House of Representatives Standing Committee on Employment, Education and Training

Inquiry into school to work transition

Questions arising: Monday 4 September 2017

Please find attached the Department of Education and Training and the Department of Employment's responses to questions arising from our appearance at the House of Representatives Standing Committee on Employment, Education and Training Inquiry into school to work transition.

ATTACHMENT A

Department Responsible	*Question*	*Answers*
Education	*Pg2 - Definition and Measurement of non-technical skills* Chair: It appears Victoria has gone some way, up to about year 10, to try and develop mechanisms to track that. Can you tell us a bit more about what Victoria is doing? DP: I would have to go back and have a look at exactly what Victoria is doing. Chair: Can I ask where we got to with ...MCEETYA, with this discussion and what are the sentiments of jurisdictions when we are trying to get a better handle on how we are were measuring these core skills and whether it was important to do so? DP: I have not captured to MCEETYA stuff, so I would have to come back to you on that one.	Education Ministers have agreed to the inclusion of seven General Capabilities in the Australian Curriculum (literacy, numeracy, information and communication technology capability, critical and creative thinking, personal and social capability, ethical understanding, and intercultural understanding). In the Australian Curriculum, capability encompasses knowledge, skills, behaviours and dispositions. Students develop capability when they apply knowledge and skills confidently, effectively and appropriately in complex and changing circumstances, in their learning at school and in their lives outside school. Teachers are expected to teach and assess General Capabilities to the extent that they are incorporated within learning area content. State and territory education authorities will determine if and how student learning of the general capabilities is to be further assessed or reported. (https://www.australiancurriculum.edu.au/f-10-curriculum/general-capabilities) For example, Victoria aligns their school curriculum with the Australian Curriculum. The Literacy, Numeracy and ICT General Capabilities are treated within the Victorian Curriculum F–10 construct as teaching and learning resources but not as curriculum areas against which teachers should report student progress. Victoria focuses on four capabilities (Critical and Creative Thinking, Ethical, Intercultural and Personal and Social) and has developed an online Critical and Creative Thinking Assessment Tool (http://www.insight.vic.edu.au/assessment-tools/cct). This tool was developed by the Victorian Department of Education and Training (DET) and the Victorian Curriculum and Assessment Authority (VCAA). The assessment tool includes a set of statistically valid assessment tasks for Levels 1 – 10 that allow teachers to map learner achievement to progress learning. This tool is not a mandatory assessment and schools may choose when and how it is most appropriate to use the tool in their teaching and learning programs. In Western Australia, students in Year 10, 11 and 12 sit the Online Literacy and Numeracy Assessment (OLNA) if they have not achieved Band 8 in Year 9 NAPLAN. OLNA is mapped to the 2011 Australian Core Skills Framework (ACSF) Level 3. The ACSF provides a consistent national approach to identifying and developing the core skills in three diverse contexts; personal and community; workplace and employment; and education and training. It is a tool which assists both specialist and non-specialist English language, literacy and numeracy practitioners describe an individual's performance in the five core skills of learning, reading, writing, oral communication and numeracy. https://www.education.gov.au/australian-core-skills-framework

