apprentices seeking higher pay.



systems for recruiting and managing apprentices but this varies across industries. Licensed trades also tend to have higher completion rates due to the significant payoff for apprentices who complete their training.



- 1. Some employers disengage from taking on apprentices at all due to the high movement to other employers during the 'payoff period' (year 3 and 4). Is this something the Government should address?
- 2. Record employment levels and skills shortages are causing more cancellations later in the apprenticeship. What would encourage apprentices to complete their apprenticeship in this environment?

#### **Key Data**

For the 2017 commencing cohort, the individual completion rate was:

- 55.7% for all apprentices
- **54.0%** for trade apprentices
- **56.9%** for non-trade apprentices

Individual completion rates over ten years

Individual completion rates by commencement year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	57.0%	58.3%	57.7%	58.8%	61.6%	59.9%	57.2%	57.6%	56.9%	55.7%
Trade	56.8%	58.5%	56.8%	57.3%	59.6%	59.2%	55.7%	57.6%	57.0%	54.0%
Non-Trade	57.2%	57.9%	57.7%	58.4%	61.0%	59.7%	57.8%	57.7%	56.6%	56.9%

Pre-Commencement Career Advice

Sign-up

Year 1

Off-the-job training Continued Training

Years 3 & 4

## Keeping apprentices engaged - changing an apprenticeship



AASNs are contracted to support changes to both the apprenticeship and employment arrangements to ensure both parties find the best outcomes. In situations where the qualification is changing AASNs will be available to assist with ensuring prior training is recognised. Existing services can help to find a new apprentice for the business or assist an apprentice in finding a new employer to recommence their training.



AASNs are not currently contracted to provide any retention or re-engagement services post-cancellation. Challenges include the delayed reporting of cancellations, by employers and apprentices, details which can often take as long as 18 months to filter through the system.



- 1. Are displacement registers useful and are there additional supports required?
- 2. What services would assist apprentices looking to change employers and/or qualifications?

#### From the 2017 apprentice cohort



17.7% of apprentices changed employers at least once during their training



Apprentices who change employer at least once had a completion rate of 58.9%, higher than the total completion rate of 55.7%



14.4% of apprentices who cancelled in the first 12 months went on to complete their training



Since 2017, approximately 45% of trade apprentices who cancel their apprenticeship continue with a new employer



# **Key Cohorts**

# **First Nations People**

#### **Converting strong participation into completions**



Australian Apprenticeships represent an important pathway to employment and tertiary qualifications. This is a critical step towards the employment Closing the Gap target of 67% of youth in employment, education and training by 2031 and the education target for 70% of Aboriginal and Torres Strait Islander people aged 25-34 years with a completed tertiary qualification (Certificate III and above) by 2031. More than half of First Nations Australians Apprentices are engaged in trade and priority occupations.



Commencements numbers are strong for First Nations apprentices but this is not currently translating into completions. First Nations Australians represent a higher rate of cancellation or non-completion compared to non-Indigenous apprentices. Improving completion rates of First Nations apprentices is a top priority. First Nations Australians are currently supported through the broader apprenticeship services with AASNs required to ensure all services are delivered in a culturally appropriate manner.



- 1. Are there specific culturally safe supports that would help more First Nations apprentices complete their training?
- 2. What would assist regional and remote First Nations apprentices throughout their apprenticeship?

#### **As at 31 March 2022**



**20,765** Apprentices identified as First Nations People



This represents
5.4% of all
apprentices in
training



**10,850** of First Nations apprentices are Trades-based



**56.4%** of First Nations apprentices in training are in regional and remote Australia



The top three trade occupations for First Nations Australians are **Carpenters** and **Joiners**, **Electricians** and **Plumbers** 

# Women in Apprenticeships – Addressing the Gender Balance



While the number of women in apprenticeships has been gradually increasing in recent years, women are still very underrepresented in non-traditional trade occupations, making up only 8.2% of current trade apprentices\*. Some women are reluctant to consider trade occupations because of concerns around the work environment. Those that do commence and withdraw cite a lack of support in the workplace as a key reason for cancelling.



\$38.6 million has recently been invested to support women to take up an apprenticeship in non-traditional trade occupations that have had historically low female participation. This includes occupations like plumbing, electrical and carpentry. This investment addresses the non-financial barriers that prevent women from choosing a trade and is focused on helping women to successfully complete their apprenticeship. This includes networks, mentoring services and entrepreneurship training, setting up women to succeed post training, including as small business owners.



- 1. What would improve workplace culture to ensure women in trade apprenticeships can succeed?
- 2. What advice do key influencers need to support women to consider a career in trade occupations?
- 3. How do we better retain women in trade occupations?

