



National Apprenticeship
Employment Network

Submission to The Department of
Employment and Workplace Relations

Australian Skills Guarantee

22 December 2022

About the National Apprenticeship Employment Network

The National Apprenticeship 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, and arranging formal training and assessment. A significant and integrated service provided by GTOs includes specialised mentoring support for apprentices and trainees.

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.

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 have played a significant part in promoting women in non-traditional trades, and creating jobs and training for First Nations people through partnerships with local communities, employers and training providers.

NAEN is pleased to provide this submission in relation to the development of the Australian Skills Guarantee.

Types of projects

The Australian Skills Guarantee should apply to all major construction and facilities management projects. As most states and territories already have such targets for apprentices and trainees in these sectors, the Guarantee should apply without delay.

The Guarantee should also apply to major construction projects funded through Australian Government procurement, including social and affordable housing, and through the National Partnership Agreement on Land Transport Infrastructure Projects.

With the area of digital skills becoming more of a workforce priority, the Guarantee should also apply to major IT projects, both government funded and government procurement. The IT sector has readily available VET pathways, meaning that apprenticeships and traineeships will become more important avenues for entry into this sector.

The health and care sectors should also be within the scope of the Guarantee, as these are skills priority areas with well-developed VET pathways.

Financial thresholds for major projects

NAEN supports the \$7.5 million threshold for all major government funded projects. A single threshold for all projects will reduce administrative complexity.

The \$7.5 million threshold will maximise openings for apprentices and trainees on smaller projects, where there is an opportunity for entry level employees to gain significant experience working at close hand with experienced professionals.

By way of example, the NSW Infrastructure Skills Legacy Program has two thresholds – \$10 million and \$100 million. The lower \$10 million threshold is closest to the \$7.5 million proposed Commonwealth threshold, but NSW has set its target for apprentices at a much more ambitious 20 per cent.

The \$7.5 million threshold will also maximise opportunities for smaller projects in regional areas, that may not otherwise have the opportunity to attract apprentices or trainees.

Calculating the target

In calculating the target for major construction and facilities management projects, NAEN supports using total labour hours of the workforce for the contract, including sub-contractors.

Using total labour hours avoids complexities surrounding full-time, part-time and sub-contractor hours.

Caution should be exercised with cadetships as part of the Guarantee. There is little or no legal clarity, or broad industry acceptance around the precise nature of a cadetship. Indeed, the notion of a cadetship can be applied without rigour to almost any industry with little legal or industrial clarity.

This also applies to the even more vague notion of “learning workers”.

NAEN's is concerned that some employers on major projects that might fall under the Guarantee could be able to avoid the intended aim of the Guarantee by supplanting apprentices and trainees with cadets or learning workers.

In non-trade areas where apprenticeships are less common, traineeships can be effectively used to meet the target. Traineeships are used in a wide range of industries including business, health and care, retail and IT.

There is no reason for the target to be diluted to include learning workers, especially in industries where traineeships are already well understood and accepted. It would be useful if targets and actual numbers were recorded separately for apprentices, trainees and cadets so that there is transparency around the actual numbers in formal training.

Targets that incorporate definitions such as learning workers enable construction firms to funnel women into areas such as traffic control – no longer considered “non-traditional” and one that may have limited career potential.

Targets for women

In regard to increasing the participation of women, NAEN supports the idea of applying the target to the trades workforce as outlined in Option 2.

This is broader than simply applying the target to apprentices and trainees and would have the effect of seeing more women employed across all trades areas where we know that gender segregation is a major problem. Since apprentices and trainees make up a significant share of the trades workforce, the target would invariably capture this group as well.

The issue that NAEN has with Option 3 is that applying the target to the entire construction workforce would mean it applies to managerial, executive and professional roles where there is already a higher level of representation by women.

If the gender target is to be meaningful, it should, at least in the first instance, apply to the areas where representation by women is lowest and where the greatest gains in terms of participation and pay equity can be achieved, namely in the skilled trades.

As the discussion paper notes, women make up only 13.5 per cent of the construction industry but only 4.9 per cent of apprentices in construction, significantly below the 29.5 per cent of apprentices across all industries who are women.

In terms of the target itself, NAEN supports a target for of 10 per cent of all apprentices and trainees being women within two years. Given the similar targets set by some state governments and the industry's capacity to hire more women, this should be within reach.