Education	**Pg 3/4 - ATAR** Chair: …where we are going with ATAR being nationwide. Ultimately when do we see the final states shifting to the ATAR system? At that point, what is the department's expectation around reporting of that data? Specifically, will ATAR means and standard deviations be available for all schools, and in particular what will the vocational education space look like under the new ATAR reporting? DP: I will have to get back to you on the ATAR arrangements, especially in the vocational space because I'm not a 100 per cent sure on that.	Queensland will adopt the ATAR for students who commence Year 11 in 2019 and beyond, instead of the Overall Position (OP), which it currently uses. From that point, all states and territories will produce the ATAR as a numeric representation of a senior secondary school student's generic tertiary entrance performance. There are no plans to report nationally on ATAR results as a measure of school performance. Whilst ATAR results are intended to be nationally equivalent across all jurisdictions, the exact formula used to calculate an ATAR is different in each state and territory. Joint government and sector effort is currently underway to improve the accessibility and comparability of higher education admission requirements and processes. This includes some changes to the way in which ATAR/OP thresholds for entry by recent school leavers into courses are presented (where relevant – not all higher education providers use ATAR as an admission assessment tool). All higher education providers have committed to publish robust information about the range of ATARs admitted to courses in the recent past, including the lowest and highest ATAR/OP admitted, and where there were a significant number of students admitted, also the median and quartile ranks. The Government is working with tertiary admission centres, provider representative bodies and others to develop a new national admissions information hub that will bring together comparable information on admission requirements for higher education courses and institutions across Australia by August 2018, including ATAR-related information, where relevant.
Education and Employment	**Pg 6/7 - Cost of disengagement** Mr Giles: You referred to the Mitchell Institute's evidence on the cost of disengagement in the report. Is the figure they give, $616,000 over a young person's life, a number that you think is accurate? Has there been work done in within the department on this question?....Would it be possible to get an update on that? DP: I can certainly ask BJ: we will check and give you an update	The Mitchell Institute's report *Counting the costs of lost opportunity in Australian education*, is available from http://www.mitchellinstitute.org.au/wp-content/uploads/2017/06/Counting-the-costs-of-lost-opportunity-in-Australian-education.pdf. The Australian Priority Investment Approach to Welfare outlines the lifetime welfare costs of various cohorts remaining on income support for the duration of their lives. There are significant differences in the methodology used between the two calculations and a direct comparison is not possible. However, both point to high lifetime costs. The Mitchell Institute's methodology includes a wide range of social costs on top of welfare payments, including loss of taxation revenue, healthcare costs and the costs to society as a result of crime, hence their figures are significantly higher. The total figure of $616,000 is derived by summing the difference in outcomes and costs for individuals. The department has not commenced any further work in this area.
Employment	**Pg 6/7 – PaTH** Ms Sharkie: There were 979 places, with 515 still going and 464 completed. Of	The Department of Employment does have not yet have information on the tenure of employment for people who complete an internship and are offered employment. The Department of Employment does have job titles, as well as industry categories. Break-up of the job titles and industries of the 188 completed PaTH Internship

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those 464 completed, 188 young people have been offered employment. I am keen to see what the job titles are of that employment.

Can you break down the job titles and industries for the 188 young people who have been offered employment in the PaTH program?

GM: We do not have the job titles but we have the industry categories. The largest by far will be accommodation, food services and retail. We can take that on notice and give you a breakdown of the most recent figures.

Ms BUTLER: I am sorry to interrupt. Also, whether the employment is full time or casual?

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placements with employment as at 25 July 2017:

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Host industry and job titles	Number of placements
<u>Accommodation and Food Services</u> Animal Attendants and Trainers Bakers and Pastry cooks Bar Attendants and Baristas Cafe and Restaurant Managers Cafe Workers Chefs Commercial Cleaners Domestic Cleaners Fast Food Cooks Food Trades Assistants Housekeepers Kitchenhands Other Hospitality, Retail and Service Managers Other Miscellaneous Labourers Sales Assistants (General) Waiters	58
<u>Administrative and Support Services</u> General Clerks Other Clerical & Administrative Workers Other Clerical and Office Support Workers Receptionists	6
<u>Agriculture, Forestry, Fishing</u> Animal Attendants and Trainers Aquaculture Farmers Aquaculture Workers Receptionists	5
<u>Arts and Recreation Services</u> Bar Attendants and Baristas Fast Food Cooks	<5
<u>Construction</u> Car Detailers Floor Finishers Insulation and Home Improvement Installers Other Factory Process Workers	10

