

12 June 2014

Dr Kathleen Dermody
Committee Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

SarinaRusso
Apprenticeships

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Dear Dr Dermody

**RE: INQUIRY INTO THE TRADE SUPPORT LOANS BILL 2014 AND THE TRADE
SUPPORT LOANS (CONSEQUENTIAL AMENDMENTS) BILL 2014 [PROVISIONS]**

Thank you for inviting Sarina Russo Apprenticeships to make a submission regarding the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014.

Since 1979, the Sarina Russo Group has led the way in launching and enhancing the careers of thousands of individuals around the globe.

Our Sarina Russo Apprenticeships business is one of the largest Australia Apprenticeship Centres operating in three states - Queensland, Victoria and South Australia.

In 'Building a Skilled Australian Workforce' Sarina Russo Apprenticeships has supported over 132,000 apprentices and worked with more than 42,000 employers across 720 different qualifications.

Sarina Russo Apprenticeships believes the proposed Trade Support Loan will give apprentices 20,000 reasons to start a great career.

To this end we distributed the below press release in support of the policy

Trade Support Loan will give apprentices 20,000 reasons to start a great career

When Sarina Russo Apprenticeship first saw the Trade Support Loan policy we asked ourselves why hasn't this been done before?

Steve Wyborn, CEO, Sarina Russo Apprenticeships said Trade Support Loans are loans paid in installments totaling up to \$20,000 over four years. The loans are intended to assist apprentices with everyday costs while they complete their apprenticeship.

"It's such a great solution to challenges, particularly financial, faced by apprentices. It gives them ownership of their own destiny and future qualification.

"The beauty is the loan is interest free and apprentices don't have to repay it until they are earning \$53,000 per year.

"We need to remember their capacity to earn is also very strong as fully qualified tradespeople are in real demand. The Trade Support Loan will definitely help increase apprenticeship retention rates.

"The real benefit for apprentices is they'll get good support when they need it.

- \$8,000 in year one;
- \$6,000 in year two;
- \$4,000 in year three; and
- \$2,000 in year four.

"As an apprentice's wage rises their support tapers off and they can opt in and out of the loan at any time.

In our experience some apprentices did not use their \$5,500 Tools For Your Trade funding to buy tools. This frustrated many employers who then had to fill the gap.

"The benefit of the Trade Support Loan for employers is there is now a shared responsibility for support and learning instead of it all falling onto their shoulders.

"Having this new loan facility the apprentice can spend the money on what they need when they need it.

"Transportation is a huge issue - so if the apprentice wants to buy a ute, they can buy a ute. If they want tool they can buy tools. Basically they can direct the money wherever it will help their training.

"What's even better is if they finish their training they receive a 20% discount, when they successfully complete.

"This means they get an interest free loan for \$20,000 and potentially only have to pay back \$16,000 (indexed to inflation) – that's a very clever policy which will turn apprenticeships into a careers," Mr Wyborn said.

Stephen Craven, Operations Manager, Smart Employment Solutions also supports the Trade Support Loan Scheme.

He said he expected apprentices to become far more valuable to his host employer network under the new Trade Support Loan Scheme.

"Apprentices will be better outfitted with appropriate tools and be able to have car repairs and maintenance done. This will make them more productive and reliable ultimately improving their longevity in their chosen trade.

"The apprentice pays back a loan so they will be more targeted on what they spend it on. The previous Tools for My Trade allowance was viewed as a bit of a gift and had the potential to be squandered," Mr Craven said.

ENDS

Thank you for giving Sarina Russo Apprenticeships the opportunity to support the passage of this legislation

Yours sincerely

Brenden Brien
Head Communication & Content
Sarina Russo