

Senate Committee: Education and Employment

QUESTION ON NOTICE Budget Estimates 2017 - 2018

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000947

Senator Cameron, Doug provided in writing.

Australian Apprenticeship Support Network (Payments)

Question

Please provide details of the average price paid for each service element in 2012-14. How have those prices changed from what is paid to providers today? What was the average price paid to providers for signing up an apprentice in the previous contract? What is the average price in the current contract?

Answer

Under the Australian Apprenticeships Support Services Contract 2012–2015, fee for service prices were set in the tender process. Fees paid were determined by tiers and had geographical zone loadings. The table below shows the prices payable to Australian Apprenticeship Centres (as they were known in that contract). Under this contract there was only one service; targeted services were not separately identified.

Zone	Tier 1 (incl GST)	Tier 2 (incl GST)
Metro	\$893.71	\$1016.93
Regional	\$957.77	\$1092.20
Remote	\$1103.39	\$1344.95
Torres Strait Islands	\$2206.78	\$2689.88

Fees payable were paid proportionally to Australian Apprenticeships Centres for Tier 1 and Tier 2 apprentices as set out in the tables below.

Tier 1 servicing

AUSTRALIAN APPRENTICESHIP SIGN-UP	INITIAL SERVICING PERIOD (Commencement to one month after the 6 month point)	FINAL SERVICING PERIOD (start of the 8th month onward or date of completion)	BONUS (Indigenous Australian Apprentices and DAAWS recipients)
Commencement Fee	Six Month Point Fee	Completion Fee	Completion Bonus Fee
50%	20%	30%	25%

Tier 1 apprentices

Existing worker apprentices and those undertaking qualifications at AQF level I and II were considered Tier 1 apprentices.

Tier 2 servicing

AUSTRALIAN APPRENTICESHIP SIGN-UP	INITIAL SERVICING PERIOD (Commencement to one month after the 6 month point)	INTERMEDIATE SERVICING PERIOD (start of the 8th month to one month after the 12 month point or date of completion)	FINAL SERVICING PERIOD (start of the 14th month onward or date of completion)	BONUS (Indigenous Australian Apprentices and DAAWS recipients)
Commencement Fee	Six Month Point Fee	Twelve Month Point Fee	Completion Fee	Completion Bonus Fee
50%	20% (or 5%)	5% (or 20%)	25%	25%

Tier 2 apprentices

All apprentices undertaking qualifications at AQF level III and above, excluding existing workers, were considered Tier 2 apprentices.

Australian Apprenticeship Support Network

The Australian Apprenticeship Support Network (AASN) is a new contract with a different range of services paid under a different payment regime. The department is unable to calculate an average cost for Universal services as prices have been negotiated as part of the tender process, which is unlike the previous contract where prices were set by the department. Universal services are demand driven and Network Providers are paid for all services that meet program guidelines.

The table below shows the proportional breakdown of fees paid to Network Providers for Universal Services, Gateway services and In-training support.

Payment type	Payment amount	Payment point	Services to be delivered
Universal Band 1 Sign-up and client progress contacts	% of Band 2 unit fee	Upon sign-up or recommencement	<ul style="list-style-type: none"> • Sign-up • AAIP administration • Trade Support Loans administration • Other services such as working with STAs etc. • Administration • Marketing in schools and expos
	30%	Completion payment	
Universal Band 2 Sign-up and client progress contacts	% of Band 2 unit fee	Upon sign-up or recommencement	<ul style="list-style-type: none"> • Sign-up • AAIP administration • Trade Support Loan administration • Other services such as working with STAs etc. • Administration • Marketing in schools and expos
	30%	12 months	
	10%	24 months	
	10%	36 months	
	15 – 25%* *variable completion	Completion payment	
Gateway	100% of annual tendered amount for Gateway services	In advance for 1 st year amount at Contract execution	<ul style="list-style-type: none"> • Prospective apprentice screening including aptitude, literacy and numeracy testing

Payment type	Payment amount	Payment point	Services to be delivered
	50% of annual tendered amount	6 monthly following satisfactory performance against KPIs in Years 2 and 3 of contract	
In-training support	100% of annual tendered amount for In-training services 50% of annual tendered amount	In advance for 1 st year amount at Contract execution 6 monthly following satisfactory performance against KPIs in Years 2 and 3 of contract	<ul style="list-style-type: none"> • Mentoring style support • Referrals to other services as required

For Universal Services, Band 1 payments are applicable to existing worker apprentices and those undertaking qualifications at AQF level I and II.

Band 2 payments are applicable to apprentices undertaking qualifications at AQF level III and above, excluding existing workers.