		Other Miscellaneous Labourers Other Technicians and Trades Workers Plasterers	
		Education and Training Child Carers Other Clerical & Administrative Workers	<5
		Electricity, Gas, Water, Waste Services Electricians Other Clerical & Administrative Workers	<5
		Health Care and Social Assistance Other Personal Service Workers Receptionists	<5
		Information Media and Telecommunications Advertising and Marketing Professionals Telecommunications Technical Specialists	<5
		Manufacturing Bakers and Pastry cooks Cafe Workers Manufacturers Motor Vehicle Parts and Accessories Fitters Other Engineering Professionals Product Assemblers Sheetmetal Trades Workers Textile & Footwear Production Machine Operators	13
		Other Services Airconditioning and Refrigeration Mechanics Bakers and Pastry cooks Beauty Therapists Building and Plumbing Labourers Car Detailers Education Aides Food Trades Assistants Gardeners General Clerks Metal Casting, Forging & Finishing Trades Motor Mechanics Other Miscellaneous Labourers Other Technicians and Trades Workers	27

		Personal Assistants Plumbers Receptionists Sales Assistants (General) Sales Representatives Storepersons Telemarketers Vehicle Body Builders and Trimmers Vehicle Painters	
		Professional, Scientific, Technical Services Motor Mechanics Other Clerical and Office Support Workers	<5
		Retail Trade Cafe Workers Car Detailers Food and Drink Factory Workers General Clerks Kitchenhands Manufacturers Motor Vehicle and Vehicle Parts Salespersons Motor Vehicle Parts and Accessories Fitters Multimedia Specialists and Web Developers Other Sales Assistants and Salespersons Other Sales Support Workers Sales Assistants (General) Sales Representatives Shelf Fillers	44
		Transport, Postal and Warehousing Motor Mechanics Motor Vehicle Parts and Accessories Fitters Other Technicians and Trades Workers Storepersons Truck Drivers	6
		Wholesale Trade Printers Storepersons	<5
		Total	**188**
Employment	*Pg 7 – Evidence used to develop policy*	The Department of Employment draws on an extensive range of evidence to inform its policy development and	

	Mr Giles: I am interested in what we know about programs, but I am also interested in the wider evidence base that presumably informs government decision making on going with particular programs and not others, and particular approaches and not others. If we talk about, in the submission, building that evidence base as being a significant function, I would imagine there would be some thinking about the broad approaches that should inform program delivery.	program implementation work. These include: • reviewing examples of similar programs, both locally and internationally • running pilot programs and scaling up successful initiatives • relevant research and literature • engaging with experts, both academic and service deliverers • administration and performance data, including surveys • program evaluations • direct consultation and engagement with communities, industry and peak organisations, end users, service delivery organisations and other levels of government.
Employment	**Pg 7 – impact of work experience** BJ: ..there is significant impact in terms of increased probability of sustainable employment where a young person has managed to get some work experience….I can come back to the committee with some of that evidence	Evidence shows that job seekers that undertake unpaid work experience are more likely to gain employment: • in 2014–15, of the job seekers that undertook unpaid work experience in Job Services Australia, 45.2 per cent were in employment three months later compared to 26.1 per cent for other activities. • post program monitoring data shows that participants in the National Work Experience Programme have been successful in achieving employment outcomes within three months of exiting the program, with over 40 per cent of participants reporting a job placement, compared to 26.8 per cent for all activities.
Education	**Pg 7/8 – measurement of 'soft skills'** Mr Giles: can you talk us through what progress you envisage is being made in terms of getting on top of where we are going with soft skill development? DP: do you mean in terms of measuring? Mr Giles: Development and measurement. The measurement is useful in terms of indicating how we are travelling. DP: ACARA are working on some measurements for how they would assess that going forward. We can get you some more details on exactly what that is.	The term "Soft skills" is often used interchangeably with "21st century skills", "employability skills" and "enterprise skills". Care needs to be taken in the context and exact nature of the definitions. With similar coverage, the Australian Curriculum uses the term "General Capabilities". The seven General Capabilities in the Australian Curriculum are: Literacy, Numeracy, ICT Capability, Critical and Creative Thinking, Personal and Social Capability, Intercultural Understanding and Ethical Understanding. More information on the General Capabilities is available at: www.australiancurriculum.edu.au/f-10-curriculum/general-capabilities. Australia currently undertakes a number of both national and international assessments and contributes to international programmes that are designed to measure students' capacity in these other skills areas. In order to measure progress in achievement of ICT skills, every three years the ICT literacy of a sample of students in years 6 and 10 across Australia is assessed. The National Assessment Program – Information and Communication Technology Literacy (NAP-ICTL) test measures students' ability to appropriately access, manage, integrate and evaluate information, develop new understandings and communicate with others in order to participate effectively in society. The most recent assessment was conducted in 2014, and showed a decline in achievement in both years 6 and 10 since the previous cycle in 2011. The next assessment cycle is taking place in October/November 2017.

