



ASU Submission

Department of Employment and Workplace Relations

Strategic Review of the Australian Apprenticeship Incentive System

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The ASU

The ASU is one of Australia's largest unions, representing approximately 135,000 members. ASU members work in a wide variety of industries and occupations in both the private, public and community sectors.

The ASU is supportive of the strategic review of the Australian Apprenticeships Incentive System to consider opportunities to increase the take-up and successful completion of apprenticeships and traineeships.

The review complements the recently concluded review of non-financial supports for Australian Apprenticeships, which the ASU made a submission¹ to, and led to the development of the new support services model to commence on 1 July 2024.

Recommendations

1. A federally funded trainee and apprenticeship scheme should be launched centred on Local Government.
2. Every council to employ directly engaged apprentices and trainees equivalent to a number of at least 15% of its workforce.
3. Additional funding to facilitate councils' engagement of these apprentices and trainees, ensuring that the positions are fully funded by Government and additional to the existing organisational structure of a council.
4. Mentoring programs to be established and supported by Government, not only in local government, but all industries.
5. Government should review the NDIS pricing model, especially in terms of the amount of paid training time and supervision and consider how it can better fund and incentivise the uptake of traineeships in the disability sector.
6. Government should meet with stakeholders, including unions, to urgently implement a portable entitlements scheme as recommended by the Disability Royal Commission and NDIS Review.
7. Government must fund paid placements for students completing courses in the community and disability sector.
8. Government must immediately raise apprentice and traineeship rates of pay by eliminating junior rates.
9. Government must commit to creating and funding more regional and rural TAFE facilities for apprentices and trainees and ensure no more TAFE institutes close.
10. Government must adequately fund vocational education and training to ensure teachers are well paid, with reduce workloads, class sizes and appropriate course hours.

Trainees and apprenticeships in Local government

Local government has a long record of employing apprentices and skill-based trainees, however the proportion of apprentices and trainees has declined over time and correlates with the withdrawal of funding incentives. Local government has the critical infrastructure and trade skills required to provide high quality education and training to young people and mature aged workers alike. It is well placed to expand its apprenticeship and trainee employment programs to produce well-trained skill-based workers.

¹Australian Services Union Submission ,Apprentices Discussion Paper [Online]
<http://www.asu.asn.au/resources/submissions>

In their most recent analysis on the local government workforce², the Australian Local Government Association (ALGA) identified 1.9% of the workforce employed as an apprentice or trainee with 59% being male and 41% being female. 31% of respondent local governments said they have at least one Aboriginal or Torres Strait Islander trainee or apprentice.

57.6% local governments do not believe they are taking on enough trainees and apprentices to meet future skilling needs, compared to 41.4% who believe they are.

The highest proportion of the local government workforce is in the 30-44 year age group, followed by the 45-54 and the 55-64 year age groups. The previous 2018 ALGA report³ showed on average Local government has a significantly lower participation rate of under 30-year old's (13.6%) compared to all-industries (25.5%), particularly in Victoria and Tasmania.

As a result, in the next 10 to 15 years a vast majority of the local government workforce will retire, robbing communities of a skilled and experienced workforce, and economically secure and independent residents. The ALGA report notes employee attrition and an ageing working are an ongoing and escalating difficulty.⁴ Existing local government workers with decades of experience who are transitioning to retire are ideally placed to form essential mentoring of incoming apprentices and trainees.

91.4 % of respondents reported they were experiencing skill shortages, especially in engineering, urban and town-planning, building surveying, environmental health officers, supervisors/team leaders, labourers, IT/ICT technicians, accountants, human resource professionals and project managers. This is in addition to our own observations of skill shortages in qualified and skilled tradespeople at council. The most common driver of skills shortages being the lack of suitable skilled candidates.

This skill shortage is occurring at a time when local government apprenticeships have declined by 63.2% between 2012 and 2017 compared with general decline in all industries of 21.6% over that same period.

Local government faces several barriers to employing apprentices, including budget constraints limiting their ability to fund apprentice positions, concerns about long-term commitments to apprenticeship contracts, and challenges in finding suitable mentors within their council.

Local government may encounter difficulties aligning apprentice training with the specific needs and priorities of the apprentice. For example, some councils may not have the infrastructure or ability to ensure the apprentice can complete every module or unit of a course. E.g., For some carpentry courses an apprentice may be required to build a complex structure like a cottage. Government should consider funding more TAFE simulated environments, to ensure apprentices can complete the required modules or units of a course, regardless of their employer.

Additionally, local government may not necessarily have the capacity to keep an apprentice on after completion. To overcome this barrier, Government should fund and promote local government as a skilling and training hub (especially in regional and rural Australia).

