

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000982

Senator Cameron, Doug provided in writing.

Apprentices and churn

Question

- 1) What systems does the Department have in place to ensure employers are not able to 'churn' through apprentices and trainees?
- 2) What systems does the Department have in place to safeguard against employers churning through apprentices and trainees and receiving incentives?

Answer

- 1) Apprenticeship Network Providers are contracted by the Government to deliver support services to employers and Australian Apprentices. Under the terms of the contract, Apprenticeship Network providers are required to operate in a manner which ensures the delivery of high quality support services, exhibiting high standards of ethical behaviour.

Apprenticeship Network Providers are also contracted to make regular contact with employers and Australian Apprentices throughout the lifecycle of the apprenticeship. This regular contact assists in identifying any instances of potential misbehaviour, including 'churning'. Under the terms of the contract, Apprenticeship Network Providers are required to identify and advise the Department of Education and Training of allegations of fraudulent activities or attempts to manipulate the Program, or employer recruitment and retrenchment patterns that suggest possible abuse of the system.

- 2) The department has strict controls and monitoring arrangements in place to ensure that incentive payments under the Australian Apprenticeships Incentives Program are only made where eligibility criteria have been met. This includes Guidelines which clearly stipulate eligibility criteria, as well as system controls that will not allow payments to be made unless these criteria are met. Incentives available under the Program are only payable where there is a state or territory government approved training contract in place.

Payments are regularly monitored to ensure they are accurate and have been paid appropriately. In addition, the department works collaboratively with all State and Territory governments and other relevant stakeholders to identify and manage instances of inappropriate behaviour to ensure the integrity of the Incentives Program and the broader Australian Apprenticeships system.

The department has a structured Performance Management Framework to assess Apprenticeship Network Provider compliance with the requirements of the contract. The department may undertake targeted and system desktop monitoring at any time to examine any issue. Targeted and desktop monitoring may include direct contact with employers and apprentices.

Structured file monitoring is undertaken every six months to examine a range of administrative issues. This monitoring also provides an opportunity to identify any other issues that may be present in relation to the conduct of an apprenticeship.

Apprenticeship Network Providers are also required to have a structured complaints handling process, which includes the requirement to refer complaints to the department where necessary. All Apprenticeship Network Providers must maintain a complaints register which can be accessed by the department at any point to assess.