Australia also measures our students' capabilities in these other skills areas through participation in the OECD's Programme for International Student Assessment (PISA). Each cycle of PISA includes an innovative domain – for example, PISA 2012 tested creative problem solving and PISA 2015 tested collaboration. Although the innovative domain changes with each cycle, meaning no trend data is available, the assessments have so far broadly aligned with the Australian Curriculum's general capabilities. Results from PISA provide a point in time snapshot of how Australian students are performing in these skills areas.

The Australian Government is also providing funding for the OECD's Education 2030 – the Future of Education and Skills (Education 2030) project, which aims to create an internationally validated, multidimensional framework of 21st century skills. The Education 2030 project recognises that today's education system should prepare students for their future and provide them with the necessary competencies to engage in a world that is increasingly becoming more complex, uncertain, volatile and ambiguous. The project will assist governments to obtain a broader view and knowledge of the longer-term challenges facing education by:

- building a solid understanding of the different dimensions of knowledge, skills, attitudes and values which today's students will need to thrive in and shape their own future towards 2030, and carefully validating them through global consultation; and
- contributing to making the process of curriculum design and development a more evidence-based and systematic process

This framework will support design, development and review of national curriculum and provide a roadmap to developing national and global metrics to measure the various dimensions, including knowledge; cognitive competencies (such as problem-solving, creativity, or critical thinking); social competencies (like collaboration, communication or cross-cultural skills); character qualities (such as empathy, resilience, mindfulness, curiosity, courage and leadership); physical and mental well-being; and metacompetencies (such as respect, integrity or ethics). Australia's participation in the Education 2030 project is being coordinated through ACARA.

Employment	*Pg 8/9 – PaTH Internships*	Of the 464 ended internships:

	Ms BUTLER: I wanted to ask some questions about PaTH as well. This is on page 29 of 138 on our numbering, and page 23 of your submission. The figure of 188 of the 464 completed internships getting employment is 40 per cent. Is there any idea why the other 60 per cent, having worked in these internships for four to 12 weeks, did not secure employment?
	Mr Manning: That 40 per cent figure is
		- 234 completed; of which
		    o 80% (188) gained employment (179 with the host business and 9 found other employment); and
		    o 20% (46) completed the internship without gaining employment.
		- 183 were ended early without employment; of which
		    o 59% (108) were ended early by interns; and
		    o 41% (75) were ended early by businesses.
		- 47 were ended pending the outcome of the Internship

	of the people who are going into an internship. The figure for young jobseekers who complete their internship—so do the time or else it is turned to employment during it—is actually 71 per cent. Ms BUTLER: So, you are saying that a lot of them never not completed the internship? Mr Manning: At the moment, from memory, it is split about fifty-fifty between the employer terminating it or the jobseeker terminating it. Ms Butler: What is the attrition rate? GM: I will have to take on notice the exact attrition rate	
Employment	*Pg 9 – PaTH Internships* Ms Butler: Will your evaluation look into the reasons for attrition or termination from the employer's perspective? GM: I will have to take that on notice	The evaluation will be conducted over two stages to capture early results, as well as available evidence on outcomes as the program operates over time. Work on an interim evaluation is expected to be completed by December 2018, with insights gained helping to inform policy and program improvement. This will be followed by work on a final evaluation to be completed by the end of 2019. The final evaluation will assess the effectiveness and appropriateness of the Youth Jobs PaTH program. Both stages of the evaluation will complement program monitoring and assurance activities, drawing on administrative data, quantitative surveys and in-depth interviews and focus groups. This will include capturing employer and participant perspectives on why placements may have ended early.
Employment	*Pg 9 – PaTH Internships* Ms BUTLER: Yes. Do you have a breakdown of what proportion of host organisations are small and medium enterprises and what proportion are large businesses? Mr Manning: The program is premised on the fact that it will be necessary for there to be a large number in small to medium enterprises. Ms BUTLER: Do you have a breakdown of the figures?	The Department of Employment does not collect information on the size of businesses hosting internships. A business must have a reasonable prospect of employment to be eligible to host an internship regardless of their size. In developing the PaTH Internship program, departmental research suggested that in general, small to medium enterprises (those with fewer than 200 employees) make up the majority of employing businesses (99%).