²Australian Local Government Associate, 2022 Local Government Workforce Skills and Capability Survey [Online] <https://alga.com.au/workforce-survey-reinforces-major-jobs-and-skills-challenge/>

³ Australian Local Government Associate, 2018 Local Government Workforce and Future Skills Report Australia [Online] https://alga.com.au/app/uploads/Skills-Plan_ALGA-1.pdf

⁴ Australian Local Government Associate, 2022 Local Government Workforce Skills and Capability Survey [Online] <https://alga.com.au/workforce-survey-reinforces-major-jobs-and-skills-challenge/>

The local government workforce is a central economic pillar of every small, medium and large community in Australia. It is facing disaster as an ageing and retiring workforce struggles to meet emerging skill shortages while councils largely fail to mitigate the losses with the recruitment and training of workers as apprentices and trainees.

Recommendations:

1. A federally funded trainee and apprenticeship scheme should be launched centred on Local Government.
2. Every council to employ directly engaged apprentices and trainees equivalent to a number of at least 15% of its workforce.
3. Additional funding to facilitate councils' engagement of these apprentices and trainees, ensuring that the positions are fully funded by Government and additional to the existing organisational structure of a council.
4. Mentoring programs to be established and supported by Government, not only in local government, but all industries.

Traineeships in the Social, community and disability services sector

The social and community services sector includes disability services, child protection, youth and family services, domestic violence and sexual assault support services, specialist women's, CALD, Aboriginal and migrant services, counselling services (financial, sexual assault, domestic violence, trauma), housing and homelessness services. This sector is growing and is vital to supporting vulnerable and disadvantaged members of our community.

There are several reasons why the take up of traineeships in the social, community and disability services sector is extremely low. These include: the largely casual nature of the sector, issues of supervision, unpaid time, and traineeship wages.

Casualisation of the workforce

The fact that such a large proportion of the social, community and disability services workforce is employed on a casual basis (45%)⁵ provides a barrier to traineeship uptake because traineeships are not available to casual workers.

Competitive tendering and NDIS price limits are contributing to the high incidence of casual and precarious employment. Recently the Victorian State Government introduced a Fair Jobs Code for the Community Services Sector.⁶ The initiative promotes secure employment and job security, promotes fair labour standards, encourages compliance with employment, industrial relations and workplace health and safety obligations.⁷ This initiative needs to be established in all States across Australia.

⁵ Fair Work Commission, A profile of employee characteristics across modern awards [Online] <https://www.fwc.gov.au/documents/wage-reviews/2022-23/profile-of-employee-characteristics-across-modern-awards-2023-03-03.pdf>

⁶ Victorian Government, About the Victorian Fair Jobs Code for the Community Services Sector [online] <https://www.dffh.vic.gov.au/fair-jobs-code#:~:text=The%20CS%20Code%20is%20a,employees%20and%20their%20representatives%3B%20and>

⁷Victorian Government, The new Victorian Fair Jobs Code – promoting fairer jobs and recognising good employers [Online] <https://localjobsfirst.vic.gov.au/news/news-items/the-new-victorian-fair-jobs-code-promoting-fairer-jobs-and-recognising-good-employers>

Until Government recognises and funds the social, community and disability services sector to employ its workforce on a secure and permanent basis, the uptake of traineeships will remain low.

NDIS pricing, supervision and paid time

Another significant factor affecting the uptake of traineeships is the issue of supervision. The NDIS pricing model has had a significant consequence for training and development in the sector, with price limits not covering the costs associated with employing trainees, including wages, benefits, and supervision. Trainees require a high level of supervision, and current NDIS pricing limits do not allow for sufficient supervision time.

In 2017 the ASU commissioned the Australia Institute, Centre for Future Work to develop the [Portable Training Entitlement Scheme](#).⁸ This scheme would involve funding three stages of training for the workforce. All three parts would rely on reviewing the range of appropriate VET accredited courses so they respond better to the diverse needs and aspirations of people with disability and build career paths for the growing workforce. The benefits of this scheme would be a win not only for the workforce, but also the TAFE sector via an ongoing injection of students and an innovative model for TAFE to play a long term role in the disability services professional development. Both the Disability Royal Commission⁹ and the NDIS Review¹⁰ have recommended that such a scheme should be implemented.

All traineeships in the social, community and disability services sector must include paid time for training, otherwise this predominately female workforce will not do it.