NAEN's national network of group training organisations has successfully used a number of strategies to encourage more women into apprenticeships and traineeships, including:

- Pre-apprenticeships to promote VET choices to female students and their families
- Industry worksite tours targeted to female school students interested in VET careers
- Encouraging multiple women apprentices (not just a sole woman) in non-traditional trades

- GTO field officers who work with host businesses to address on-site facilities and respectful attitudes to women

Barriers to achieving the target include:

- Often poor encouragement at the level of school careers advisers
- Unacceptable behaviour by some smaller employers
- Views of parents who often discourage women entering non-traditional trades

Implementation approach

NAEN considers that the timetable outlined in the discussion paper is reasonable and practical. This approach would effectively see the construction sector complying from July 2023, IT from July 2024, and other sectors from July 2025.

However, as outlined earlier in this submission, NAEN does not agree with the rationale for the longer timeframes, namely that those sectors where an apprenticeship, traineeship or cadetship is, arguably, not a typical entry pathway, will need longer to comply.

This approach risks employers deliberately avoiding the apprenticeship system via potentially contrived training arrangements, either through cadetships or learning workers.

For administrative simplicity and overall effectiveness, it would be preferable for all employers to have the identical pathway for work-integrated learning – through the established and accepted apprenticeship and traineeship system.

All of the sectors in the proposed timeline – construction, IT, transport and infrastructure – have established apprenticeship pathways.

Managing performance

NAEN believes that compliance and performance can best be managed through the ADMS which currently collects apprentice and employer data. The ADMS is understood and accepted by all those in the apprenticeship system.

The likelihood of broadening the Guarantee beyond apprenticeships and traineeships to cadetships would likely entail an additional reporting stream, since cadetships are not recognised nor captured by formal collections. This would result in multiple reporting platforms.

The established AASN network also works with apprentices and employers and so could support employers with information to help them meet their reporting requirements. GTOs would similarly be able to assist host employers who were subject to the Guarantee.

Roles and responsibilities

Most large employers have effective mechanisms in place to make workplaces safe and supportive for women in trades. There is undoubtedly more that can be done to address cultural issues, ensure proper facilities including bathrooms, and eradicate instances of abuse or bullying.

While there are costs associated with this, it is also a major opportunity.

Firms that embrace non-gendered practices and a supportive environment will be seen as employers of choice. They will be exemplars for the industry and will help to eradicate inappropriate practices.

Costs might include those for educational programs and workshops to help support women and address outdated approaches. Since most larger, established firms have these in place, additional costs should be limited.

For suppliers submitting tenders, there will be a need to set out the training plans for new entrants and how they will fit with existing operations. Firms that engage apprentices do this routinely. Firms that have not done so may need the help of an AASN or a GTO. Firms that engage cadets will need to develop procedures and plans if they are not already in place.

Similarly, recruitment practices will need to change to reflect the targets in the Guarantee. Some firms may face marginally higher costs in attracting, selecting and inducting new entrants.

The costs of supervising apprentices can be an issue for some employers since it requires a commitment of time and resources, and people with skills to help in mentoring and mediation. This is a specialised role, and some employers who are new to the apprenticeship system will likely not have the required personnel. It is likely that many of the new field officers will need to be women.

For state and territory agencies, there will be additional requirements in monitoring the additional apprentices and trainees. States and territories all have well established reporting systems and are supported by bodies such as AASNs, GTOs and industry training bodies with close links to local businesses and the labour market. They do not have these systems for cadets or learning workers.

Supporting women to achieve careers via VET pathways

GTOs run programs to promote women-in-trades, including through pre-apprenticeships that give women exposure to trade career as well as information that can inform both themselves and their parents. A pre-apprenticeship program targeted to women run by one GTO has seen 50 per cent of participants going on to an apprenticeship.

Women-in-trades programs can be co-ordinated across GTOs, so that there is a connected peer network able to share information and deliver support through specialised mentoring and role models. This can be an effective way to create a safe and connected network so that women gain confidence to follow a trades career.

Field officers engaged by GTOs have a strong focus on women-in-trades and work with apprentices, supervisors and employers. Field officers ensure that employers are aware of their responsibilities in regard to facilities on-site, physical safety, and health and wellbeing.

The GTO network has a zero-tolerance approach to gender-based discrimination and works to ensure respectful language and attitudes toward women. It is one of the reasons that GTOs have become attractive to women in trades and why it is seeing above average representation and completion rates by women.

Recognition of the achievements of qualified tradeswomen occurs through programs such as the 'Today's Skills: Tomorrow's Leaders'. GTOs currently play an active part in helping women to enter

industry through apprenticeships and traineeships and have both higher representation by women and higher completion rates compared with direct employment.

For any further information or inquiries, please contact:

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