	Mr Manning: Not with me. Again, I can take it on notice to see if we do	
Employment	**Pg 10 – PaTH Internships** Ms Lamb: Given that this inquiry is about school to work transition and you have highlighted this program in your submission, one of the criteria for participants is that they have been unemployed for six months or more. How many of the participants in PaTH have been employed for say 12 months – so 6 months in PaTH/high school – and how many have been right on that six months, given we are talking about school to work transition?	Unemployment (UE) duration of PaTH interns at the time they commenced a PaTH Internship as at 25 July 2017: | Unemployment Duration (UE)	Internship Placements	Placement % | |---|---|---|
<12 Months UE	279	28.5
12-23 Months UE	336	34.3
24-59 Months UE	301	30.7
60+ Months UE	63	6.4	
Employment	**Pg10 – Youth Bonus Wage Subsidy** Ms Lamb: How many employers have received quite substantial subsidies and still have that young person employed three months or six months after receiving that incentive? Mr Manning: I would have to take the first one on notice as we do not have the figures. I do not know whether we will know easily how many are on one day one at six months and how many are a bit longer, but I will see what we can do and that back to you. In relation to youth bonus wage subsidies of the 8,000, from memory it is only about 800 that have been terminated so far, which is a much lower rate than subsidies generally. Ms Lamb: So terminated within what period? Is that from employment? Mr Manning: Since it commenced on 1 January, of those that have occurred. I will take it on notice to give you the	From 1 January 2017 to 31 August 2017, **9,196** Youth Bonus wage subsidy agreements had been entered into of which: • **980** had terminated • **4,296** Claimed 12 Week Outcomes which is 79 per cent of agreements where a 12 week outcome was available to claim. • **1,088** Claimed 26 Week Outcomes which is 80 per cent of agreements where a 26 week outcome was available to claim. Claiming is reliant on individual employer and employment services provider business practices and outcomes will continue to increase as agreements reach their six month end date. While it is still early into the agreement period, the termination rates for youth bonus agreements are much lower than other wage subsidies, 11 per cent compared to around 28 per cent for subsidies generally. The Department of Employment reviews wage subsidy use through a range of program assurance activities and information sources. Based on these activities, there is no evidence to demonstrate that employers are churning through Youth Bonus wage subsidy participants.

	exact figures.	
Education	**Pg 11 – VET statistics** Ms Lamb: I have a question around the statistics provided in the submission that there are more students finding work post VET than post university. Does that data around university also capture those who graduate and find work overseas or just those who graduate and find work in Australia? DP: I think it will be those who find work in Australia. I can take that on notice and confirm that.	The Graduate Outcomes Survey (GOS) collects information on the employment outcomes of graduates from Australian higher education institutions, including those graduates working overseas.
Employment	**Pg 12 – transition to work (TtW)** Ms Sharkie: looking at your figures for Transition to Work, just over 50,000 young people were referred and only 75% of them commenced. What was the reason for the 25 % not commencing? GM: there would be a range of reasons. Perhaps I should come back to you with the data that we have, but in many cases it will be that they decided not to or did not engage and so were referred back.	**Common reasons for TtW Participants Exiting before Commencement – February 2016 to 31 August 2017:** *(table and text below)*

Common reasons for TtW Participants Exiting before Commencement – February 2016 to 31 August 2017:

Exit Reason	Number	%
Participant was not contactable	6,367	49.4%
Participant chose to exit	3,772	29.3%
Participant moved to another Employment Service	1,935	15.0%
All other reasons	817	6.3%
Total Exits	**12,892**	**100%**

- A TtW Participant must be referred to jobactive before they are Exited because they are not participating or not contactable, or if the Participant simply chooses to Exit.