To further advance the uptake in studies beyond traineeships, Government must fund paid placements for students completing courses in the community and disability sector. Unpaid placements are a major barrier for women and affects career progression as well as enrolment and completion numbers. Community and disability support courses that require a minimum number of work placement hours to be completed to achieve qualification should form part of the Commonwealth Prac Payment support recently announced by Government.¹¹

Recommendations:

5. Government should review the NDIS pricing model, especially in terms of the amount of paid training time and supervision and consider how it can better fund and incentivise the uptake of traineeships in the disability sector.
6. Government should meet with stakeholders, including unions, to urgently implement a portable entitlements scheme as recommended by the Disability Royal Commission and NDIS Review.
7. Government must fund paid placements for students completing courses in the community and disability sector.

⁸ The Centre for Future Work, A Portable Training Entitlement System for the Disability Support Services Sector [Online] https://australiainstitute.org.au/wp-content/uploads/2020/12/ASU_Training_Report_Formatted.pdf

⁹ Disability Royal Commission, Final Report – Volume 10, Disability services [Online] <https://disability.royalcommission.gov.au/publications/final-report-volume-10-disability-services#:~:text=Volume%2010%20examines%20the%20nature,prevent%20and%20respond%20to%20it>

¹⁰ NDIS Review, Final Report, Working together to deliver the NDIS [Online] <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis>

¹¹ Australian Government, Cost-of-living support for teaching, nursing and social work students [Online] <https://ministers.education.gov.au/clare/cost-living-support-teaching-nursing-and-social-work-students>

Traineeship wages

Most workers in the social, community and disability services sector are female (69.3%) with the average age being 41.6 years.¹² Traineeship wages are a major barrier for mature age workers, as many are unable to sacrifice a lower baseline pay due to financial obligations.

Rising living expenses, such as housing, transportation and every day necessities can strain the already modest income of apprentices and trainees and make it difficult to cover basic needs. As a result, many experience heightened stress, financial instability, and even mental health challenges, which ultimately jeopardises their ability to complete their training.

Government should increase apprenticeship and traineeship wages to attract more participants, as well as addressing cost of living pressures. A raise in traineeship wages in the social, community and disability services sector would help attract and retain a qualified workforce and ensure fair compensation for the valuable work performed in supporting vulnerable populations.

Recommendation:

8. Government must immediately raise apprentice and traineeship rates of pay by eliminating junior rates.

What changes are needed to drive up the completion rate?

Renewing Regional and Metropolitan TAFE

Due to privatisation, declining funding, and the loss of students to private providers, TAFE is no longer the centrepiece of VET in many areas¹³. It is time to refocus and reassert the worth of VET to help build the vocational skills of the nation.

Recent policy directions have placed increased emphasis on a market driven approach to the provision of VET services which has resulted in a range of problems including revelations of deteriorating quality standards, aggressive marketing behaviour by some training companies (particularly in vulnerable communities) and practices which have left many students demoralised, in debt and left with inadequately training or an inability to complete their chosen course work.

A recent report by The Centre for Future Work 'Fragmentation & Photo-Ops' presents comprehensive evidence of the continued erosion of the vocational education system in the COVID era, including the closure of many TAFE institutes, particularly those in regional and non-metropolitan locations.¹⁴

Case Study – Closure of TAFE campuses in NSW

Among six of its legislated core functions, Tafe NSW must:

- provide educationally or vocationally disadvantaged groups (such as women, Indigenous Australians, persons of non-English speaking background, persons with disabilities and persons

¹² Fair Work Commission, A profile of employee characteristics across modern awards [Online] <https://www.fwc.gov.au/documents/wage-reviews/2022-23/profile-of-employee-characteristics-across-modern-awards-2023-03-03.pdf>

¹³ ACTU Job Summit Report – Skilling the Nation

¹⁴ The Centre for Future Work at the Australia Institute, Fragmentation & Photo-Ops The Failures of Australian Skills Policy Through COVID [online] <https://australiainstitute.org.au/wp-content/uploads/2022/03/Fragmentation-and-Photo-Ops-final3.pdf>

in rural areas) with access to technical and further education services, including a range of appropriate specialised services;

- ensure that it provides technical and further education services to meet the needs of individuals and the skill needs of the workforce and, in particular, ensure that it provides basic and pre-vocational education as well as vocational education and training.

Despite such explicit legislated functions conceived to include and support marginalised people and areas, 20 TAFE campuses (or parts thereof) across NSW have been sold off with another 17 under threat. Many of the campuses already sold or under threat are rural or regional facilities. The closure of these facilities is short-sighted and undermines economic recovery across communities suffering from skills shortages and limited job and training opportunities. In their place, an online learning system has been established. Online learning cannot replace the in person training that practical and technical education requires.

TAFE NSW serves an incredibly important purpose in providing practical skills and opportunities across the state but particularly for disadvantaged communities and individuals. Limiting access to facilities denies people the opportunity to gain valuable skills and improve employment opportunities. TAFE apprenticeships provide a vital service to job seekers and employers, particularly in regional and rural areas that are suffering from skills and labour shortages at a rate far greater than metropolitan areas. Creating more regional and rural TAFE facilities is necessary to address those shortages.

