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MEDIA RELEASE

Apprentice employers call for continued government support to avoid market collapse

Australia's largest network of employers of apprentices and trainees has called on the federal government to continue wage subsidies to prevent apprentice numbers collapsing once the JobKeeper payment is removed in September.

In a detailed policy paper, the National Apprenticeship Employment Network (NAEN) has also urged the government to require a minimum 10 per cent of apprentices and trainees on all Commonwealth projects.

The Chief Executive Officer of NAEN Dianne Dayhew said the apprenticeship system is experiencing one of its most challenging times, requiring ongoing government support to ensure numbers don't go off a cliff.

The group training sector that NAEN represents is seeing thousands of apprentice and trainee positions in jeopardy due to the economic downturn.

"Without ongoing assistance and initiatives to stimulate apprentice commencements, we could be looking at a collapse in numbers towards the end of this year," Ms Dayhew said.

NAEN's policy paper, [Dealing with the Apprenticeship Emergency](#), has been developed, based on feedback from member group training organisations (GTOs) and has been provided to the Prime Minister, Treasurer and Ministers. It has three key recommendations:

- Introduction of employer wage support of \$500 a week for new and existing apprenticeships.
- A requirement that at least 10 per cent of all jobs on Commonwealth projects be apprentices and trainees.
- Direct funding for group training organisations to support apprentice retention and commencements through rotations, host sharing and other strategies.

Ms Dayhew said GTOs have been assisted by JobKeeper and the government's Supporting Apprentices and Trainees wage subsidy, but there is grave concern at how some industry sectors will manage once these payments cease.

"Even before COVID, apprentice numbers had been in decline and there is a real chance of further falls," Ms Dayhew said.

“We are very worried that the drop in apprenticeships could take years to fix and that it will feed into a cycle of skills shortages as the economic cycle normalises.”

The network of approximately 170 GTOs employ approximately 22,000 apprentices and trainees, largely in small and medium-sized businesses. Group training apprentices and trainees can be rotated to different host businesses if for instance, work dries up, or wider experience is needed.

Ms Dayhew said the largely not-for-profit group training sector is severely stretched in the current climate, with some GTOs struggling to retain the apprentices and trainees that have been handed back.

Continued employer wage support beyond September would help the sector to maintain the existing stock of apprentices and trainees, and also rebuild numbers by stimulating new commencements.

Ms Dayhew welcomed the government’s recent commitment to fund and expedite approvals for major projects in conjunction with states and territories.

“If these important projects are to contribute to skills development and jobs growth, there should be a minimum apprentice requirement to ensure opportunities for young people, particularly in areas facing high unemployment,” Ms Dayhew said.

NAEN is calling on government to harness the expertise and reach of the group training sector to assist in the recovery from the COVID-19 crisis.

“Group training was established some 30 years ago precisely to provide a cushion for apprentices in times of economic difficulty.

“It’s capacity to sustain and rebuild the apprenticeship sector should be expanded, to capitalise on its experience in managing the whole apprentice and trainee journey – from commencement, retention, rotation if needed, through to completion as a qualified new worker.

“Streamlining processes and mentoring apprentices and trainees through a period of high youth unemployment and economic uncertainty are central to leading young people through this crisis,” Ms Dayhew said

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The National Apprentice Employment Network is the national peak body representing the network of over 100 Group Training Organisations (GTOs) employing apprentices and trainees throughout Australia.

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