Ms Sharkie: Could you also give us a breakdown of streams? I think I remember in the tender up to 10 per cent of young people would be stream C.
Mr Manning: They could be stream C.
Ms SHARKIE: Or could be.
Mr Manning: Yes.
Ms SHARKIE: I would like to see what the actuals have been so that we can ensure that providers are not cherry-picking the easiest young people to work with.
Mr Manning: I know that as at 29 August there are only 232. They are called group 3 participants. There are three different groups. There are only 232 group 3 participants. It would be much lower than 10 per cent. If you look at the overall caseload, it is not much higher than that at the moment.
As at 31 August there were 232 (1.3%) Group 3 Participants on the active TtW caseload. This is due to the high demand for the Service from Group participants. This may increase now that the department recognises

		outcomes in TtW for those participants referred from jobactive in the jobactive Star Ratings Ms SHARKIE: Is that of concern to the department? Mr Manning: As a whole, Transition to Work is oversubscribed in the sense that the numbers of people who have gone into it are higher than expected. Certainly, we would want to understand why that is occurring. I do not think it is necessarily of concern to us. Ms Jensen: One of the design features of Transition to Work is to allow providers to have the discretion with the stream Cs to make sure they are referring young people who can benefit from the program. Given a number of young people in stream C have a range of non-vocational areas—that might include both insecure housing and mental health, for example—it is important that those are addressed and stabilised so that when they are referred they can benefit. The actual numbers will reflect a degree of discretion that has been applied as well. Ms SHARKIE: Could we ask the department to come back? **CHAIR:** Yes.
Education and Employment	*Pg 12 – Apprenticeships and Traineeships* Mr Wallace: • What are the Departments doing to attract more young people into trades and trainees? • What are the Departments doing to make apprenticeships and traineeships more attractive to employers? • What programs are in place to encourage pre-apprenticeship training? • What research is being done around apprenticeships /traineeships and their wages and whether this is acting a disincentive? • What steps/programs are in place or being planned by the departments to change culture in our country that all students should go to university and that those who do not are somehow sub-optimal?	***What are the department's doing to attract more young people into trades and traineeships?*** To attract more young people into vocational education and training (VET) pathways, the Department of Education and Training's VET Information Strategy (VIS) will: • grow *MySkills.gov.au* to become Australia's most recognised VET information resource • unify Australian Government information products by ensuring consistent key messages across programs and the universal adoption of an approved tagline • partner with youth focused organisations, e.g. *National Rugby League, Australian Football League, Year 13, Student Edge,* to disseminate information through a variety of communication touch points to large audiences challenging VET perception and status • implement a suite of social media channels dedicated to engaging in conversations with youth about VET and sharing career success stories • produce tailored and engaging digital content with young graduates of the VET sector to share and promote nationally • implement an annual direct mail out to secondary schools enclosing inspiring VET resources • host career advisor workshops in each state and territory capital city and regional centres to engage in discussions about the benefits of VET. • implement partnerships with industry and employer focused organisations to adopt key messages and tagline, and carry positive information to their audiences about VET which challenges perception and status • equip Australian Apprenticeships Support Network Providers with the information they need to influence perception and status • produce tailored and engaging content with employers, industry and RTOs to share and promote nationally

Since 2012, the Department of Education and Training has implemented the *Australian Apprenticeships Ambassadors Program* to attract more young people into Australian Apprenticeships. The program recruits prominent figures and high-performing former and current apprentices to share their career success story across a number of platforms including videos, attendance at public events and through social media. An online engagement platform increases the Program's outreach, by enabling the public to invite Ambassadors in their local area to community events. As of 2017, the Program has reached over 12.28 million people nationally and internationally, and has been recognised by the United Nations as a promising practice in technical and vocational education and training.