Addressing teacher shortages, low pay and long hours

TAFE is still battling persistent teacher shortages, despite the recent Government announcement to make it easier for high school teachers and industry experts to teach in TAFEs and vocational colleges.¹⁵ Whilst an increase in teachers is welcomed, other issues such as low pay, long hours, large class sizes and limited hours to teach course material, need to be addressed to attract more teachers to this field.

The Australian Education Union (AEU) has indicated that “from 1 July, Victoria’s TAFE teachers will be paid \$7,742 a year or 7 per cent less than similarly experienced school teachers”¹⁶. Besides low pay, TAFE teachers often have unsustainable workloads, including excessive overtime as well as large class sizes. There have also been cuts to teaching hours and resources, meaning some classes are more “speed learning”, with apprentices often finding this type of learning difficult and either failing or not completing the course.¹⁷

Government must adequately fund vocational education and training to ensure teachers are well paid, with reduce workloads, class sizes and appropriate course hours.

¹⁵ The Australian, High school teachers cleared to teach in TAFE to beat shortage [Online] <https://www.theaustralian.com.au/higher-education/high-school-teachers-cleared-to-teach-in-tafe-to-beat-shortage/news-story/2fba541034c584ed66e4e7f8ce1969c9>

¹⁶ Australian Education Union, Victorian TAFE teachers to take industrial action over failed negotiations [Online] <https://www.aeuvic.asn.au/victorian-tafe-teachers-take-industrial-action-over-failed-negotiations>

¹⁷ The Guardian, Poor pay and underfunding: why Australia’s vocational training system is broken [Online] <https://www.theguardian.com/australia-news/2022/sep/28/poor-pay-and-underfunding-why-australias-vocational-training-system-is-broken>

Recommendations:

9. Government must commit to creating and funding more regional and rural TAFE facilities for apprentices and trainees and ensure no more TAFE institutes close.
10. Government must adequately fund vocational education and training to ensure teachers are well paid, with reduce workloads, class sizes and appropriate course hours.

Women in apprenticeships – Addressing the gender balance

Apprenticeships and traineeships can be a powerful tool for women's empowerment, fostering economic independence, dismantling gender barriers, and contributing to a more diverse and inclusive workforce.

Apprenticeships and traineeships can encourage women to enter fields where they are underrepresented, fostering diversity and challenging societal norms. However, there is a need to recognise why women don't always view these programs as an option for them and understand more deeply why women aren't applying or dropping out when they do.

Traditional notions of gender and gender stereotypes are still prevalent with several factors preventing women from taking up an apprenticeship in a non-traditional role due to fears about sexist behaviour, being the only women on a worksite, as well as gender appropriate facilities.

Increasing the pipeline of female talents into the sector includes greater exposure to apprenticeships early on in women's education as well as emphasising the qualities and skills needed in different occupations and promoting the diversity of roles in apprenticeships.

There is also a need to create inclusive, safe and fair workplaces for women. This involves ensuring there is zero tolerance for workplace harassment (including gendered violence and sexual harassment), and that workplaces are family-friendly with initiatives such as: flexible work arrangements, childcare support, and scholarships.

Flexibility at VET: There is a need for more flexibility around course attendance (e.g. part-time/online) and start/finish times, both while studying and in the workplace. After course completion we need to enforce the provision of flexibility conditions that exist in EBAs and Awards (e.g. job share, compressed hours) and change the workplace culture around accessing those conditions. The problem is not that conditions are not 'available', but often workplace culture is such that women do not feel they can or are not allowed to access the conditions.

Childcare Support: Provide on-site childcare facilities or subsidies to make it easier for mothers to pursue apprenticeships via VET programs without the added stress of childcare arrangements.

Scholarships: More funding for scholarships in VET courses that support women to accelerate their career potential.

We support initiatives and solutions such as those recommended in Victoria's Women in Construction Strategy¹⁸. Consideration should also be given to:

- Providing women-only training to encourage young women into apprenticeships.
- Women-only pre-vocational courses to encourage women entering training.
- 'Taster' sessions for women to promote apprenticeship career paths.

¹⁸ Victoria Government, Victoria's Women in Construction Strategy [Online] <https://www.vic.gov.au/victorias-women-construction-strategy>

- Financial incentives for employers recruiting female apprentices.
- Raising the age at which women can receive full funding if they enter apprenticeships.

Finally, the ASU is aware that several other unions and affiliates are making submissions to the Inquiry. The ASU supports those submissions and the recommendations contained within.