



National Apprenticeship
Employment Network

Pre-Budget Submission

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Who are we?

The National Apprentice Employment Network (NAEN) is Australia's largest employer network of apprentices and trainees.

Across metropolitan, rural, regional and remote Australia, the network employs some 25,000 apprentices and trainees in a diverse range of industries.

The employer network is unique, as it represents the practice of group training under which group training organisations (GTOs) directly employ apprentices and trainees and place them with host businesses.

Under this arrangement, GTOs are responsible for selecting and recruiting apprentices and trainees, matching them to host businesses, meeting all employer obligations including paying wages and entitlements, arranging formal training and assessment. A significant and integrated service provided by GTOs includes specialised mentoring support and pastoral care for apprentices and trainees. This is a key feature of group training services that leads to better success in completion rates.

Importantly, apprentices and trainees may be rotated across host businesses when, for example, work has finished with one host, or new skills are needed by the apprentice or trainee. This agile response to managing apprenticeships and traineeships provides continuity and quality of training and assessment and provides the flexibility that is increasingly demanded by industry.

Predominantly not-for-profit GTOs have been undertaking this skills development and job generating role for some 40 years, equipping an estimated one million apprentices and trainees with vital employment skills. GTOs also work with tens of thousands of largely micro, small and medium sized businesses, many of which would not be in a position to directly employ an apprentice or trainee without the support of group training.

While some GTOs specialise in particular industries, such as the traditional trades or hospitality, others cater to entire regions and cover a range of industries. GTOs have come to occupy a pivotal role in many communities through their links with enterprises, training providers and schools, as well as in Indigenous and remote communities where they play a central role in careers and training.

GTOs are committed as the employer for all apprentice and trainee training contracts and ensure that training and assessment opportunities are properly provided through registered training organisations (RTOs), and that apprentices work in host business workplaces that are safe and properly supervised. This responsibility is carried throughout the apprenticeship contract period. Through their legal employment obligations, GTOs provide a safety net to both apprentices and host businesses, helping parties to resolve any issues along the way.

See the [NAEN website](#).

Budget Overview

The 2022-23 Budget will be an opportunity to galvanise and consolidate some of the important improvements to the training system that have been introduced over the past 12 months.

During the COVID pandemic, the Commonwealth has provided an unprecedented financial injection to support apprentices and trainees.

This funding has seen thousands of apprentices and trainees retain their positions at a time when dislocation and stand downs across the economy were widespread.

The Boosting Apprenticeship Commencements (BAC) wage subsidy has provided a significant financial incentive for employers to take on new apprentices and trainees and help to build a pipeline of skilled workers to support economic recovery.

The Completing Apprenticeship Commencements (CAC) wage subsidy for the second and third year will help to retain apprentices and trainees who were recruited under BAC.

The impact of these programs has been significant. The number of apprentices and trainees 'in training' has reached its highest level in more than a decade.

One consequence of this rapid scaling up is that many firms have taken on apprentices for the first time and may not have the systems or capability to provide the best support for these new recruits for the full term of the apprenticeship.

Completion rates for apprenticeships are currently around 50 per cent. It is important that the latest Commonwealth investment in training is maximised, and that as many of the new wave of apprentice recruits are given the best chance of completing.

The 2022-23 Budget can assist by directing targeted funding to GTO specialist mentoring and pastoral care for apprentices, while removing some of the duplication that currently exists in apprentice funding arrangements.

Budget Proposals

‘Apprentice Partner’ – an initiative to provide apprentice mentoring during the critical first 12 months

The Boosting Apprenticeship Commencement measure has led to a significant increase in apprentice commencements. For many employers, it will be the first time that they have engaged apprentices in structured training.

NAEN believes that while the boost to apprentices is most welcome, there is a risk that many in this cohort may cancel or withdraw due to the employer not being in a position to provide structured on-the-job training and support for the duration of the apprenticeship.

First time employers of apprentices often underestimate the challenges of an apprentice employment commitment. It would be significant policy misstep if large numbers of apprentices and trainees engaged under BAC were to withdraw prior to completion.

The NAEN proposal is for GTOs to provide a limited allocation of specialist mentoring and pastoral care to apprentices and trainees engaged by small businesses under BAC. Small businesses typically do not have the same resources as larger businesses to devote to supporting an apprentice to help them complete.

Specialist mentoring and pastoral care for apprentices and trainees (even for employers, where appropriate) is a key feature of the group training model. It is a reason for the higher completion rates achieved by group training.

The NCVET’s 2019 report, [‘Completion rates for group training organisations and direct employers: how do they compare?’](#) notes that ‘GTO completion rates are substantially higher than for small and medium direct employers.’

NAEN suggests a pilot initiative which would allocate each apprentice and trainee engaged by a small business under BAC no less than 10 hours of targeted specialist mentoring and pastoral care to be used over 12-18 months, keeping in mind that the first year is the ‘danger period’ for dropouts.

The specialist mentoring and pastoral care provided by GTOs would enable one-on-one engagement (face-to-face or online) for each apprentice or trainee with one of hundreds of professional GTO field officers and mentors across Australia.

