



EMBASSY OF AUSTRALIA
WASHINGTON DC

Opening Statement of Mr. Tim Bradley

Subcommittee on Higher Education and Workforce Investment Hearing

“Scaling Up Apprenticeships: Building on the Success of International Apprenticeship Models.”

2175 Rayburn House Office Building

Tuesday, July 16, 2019 | 10:15 a.m.

The Australian Apprenticeships System

—Tim Bradley, Department of Education, Australian Embassy, Washington DC

Chairwoman Davis, Ranking Member Smucker, and Members of this Committee, thank you for inviting me to this hearing on international apprenticeship models. I am honoured to participate.

The Australian Apprenticeships System is essential to developing highly-skilled and qualified workers who drive productivity and deliver the goods and services that underpin a sizeable part of the economy.

The Australian Apprenticeships System delivers nationally recognised, stackable, adult and youth apprenticeships, that are designed in partnership with local industry, and that promote access to small, medium and large businesses. Through a combination of productive work and structured learning, Australian Apprenticeships offer the opportunity to obtain a variety of qualifications, all the while earning an income.

Anyone of working age can undertake an apprenticeship, and they can be started while undertaking the final two years of school (as Australian School-based Apprenticeships).

Australian Apprenticeships

The term Australian Apprenticeships covers both:

- **Apprenticeships** – a structured training arrangement of typically 3.5 to 4 years duration that traditionally covers skilled trade areas and results in a portable, industry recognised qualification
- **Traineeships** – which tend to be shorter in term, and typically cover non-trade occupations. Traineeship can take between 9 months and 2 years to complete.

More than 500 occupations offer apprenticeships and traineeship pathways.

No previous qualifications or requirements are necessary, and they can be undertaken on a part time or full time basis.

In principle, the length of time actually taken to complete an apprenticeship is determined through competency based progression. And students can seek to have relevant learning or skills formally recognised towards their qualification.

Governance and regulation

The Australian Apprenticeships System is a shared Commonwealth/State responsibility. Broadly:

- the **Commonwealth**, more specifically the Department of Employment, Skill, Small and Family Business, contracts and manages the Australian Apprenticeship Support Network and the Australian Apprenticeships Incentives Programme. This function has previously been administered by the Department of Education and Training.; and
- the **States and Territories** have responsibility for registering and administering Training Contracts, and providing support throughout the process. (Their precise involvement varies from state to state.) State Training Authorities allocate funds, register training organisations, accredit courses and provide dispute resolution and arbitration.

In addition:

- the **Australian Apprenticeship Support Network** provide free advice and support before and during an apprenticeship
- **Australian Skills Quality Authority (ASQA)** — the national regulator for Australia’s vocational education and training sector— regulates courses and training providers, to ensure nationally approved quality standards are met
- The **National Centre for Vocational Education Research (NCVER)** is the national professional body responsible for collecting, managing, analysing and communicating research and statistics on Australian Vocational Educational and Training (VET).

Vocational training in Australia

Vocational Education and Training (VET) is provided by **Registered Training Organisations (RTOs)**. RTOs provide nationally-recognised courses and qualifications and off-the-job training. They include Tertiary and Further Education colleges (TAFEs), private institutions, industry organisations and individual businesses.

Nationally recognised, competency based Training Packages have been developed in consultation with industry and provide quality assurance in the standard of training provided.

The typical apprenticeship will receive a Certificate III or above.

Trainees will typically receive a Certificate I or II.

Group Training Organisations (GTOs)

Australia’s Group Training model is an integral component of the Australian Apprenticeship System.

GTOs enter into Training Contracts with apprentices and place them with host employers. GTOs assume responsibility for quality and continuity of an apprentice’s training, as well as providing support services.

The Group Training Model allows for students to rotate through a series of host employers. This facilitates employment with employers with seasonal or project-specific labour needs; and offers the apprentices a richer training experience.

Financial incentives

Incentives are provided by the Commonwealth Government to employers at the time of commencement and completion. These standard incentives vary depending on state/territory with a value up to \$4,000.

In addition, special incentives are also provided for:

- additional identified skills shortage
- disability
- school-based apprenticeship
- living away from home
- mature aged worker
- rural and regional skills shortage
- adult apprentices

Trade Support Loans are also offered to apprentices to assist with their living costs while undertaking the apprenticeship. Up to \$21,078 of income contingent loans made available for priority occupations.

The **Skilling Australia Fund (SAF)** provides matched funding to state and territory governments for projects that increase the uptake of apprenticeships and traineeships across a range of key priority areas. The intent of the SAF is to grow the demand of Australian Apprentices. The SAF was introduced in 2018, and to date around \$145 million has been provided.

Trends

About 160 thousand apprenticeships commenced in 2018, some 260 thousand are in training as of the end of 2018. This represents about 2 per cent of the total workforce.

(For comparison, there are approximately 950,000 thousand Australian students enrolled in the higher education sector.)

Most Apprenticeships (46 per cent) are technicians and trades, including: construction workers, automotive and engineering and electro technology and telco workers. Community and personal service workers are the next largest category (17 per cent), followed by clerical and administrative workers (11 per cent).

Apprentices are majority males (about 200,000 compared to about 63,000 females) and mostly people aged 24 years and under.

The number of apprenticeships has stayed relatively constant since 2014. Reforms to incentive payments introduced by the Federal Government in 2012, however, saw a sustained decrease in the number of apprenticeships (traineeships in particular).

Outcomes

In the most recent survey of apprenticeship outcomes:

- more than three quarters of employers were satisfied that apprentices were obtaining the skills they required from the training they received
- more than 80 per cent of the apprentices and trainees that graduated were employed in good jobs upon completion of their course.

The future of work

The Australian Government recognises the impact that new technologies, global markets and changing demands are having on the workforce. We have built a system that reflects the need to be adaptable and responsive to those needs and provide the core skills required to satisfy the demands of the future.

- The Australian Government allocated about \$10 million towards “Foundation Language, Literacy, Numeracy and Digital Literacy Skills” as part of their *Skills Package*, rolled out in response to the Joyce Review.
- The Industry 4.0 Higher Apprenticeship project, led and managed by the Ai Group in collaboration with Swinburne University of Technology, utilises an apprenticeship framework to deliver a new Diploma and Associate Degree in Applied Technologies, focusing on the adoption of high-level technology skills.
- The Digital Apprenticeship Program, run by the Australian Government, offers Australian citizens looking for a career change or finishing year 12 apprenticeships in many different digital and technical roles in various governmental departments and agencies. Upon completion, apprentices will have completed a Certificate IV in a digital or technology-related field.

The Australian Government is committed to ongoing reform and improvement of the Australian Apprenticeship System and to the VET system at large. A review of the VET system was undertaken last year with an eye on how the Government can help ensure millions of Australians have the skills they need to succeed in a changing labour market, and that our businesses have access to the skills they need to support their business growth.

That review has now been completed, and a Whole of Government Taskforce has been established to implement its recommendations.

Chairwoman Davis, Ranking Member Smucker, thank you again for inviting me to speak today. I hope my testimony provided useful information and direction for your Committee and I applaud you for your bringing this important issue to light. I look forward to taking questions and hearing more from my fellow panelists. Thank you.