

**SENATE STANDING COMMITTEE ON  
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE  
SUPPLEMENTARY ESTIMATES 2009-10**

**Outcome** 3

**DEEWR Question No.** EW576\_10

Senator Cash provided in writing.

**Question**

*Australian Apprenticeships – retention*

**What actions have DEEWR taken to assist employers to retain their apprentices?**

**Answer**

DEEWR has implemented a range of Government initiatives to assist employers of Australian Apprentices.

Apprentice Kickstart

The Australian Government has provided \$80 million for the Apprentice Kickstart Bonus. The Bonus will be paid to employers who take on an apprentice aged 16 years and under, between 1 December 2009 and 28 February 2010, into a traditional trade listed on the National Skills Needs Shortages List.

The Apprentice Kickstart Bonus boosts the commencement incentive for employers of eligible Australian Apprentices in their first year of an Australian Apprenticeship from \$1,500 to \$2,350 and provides another \$2,500 at the nine-month point.

The Apprentice Kickstart package also provides \$20 million for increased pre-apprenticeship training opportunities. This element of the package is designed to provide a flow of suitable candidates for emerging traditional trade opportunities resulting from the economic recovery.

Securing Australian Apprenticeships

On 1 February 2009, the Australian Government announced the \$155 million Securing Australian Apprenticeship initiatives. These measures support out-of-trade Australian Apprentices in traditional trades to remain connected to the workforce and to maintain their investment in training.

The Securing Australian Apprenticeships initiative provides financial support to employers who take on eligible Australian Apprentices, or who successfully complete Australian Apprentices at the Certificate III or IV level qualifications in skills shortages trades, or in selected Diploma or Advanced Diploma level qualifications. This includes a \$1,800 Recommencement Bonus and a \$1,000 Completion Bonus.

The Securing Australian Apprenticeships through Registered Training Organisations initiative, allows the Australian Apprentice to maintain the value of their investment in training by providing financial support to Registered Training Organisations to cover the cost of the

off-the-job training component where the apprentice has been made redundant and has an incomplete qualification.

#### 2009-2010 Budget

The Budget provided \$3.8 billion for Australian Apprenticeships over four years. Most measures will commence on 1 January 2010 and include:

- Broadening the eligibility for the \$4,000 incentive payments to employers of Australian Apprentices studying Diploma and Advanced Diploma level qualifications.
- Extending support for mid-career apprentice payments from those aged 30 and over to those aged 25 and over. The new payment, *Support for Adult Apprentices*, subsidises apprenticeship wages by up to \$13,000 over the first two years of an apprenticeship.
- New arrangements for Custodial Australian Apprentices. Employers who employ custodial Australian Apprentices may be eligible to attract incentives provided they continue to employ the Australian Apprentice post-release.
- Streamlining existing payments into a new Tools For Your Trade payment initiative. This initiative pays eligible Australian Apprentices five tax-exempt cash payments totaling \$3,800 over the life of their Australian Apprenticeship.

#### Nation Building – Economic Stimulus Plan

The primary purpose of the \$42 billion Nation Building – Economic Stimulus Plan is to support Australian jobs and businesses and investment in vital infrastructure for the future. The Plan is being used as a vehicle to assist businesses in supporting and retaining Australian Apprentices throughout the economic downturn.

The Jobs Fund and the Building the Education Revolution are components of the Nation Building – Economic Stimulus Plan.

#### *The Jobs Fund*

The Jobs Fund commenced on 1 July 2009, and is a \$650 million Australian Government initiative to support and create jobs and increase skills through innovative projects that build community infrastructure and increase social capital in local communities across the country.

The Jobs Fund forms part of the Australian Government's Jobs and Training Compact and has been established to support families and communities most affected by the Global Economic Recession.

In round one of the Jobs Fund, \$132 million in funding was available for projects across Australia under the Local Jobs and Get Communities Working streams and \$11 million for 37 organisations across Australia under the Temporary Financial Assistance component of the Get Communities Working stream. The Department estimates that 6,200 jobs were created in this round, 1,900 of whom were Australian Apprenticeships.

Seven Group Training Organisations received funding in round one. Group Training Organisations employ Australian Apprentices under placement to a range of small and large host businesses.

#### *Building the Education Revolution*

The \$16.2 billion Building the Education Revolution (BER) program is a partnership between the Australian Government, state and territory governments and non-government education authorities.

Under the partnership, education authorities are required to do their best endeavours to ensure that projects funded have at least 10 percent of the total contract labour hours undertaken by Australian Apprenticeships and those seeking to up skill.

As at 31 October 2009, education authorities estimate the total number of jobs supported for commenced BER projects to be approximately 130,000, 13,000 of whom are Australian Apprentices.