

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. E364_04

Senator Marshall asked 5 November 2003.

Question:

Non-completion of traineeships has been identified as a particular problem. What responsibilities are outlined in the contracts between the Department and New Apprenticeships Centres to increase the rate of completions and how is this being monitored by the Department?

Answer:

Non-Completion of Traineeships

The third iteration of the New Apprenticeships Support Services (NASS) contract – 1 July 2003 - 30 June 2006, requires the national network of New Apprenticeships Centres to achieve the Australian Government outcomes as expressed in the NASS contract's Key Performance Indicators (KPI).

Specifically, KPI 3 states that New Apprenticeships Centres are to increase the Completion rates of New Apprentices. Regional Benchmarks, based on historical data taken from the previous contract round (1 December 1999 - 30 June 2003), have been set against this KPI.

In tendering for the current contract, New Apprenticeships Centres were asked to identify strategies they will implement over the life of the contract to achieve an increase in completion rates. Further, the payment structure in the new contract provides an additional driver as 25% of the New Apprenticeships Centres' fee-for-services is payable on successful completion of the New Apprentice compared to only 10% in the previous contract.

The New Apprenticeships Centre performance is monitored biannually and on an on-going basis to ensure that they are achieving against the KPI.

In addition to requirements for New Apprenticeships Centres to increase the completion rates of new apprenticeships, the New Apprenticeships Incentives Programme was changed from 1 July 2003 to further reward employers who support their New Apprentice through to successful completion. As a result of a programme review in 2002, the standard employer incentive payments for Certificate III and IV New Apprenticeships were reconfigured to \$1,650 on commencement and \$2,750 on successful completion. Previously these payments were \$1,375 on commencement, \$1,375 on progression to the higher level training and \$1,650 on completion. Group Training Organisations from 1 July 2003 have access to completion incentives where they were previously not eligible and a new completion incentive will be introduced from 1 July 2004, for Group Training Organisations that successfully complete a Certificate II New Apprentice.

Coupled with the changes to the NASS contracts, these changes to the New Apprenticeships Incentives Programme are anticipated to increase completion rates.