What are the Departments doing to make apprenticeships and traineeships more attractive to employers?

Australian Apprenticeships Incentives Program

The Australian Government currently provides significant support for employers over the life of an apprenticeship. The Government is investing up to $400 million annually in financial incentives for employers through the Australian Apprenticeships Incentives Program (AAIP).

There are a range of incentives to employers who commence Australian Apprentices in eligible occupations. For example, an employer who commences an apprentice in an occupation on the National Skills Needs List (NSNL) would be eligible for $4000 through the provision of a $1500 commencement incentive (payable at six months) and a $2500 completion incentive.

Trade Support Loans

The Government introduced Trade Support Loans (TSL) in July 2014 to better support apprentices to succeed in their apprenticeship. The loans provide financial support over four years to eligible apprentices to assist them with the costs of living and learning while undertaking their training. The loans are flexible to meet the needs of each individual and an apprentice can borrow a small amount, for example $1000, or up to the full $20,420 (as at 2017-18) over four years.

As an incentive to complete their training, apprentices who complete will be eligible for a 20 per cent discount on their loan which could be as much as $4,086 (as at 2017-18).

While TSL directly supports eligible apprentices, employers benefit through an increased likelihood of better retention and completion rates of apprentices.

Australian Apprenticeship Support Network

The Australian Government is investing up to $190 million annually in the Australian Apprenticeship Support Network to help employers recruit, train and retain apprentices and to support individuals to succeed in their chosen careers. Apprenticeship Network providers provide advice and support services tailored to the needs of

employers and apprentices throughout the apprenticeship lifecycle – from pre-commencement to completion - through:

- o Universal services for all employers and apprentices, providing essential administrative support, payment processing and regular contact
- o Targeted services for employers and individuals assessed as needing additional support to complete the apprenticeship.

Australian Apprenticeship Support Network providers work in close cooperation with State and Territory Training Authorities, to provide a streamlined arrangement for the provision of information, marketing and administration of the Government's Australian Apprenticeships Incentives Program and the Trade Support Loans Program, to assist employers and Australian Apprentices to access quality Australian Apprenticeships.

The *Australian Apprenticeships Ambassadors Program* also targets employers with positive messages about recruiting and retaining apprentices and trainees.

What programs are in place to encourage pre-apprenticeship training?
<u>Skilling Australians Fund</u>
The Skilling Australians Fund (the Fund) is a major commitment by the Commonwealth to ongoing funding for VET. An estimated $1.5 billion will be available over 2017–18 to 2020–21, which will be matched from the states and territories. The Fund will support up to 300,000 more apprentices, trainees, and pre- and higher-level apprenticeships. This includes supporting 50,000 new pre-apprenticeships and pre-traineeships.

<u>Multi Industry School Based and Pre-Apprenticeship Support Pilot Project</u>
The Department of Education and Training is currently supporting a peak industry body to pilot new arrangements which allow young people, including unemployed youth, to trial a range of vocational occupations. The Multi Industry School Based and Pre-Apprenticeship Support Pilot Project (MIP) aims to provide young people with the opportunity to trial a range of vocational occupations over six-12 months. The Pilot is being run by the Group Training Association of Victoria (GTAV) trading as Apprenticeship Employment Network (AEN), the peak industry body representing not-for-profit group training companies across Victoria. The project began in April 2016 and will run until 31 December 2018. It aims to service approximately 2000 young people. Participants must be either Year 10 or 11 students or young people who have left secondary school and are not fully employed. The pilot is being delivered in Victoria, New South Wales and Tasmania.