#### As at 31 March 2022



**114,485** Australian Apprentices are women



This represents **29.5%** of all apprentices in training



The construction industry has the largest gender pay gap, with women earning, on average, **30.6% less** than males



In August 2022, women's workforce participation was at a record **high** of **66.6%** 



Only **4.9%** of apprentices in-training in construction are **female** 

# Australian School Based Apprenticeships (ASbA) – School to work transition

#### 15,000 students commence their work journey as a school-based apprentice each year



56 per cent of secondary school students do not consider an apprenticeship when leaving school and 43 per cent of students are unsure whether their school offered school-based apprenticeships.<sup>1</sup>

Many career advisors aren't strongly advocating for VET pathways. This is an important lever to attract talent.



AASNs are contracted to provide school-based apprentices with the same supports available to all other Australian Apprentices. Students are engaged in a range of sectors, with some employers regularly taking on ASbAs, as well as some Group Training Organisations specialising in using traineeships and apprenticeships to support school to work transitions. 54% of all school-based apprenticeships are based in Queensland.



- 1. What additional support should be provided to trade apprentices continuing their apprenticeship post-school?
- 2. Should supports offered to school based apprentices and employers of school based apprentices be different to those post-school?

#### As at 31 March 2022



**24,085**Apprentices were School-based



This represents **6.2%** of all Apprentices in training



**38%** of schoolbased apprentices are Trades-based



**8.9%** of school-based apprentices are First Nations Australians



**50%** of school-based trade apprentices successfully complete their apprenticeship.

## **Questions Summary**

What changes are needed to drive up the completion rate?

How can the services delivered better encourage and support apprentices from diverse backgrounds?

How can the support services be optimised to meet the current and future needs of apprentices and employers?

Thow can the support services be optimised to infect the carrent and ratare needs of apprentices and employers:					
Stage of lifecycle	Focus Questions				
Pre-Apprenticeships	<ol> <li>How could services better support the match between apprentices and employers?</li> <li>In a tight labour market, is a pre-apprenticeship attractive to potential apprentices?</li> </ol>				
Pre-Commencement Career Advice	<ul><li>3. How can parents and schools access advice on apprenticeship pathways to support career decisions?</li><li>4. How can we better sell apprenticeships in priority industries and occupations?</li></ul>				
Sign-up	<ul><li>How can the sign-up process ensure the employer and apprentice feel supported, understand their responsibilities, understand the frequency and form of AASN contact to expect and know where to go for help?</li><li>What do apprentices and employers most value in the sign-up process? Are there alternative approaches?</li></ul>				
Year 1	<ul><li>7. How could employers be supported with their supervisory role of an apprentice?</li><li>8. How should advice on available supports and services to apprentices and employers be delivered?</li><li>9. How should extra supports such as mentoring, study assistance, mediation, career advice be promoted?</li><li>10. How can we make it easier to communicate regularly with apprentices in the first 12 months?</li></ul>				
Off-the-job training	<ul><li>11. Is there sufficient flexibility to support apprentices with pre-existing skills and those who are excelling to progress faster through their apprenticeship?</li><li>12. What would assist regional apprentices experiencing difficulty in accessing their off-the-job training?</li><li>13. Is the value of releasing the apprentice for off-the-job training clear enough to the employer?</li></ul>				
Continued Training	<ul><li>14. Are targeted supports later in training effective enough for employers and apprentices to have an impact?</li><li>15. How can we better identify apprentices, particularly at-risk cohorts who need additional support?</li></ul>				
Years 3 & 4	16. Some employers disengage from taking on apprentices at all due to the high movement during the 'payoff period' at this stage. Is this something the Government should address?  17. Record employment levels and skills shortages are causing more cancellations later in the apprenticeship. What would encourage apprentices to complete their apprenticeship in this environment?				
Changing an apprenticeship	18. Are displacement registers useful and are there additional supports required?  19. What services would assist apprentices looking to change employers and/or qualifications?				
First Nations People	<ul><li>20. Are there specific culturally safe supports that would help more First Nations apprentices complete their training?</li><li>21. What would assist regional and remote First Nations apprentices throughout their apprenticeship?</li></ul>				
Women in Apprenticeships	<ul><li>22. What would improve workplace culture to ensure women in trade apprenticeships can succeed?</li><li>23. What advice do key influencers need to support women to consider a career in trade occupations?</li><li>24. How do we better retain women in trade occupations?</li></ul>				
Australian School Based Apprenticeships	25. What additional support should be provided to trade apprentices continuing their apprenticeship post-school?  26. Should supports offered to school based apprentices and employers of school based apprentices be different to those post-school?				