The high quality and superior outcomes of group training support is widely recognised. The specialist mentoring and pastoral care is targeted at the individual and is industry-specific, encompassing both the work environment and individual issues that many young people face at the start of their career.

GTO Field Officers work with apprentices and trainees and utilise four types of mentoring practices:

- Career based mentoring assists apprentices and trainees to identify their career path and the opportunities that present themselves for career development.
- Pastoral care (or psychosocial mentoring) provides a range of supports to individuals to deal with personal issues, within and outside the workforce, which may impact on their capacity to work and learn.

- Educational mentoring helps apprentices and trainees to develop their competencies and assessments.
- Work readiness mentoring assists apprentices and trainees with work readiness and appropriate workplace conduct and behaviour.

This work differentiates GTOs from other conventional forms of mentoring.

NAEN's proposal provides the following benefits:

- Improves the likelihood of apprentices and trainees engaged with small business under BAC completing their apprenticeships;
- Helps to generate greater confidence among employers in the apprenticeship system;
- Helps to protect and leverage the Commonwealth's significant financial investment in apprentice commencements;
- Elevates the delivery of apprentice support to more than an administrative task, while eliminating duplication of this function;
- Provides a clear, accessible, and confidential point of contact for apprentices and trainees.

Small business apprentice support

As an extension to the above proposal, NAEN asks the government to consider extending specialist mentoring and pastoral care to all new apprentices and trainees engaged by small businesses.

For the reasons outlined, the provision of mentor services helps to address critical issues that accompany apprenticeships (particularly in the first 12 months) and which contribute to the unacceptable 50 per cent completion rate.

NAEN believes that a pilot initiative could be implemented that aims to address the current low completion rate – perhaps starting with a targeted cohort in an industry or region where the outcomes could be measured and assessed.

GTOs operate across almost every industry and every part of Australia. The group training network would be the ideal platform on which to develop a targeted mentoring program over a three-to-four-year period to gauge the success of dedicated mentoring on apprentice retention and completion.

Even incremental improvement in retention and completion rates can deliver substantial policy and workforce gains. Some GTOs currently achieve completion rates of 90 per cent and above. The proven success of these GTOs could be harnessed for wider benefit.

As in the earlier proposal, NAEN suggests that an allocation of up to ten hours of mentor time could be made available to each new apprentice and trainee engaged by a small business.

The benefit of improved retention and completion would ripple across the training system – apprentices and trainees, employers, training providers, schools, parents and carers, and communities.

Importantly, apprentices and trainees gain a better chance of securing a skilled future, employers are rewarded for their trust in the training system, and the Commonwealth's enormous investment in VET is safeguarded and delivers more.

‘Work Connect’ – an initiative to enhance industry connection with senior secondary schools

One of the key linkages for young people with the world of work should be through their final years of secondary school.

GTOs have a key role to play in introducing school leavers to the great variety of choices that are available through a VET pathway.

Work Connect would enable GTOs across Australia to host careers engagement opportunities that would introduce school leavers to different industries, employers and experienced individuals that could help inform and inspire their post-school choices. These engagement opportunities would be tailored to the needs of schools or regions – as organised events, classroom engagements, individual student mentoring with employers, or linking schools’ careers advisors with industry employers or representatives.

Currently, many school careers advisers have limited exposure to the VET system, the varied choices and the real-world of both trades and non-trades careers. Without the real-life experience and knowledge, it is difficult for students to fully appreciate the choices on offer, particularly up against the well-resourced university sector.

GTOs already have a key role in communities, connecting young people with work. This could be readily extended into the school system to host careers days, in consultation with local industry and employers.

Students would see and hear first-hand what an apprenticeship looks like, would be guided about courses and qualifications and could be put in touch with employers for ‘test and try’ work experience, or to formally engage in an apprenticeship or traineeship.

The Work Connect initiative would fill a significant gap. There is currently limited exposure in many schools to the myriad vocational choices.

While the process of articulation to university can be relatively seamless, the apprenticeship pathway is more complex, with a three-way agreement between apprentice, employer and training provider – all undertaken by a young person entering their first full-time job.

GTOs already provide the intermediary services for those who independently engage their services. This could be made more widely accessible through the school system – providing a streamlined and simple way to gain knowledge, meet people who know their trades, connect with training providers, and help to sign up.

GTOs would use their established links with local businesses and industry to provide all the critical information about VET choices on offer.

Delivery

NAEN proposes that these initiatives could be coordinated and delivered through the peak national body on behalf of the Commonwealth government.

NAEN's member GTOs represent a diverse range of industries across all jurisdictions, and registered GTOs that meet the National Standards for GTOs are upheld by NAEN and government as the benchmark for consistency and quality.

NAEN has a long history of delivering skills, training, and employment initiatives on behalf of the Commonwealth. Central coordination, quality control and targeted delivery to meet local needs will ensure that reporting and performance meets Commonwealth policy objectives.

Contact

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