

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Outcome 3 - Higher Education

DEEWR Question No.EW0187_12

Senator Nash provided in writing.

Question

Program 3.5 - Apprenticeships

The Budget No 2 paper details the cessation or realignment of apprenticeship programs. Funding for the Smarter Apprenticeship Program has ceased; the Australian Apprenticeship Incentive Program Certificate 2 Incentives have been realigned; the Group Training Australian Apprenticeships Targeted Initiatives Program has ceased; and funding for the Industry Training Strategies Program will be redirected.

- Why have these programs been stopped or wound down?
- How long did each of these programs go for?
- How much was spent?
- What were the outcomes?

Answer

Smarter Apprenticeships

The *Accelerated Australian Apprenticeships* initiative supersedes and expands on the Government's previous competency based progression initiative, *Smarter Apprenticeships* (\$19.9 million – 2010-11 to 2013-14) which was announced in the 2010-11 Budget.

This program was not implemented as the Government decided to await the release of the Expert Panel's report to inform next steps.

No funding was expended under this measure. Funding previously allocated to the *Smarter Apprenticeships* program has been redirected to the *Accelerated Australian Apprenticeships* initiative.

Incentives for Certificate II (AAIP)

The Certificate II commencement incentive was introduced in December 1997 and the related Group Training Organisation completion incentive commenced in 1 July 2004.

The combined annual expenditure on these measures, while subject to fluctuation due to demand, was approximately \$37 million per year. Of this, approximately \$17 million per year related to Australian Apprentices who are not in a defined equity group (i.e. Indigenous Australians, apprentices with disability, Australian School-

based Apprentices, the mature aged, those in a rural or regional area, and job seekers with severe barriers to employment). Over half of the Certificate II incentives for Australian Apprentices not within the defined equity group related to qualifications in the Retail Services training package (52 per cent), followed by the Australian Meat Industry (6 per cent) and the Tourism, Hospitality and Events (6 per cent) training packages.

It is recognised, that the Certificate II qualification stream is a valuable pathway for many disadvantaged Australians to enter into a training and employment arrangement that will allow them to participate in the economy. The retention of support for these qualifications therefore has a social value for the equity groupcohorts and is consistent with the *Apprenticeships for the 21st Century* Expert Panel's recommendation to better target the financial assistance made available under this program.

Savings from this measure are being redirected to support other apprenticeship measures within the *Building Australia's Future Workforce* package.

Group Training Australian Apprenticeships – Targeted Initiatives Program

The Australian Government's investment in the Group Training Australian Apprenticeships Targeted Initiatives Program (TIP) commenced in 2000, with the aim of encouraging innovative projects by Group Training Organisations (GTOs) to support growth in Australian Apprenticeships, particularly in priority areas. Over the ten years of the outcomes-based program the number of truly innovative projects has declined. The program ceased on 30 June 2011.

The number of eligible commencements in Australian Apprenticeships over the four funding rounds of TIP varied between 30–90 per cent of contracted target. From 1 July 2001 to 30 June 2011, 6645 participants were contracted to be supported through this program but only 4316 (65 per cent) individuals actually commenced an Australian Apprenticeship pathway through projects funded under TIP.

This measure will provide savings of \$23.3 million over four years, which is being redirected to support other apprenticeship measures within the *Building Australia's Future Workforce* package.

Industry Training Strategies Program

The Government has decided to cease the majority of the Industry Training Strategies Program, subject to pre-existing commitments being fulfilled. The exception is the Education and Training Advisors element which will continue.

The Program was established in 2000-01. It provided targeted information and support to industry, Australian Apprenticeship Centres and Registered Training organisations, developed and evaluated training models, engaged industry in the national training system and supported initiatives to improve the participation of Indigenous Australians in nationally recognised training and skills development programs, specifically Australian Apprenticeships.

The Government will continue to fund the Education Training Advisors element of this program which provides funding to the Australian Chamber of Commerce and Industry, Australian Industry Group and the National Farmers' Federation to employ education advisors whose role is to increase their members' understanding of the apprenticeship system and to promote increased take-up of Australian

Apprenticeships.

This measure will provide savings of \$30 million over four years, which is being redirected to support other measures within the *Building Australia's Future Workforce* package.