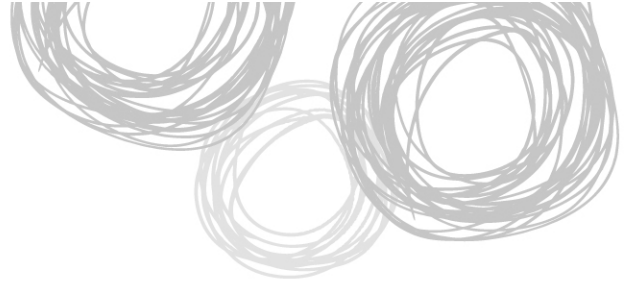


# Apprentice and Trainee Package:

Maintaining the Effectiveness of Queensland's Apprenticeship and  
Traineeship System during the Global Financial Crisis





## Foreword

The Queensland Government is acting to protect jobs, especially apprentice and trainee jobs, from the impact of the global financial crisis.

Businesses are being impacted and need government's support through this crisis so that they can retain and create jobs and invest for the future.

Economists predict that the global economy will double in size over the next two decades. China and other emerging economies in Asia will become a larger and more powerful force in international commerce. Billions of workers and consumers in these emerging economies will become full participants in the global economy. (Source: Nation Building - Rail, Road, Education & Research and Business, Australian Government, December 2008)

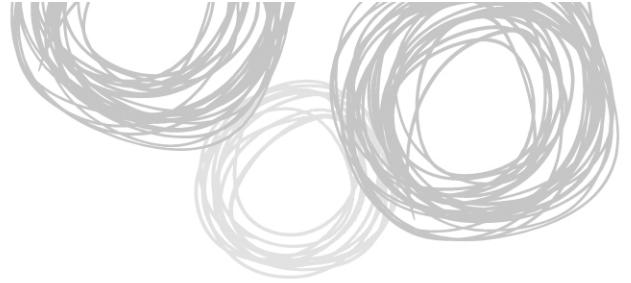
When the economic crisis is over, Queensland must be well placed to move forward in the new green, global economy.

At the federal level, government has instigated an Economic Security Strategy aimed at creating jobs and stimulating the economy. The strategy comprises:

1. a \$10.4 billion package targeted towards low and middle income families, pensioners and carers, and first home buyers
2. the \$6.2 billion New Car Plan for a Green Future to help support the 200,000 Australian jobs that rely on the automotive industry
3. a \$300 million Regional and Local Community Infrastructure Program to help boost local economic development by building local community infrastructure in all of Australia's 565 local council areas and supporting jobs in communities around the country, and
4. the \$15.1 billion COAG National Reform Package focused primarily on improving schools and hospitals, and training more quality teachers, nurses and doctors.

The latest phase announced on 12 December 2008, is the \$4.7 billion Nation Building Package which includes investment to bring forward key rail and road infrastructure projects, investment in university and TAFE infrastructure and tax changes to help Australian businesses during the global recession.

The impact of the global crisis is being felt in all sectors, including the vocational education and training (VET) sector. Training is often the first area of a business's budget to be cut in hard times and apprentices and trainees may be the first people to be let go in an economic downturn.



The Queensland Government is delivering its own multi-pronged attack on unemployment with a package of employment protection measures to complement the federal Economic Security Strategy.

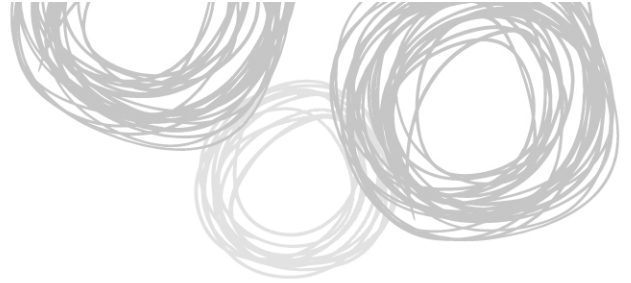
The Department of Education and Training is leading the implementation of one of these measures aimed at minimising the displacement of apprentices and trainees as a result of economic downturn. The package of initiatives is focussed around four key strategies:

1. maintaining apprentice and trainee commencement levels
2. early intervention to retain apprentices and trainees
3. assisting apprentices and trainees that have been cancelled, and
4. upskilling recently completed apprentices and trainees.

These strategies will only be effective if government partners with industry and other key stakeholders to deliver on the range of strategies required. Industry leadership is crucial to the success of this package.

To this end, the Apprentice and Trainee Package has been developed by a joint industry–government Taskforce made up of key government and industry representatives. This Taskforce will continue to work on actions and oversee their implementation and operation. The Taskforce will also provide advice to the Minister for Education and Training.

*“Rising unemployment will be our number one challenge in 2009” (Premier Bligh, December 2008)*



## Background

On 8 December 2008, the Premier outlined a suite of initiatives to assist Queenslanders deal with the impact of the global financial crisis.

One of these initiatives is a 'safety net' program for apprentices and trainees who may be let go because of the economic downturn. The initiative is focused on working with industry partners to implement measures that will provide a 'safety net' to support apprentices and trainees to complete their training.

Since the introduction of the Queensland Skills Plan in March 2006 a range of initiatives has been introduced to enhance the Queensland apprenticeship and traineeship system, including:

- modernising the apprenticeship system, though reduced duration of some apprenticeships, introduction of nominal terms and further implementation of competency based training
- revitalising TAFE Queensland
- growing the private provider market in apprenticeship training, and
- enhancing engagement with industry on workforce development matters.