What research is being done around apprenticeships /traineeships and their wages and whether this is acting a [sic] disincentive?
The Fair Work Commission released a research report into *Factors affecting apprenticeships and traineeships* earlier this year. (https://www.fwc.gov.au/documents/sites/wagereview2017/research/apprenticetrainee.pdf)

The report looks into: apprentice and trainee satisfaction with wages; potential wages in alternative employment and opportunity costs; the impact of economic growth and downturn on apprentice and trainee wages; and the wage premium upon completion.

The Fair Work Commission conducted a review into apprentice and trainee wages in 2013. As a result of the review the minimum award rates for first and second year apprentices were increased, and special provisions were made in relation to rates of pay for adult apprentices. These changes were phased in from January 2014 to January 2015, to mitigate their cost impact to employers. The National Training Wage for trainees was not included in these changes.

A previous report from NCVER (*The impact of wages and the likelihood of employment on the probability of completing an apprenticeship or traineeship*, 2011) found that for trade apprentices, low wages were not a significant disincentive to completion, rather the payoff associated with becoming a qualified tradesperson is what encourages apprentices to complete their training. However for non-trade traineeships, training wages have an impact on the likelihood of completion, with trainees more likely to cancel their traineeship where they can earn more money in alternative employment.

What steps/programs are in place or being planned by the departments to change culture in our country that all students should go to university and that those who do not are somehow sub-optimal?

The Department of Education and Training is implementing the national VET Information Strategy (the VIS) to be launched in November 2017.

The VIS is a considered, long term strategy by the Australian Government to:
- address negative perceptions to bring those with a low and outdated awareness of the VET system to an increased preference and intention to take up VET, thereby improving status, and
- counter misunderstandings about VET offerings by improving government information resources relating to VET.

In addition to the VIS, the National Career Education Strategy (NCES) is currently being developed to ensure young people have access to quality career education in schools aimed at preparing young people to be 'work ready' and prepared for life beyond school. It will acknowledge there is a need for schools to focus on all students to better prepare them to transition to a job, a university degree, a VET course, or a combination of these and have the necessary skills to navigate multiple jobs in the work of the future. The NCES will advocate that all pathways are valid, and that employer-valued VET is an important part of career education, is often better suited to some students' talents and interests, and can result in better employment outcomes. The NCES may include a suite of recommendations that will be implemented over the coming years to 2020.

Programs and services offered by the Department of Employment are designed to support people into work, including assisting young people into apprenticeships and traineeships. They align with the supports and

incentives for apprenticeships and traineeships, for example:

- employers who are eligible for an Australian Government wage subsidy can combine the subsidy with Australian Apprenticeship Incentive Program payments. An employer who employs a young job seeker as an apprentice/trainee may therefore be eligible for a Youth Bonus Wage Subsidy of up to $10,000, paid over six months, as part of Youth Jobs PaTH. This incentivises employers to take on apprentices and trainees
- outcome payments for jobactive and Transition to Work include apprenticeships and traineeships.

The Department of Employment also offers young people a wide range of information to inform their study and career decisions, including through:

- Presentations to schools, career forums and employment service providers: http://lmip.gov.au/PortalFile.axd?FieldID=2795493&.pdf
- The annual Australian Jobs publication, which is sent to every secondary school and a range of other educational institutions in Australia, available from https://www.employment.gov.au/australian-jobs-publication
- The Job Jumpstart website: https://jobjumpstart.employment.gov.au/article/want-earn-while-you-learn.

The Department of Employment's Employer Mobilisation Branch works with labour market stakeholders to support increased awareness and take up of services which help unemployed job seekers access job opportunities, particularly young people through the Youth Jobs PaTH program. The Branch's Employer Liaison Officer (ELOs) network works with employers, peak bodies and apprenticeship services providers to highlight the flexibilities of Youth Jobs PaTH, and how it can be tailored to the needs of specific employers or industries to prepare young people for apprenticeships and traineeships and promote them as a career pathway.

Additionally, a number of Empowering YOUth Initiatives (EYI) encourage young people to prepare for and undertake apprenticeships and traineeships, in a range of businesses and industries including construction, electrical and Information Technology. These initiatives aim to build pre-employment skills, address barriers to employment and link participants with employers to secure employment outcomes.