

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.2 – Assistance for New Apprenticeships

#### **DEST Question No. E357\_04**

Senator Marshall asked on Wednesday 5 November 2003.

#### **Question:**

Can the Department outline what accountability mechanisms are in place in the New Apprenticeships Incentive Scheme to highlight instances where registered training organisations are enrolling significant percentages of their workforce on particular types of New Apprenticeships in high risk areas?

#### **Answer:**

##### *Accountability Mechanisms for High Risk Areas*

The payment of Australian Government incentives under the New Apprenticeships Incentives Programme is governed by robust quality controls. These include not only establishing that the New Apprenticeship is bona-fide and that the employer has established a sustainable employment and training relationship with the New Apprentice but that incentives are targeted in such a way as to best meet value for money principles.

To receive any incentives under the Programme all the following criteria must be met in relation to the New Apprenticeship:

- Employment in a New Apprenticeship must be covered by an Apprenticeship/Traineeship Contract which has been signed by both the employer and the New Apprentice and formally approved by the relevant State or Territory Training Authority; and
- Three calendar months of the New Apprenticeship must have been completed; and
- Any State or Territory probationary period must have been completed (this may be more than three months in some cases); and
- Evidence that training has commenced must be provided. The Australian Government considers that training has commenced when a New Apprentice and a Registered Training Organisation (RTO) negotiate and sign an agreed individual training programme for the New Apprenticeship. All State and Territory Training Authorities now have arrangements whereby the contract must be accompanied by the training plan otherwise, and depending on specific time limits being met, the training contract is cancelled.

In addition, incentives are not paid or reduced in some cases if a New Apprentice already holds a qualification or has previously commenced or completed a New Apprenticeship. In this way, the Australian Government is assured that funding is being provided only in those cases where there is a genuine training need.

The Department has also initiated monthly (and strategic) monitoring of New Apprenticeships Centre performance against aspects of the New Apprenticeships Support Services contract's

Key Performance Indicators. This analysis reports on commencements against business allocations, industry, age and other demographic profiles and expenditure against budget allocations.

In monitoring and auditing the performance of RTO's State and Territory Governments implement their own risk management strategies. These may focus on 'high risk areas' as determined by analysis of their own management information systems and risk management plans.