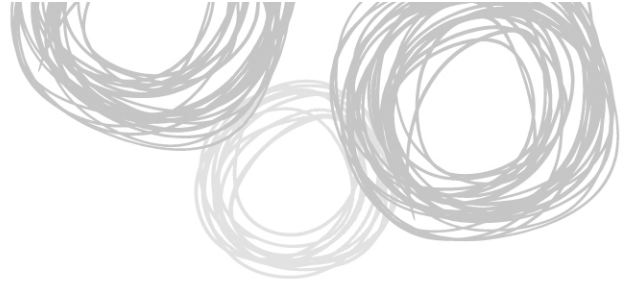
In a very short period of time the VET system in Queensland has been required to respond to skill shortages, labour shortages and increasing pressure on training providers to deliver more flexible and timely training.

The VET system is well positioned to respond to the impact of the global financial crisis by implementing a range of actions that target the retention of apprentices and trainees in Queensland.

*"They [Australian firms] will need a skilled workforce to remain strong and productive, both to sustain themselves over the downturn and take advantage of growth and new opportunities as the economy recovers" (Toni Wren, December 2008)*

However, industry must be prepared to take on responsibility for retaining their workforce, particularly apprentices and trainees who will be the strength business will rely on to lead them back out of the global financial crisis.

The effectiveness of this package relies heavily on the response being a joint industry – government one with Centres of Excellence, Skills Alliances, unions, employer associations and other key stakeholders taking a key leadership role in driving behavior. For this reason, the Trade Training Taskforce has been established to both develop this package and to oversee its operations and implementation. The Taskforce is made up of key representatives from government



and industry and its membership is detailed in Attachment 1. The Taskforce has been given the task to...

“...develop and implement urgent measures that ensure apprentices and trainees in training, and those displaced or at risk of being displaced, are supported to complete their training.”

The Trade Training Taskforce’s Terms of Reference are at Attachment 2. This Taskforce also has a key role in reporting and providing advice to the Minister for Education and Training.

Queensland’s unemployment rate is forecast to rise from a current generation-low of 3.75% to 4.25% meaning, as stated by the Premier, that rising unemployment will be our number one challenge in 2009.

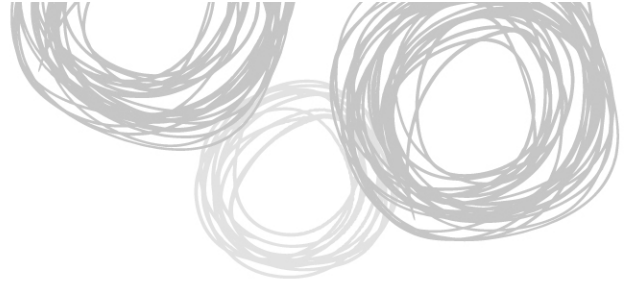
Current apprenticeship and traineeship data is presented in Attachment 3. It is important to note that this data shows the number of new apprentices and trainees where the Department of Education and Training has been notified via the lodgement of a Training Contract. It does not include apprentices or trainees who have commenced employment in the specified time period but who have not as yet lodged a Training Contract. Neither does it reflect apprentices and trainees whose Training Contract has been cancelled without notification. The lodgement of Training Contracts can take up to nine months after commencement due to:

- employers wanting to “have a look at the apprentice” before signing them up
- employers believing that they need to wait until the probation period (1-3 months) is completed before lodgement
- employers believing that employment and training probation periods are cumulative for apprentices (six months), and
- delays in receiving registered training organisation (RTO) declarations before an Australian Apprenticeship Centre can register a Training Contract (this requirement has been removed).

Cancellation figures are also reliant on employers advising the Department of Education and Training that a Training Contract has been cancelled. The delay in this advice has an impact on the accuracy of both in-training and cancellation figures.

While the Queensland Skills Plan reforms are aimed at addressing a number of these issues to ensure registration of Training Contracts occur sooner, the “lag” effect is still a significant one to be aware of when considering statistical data on apprentices and trainees.

Whilst statistical data indicates that current participation in the apprenticeship system has not declined despite the current economic crisis, there is significant anecdotal evidence to suggest that apprenticeship commencements from January 2009 onwards will be significantly less than previous years.



Already there are reports of smaller employers rationalising staff, companies allowing apprentices to fall into limbo – neither working nor cancelled from their apprenticeship, redundancies starting in the construction industry, early indications that as many as 60% of employers are no longer interested in taking on apprentices and work being given to qualified tradespeople at the expense of apprentices.

Based on forecast unemployment rates, the lag in apprenticeship system data, industry advice and patterns of apprentice cancellations relating to periods of decline in business productivity, the government has predicted a potential 20% reduction in apprenticeship and traineeship commencements from January 2009 that will remain constant at that rate until 30 June 2010.

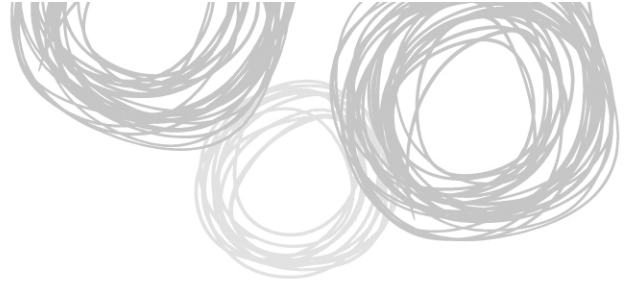
The impact that such a reduction in commencements will have on public investment in apprenticeships and traineeships via the User Choice Program<sup>1</sup> will not be immediately felt. The funding impact on User Choice will only be evidenced when the numbers of apprentices and trainees “in-training” begins to reduce from its current record high levels. The number of apprentices and trainees “in-training” is anticipated to reduce as a result of:

- those that have completed their apprenticeship
- reduced commencements, and
- those whose apprenticeship and traineeships have been cancelled.

The Taskforce has identified that the impact of the economic crisis on apprenticeships and traineeships can be expected to be translated into the following market behaviours:

- a reluctance to take on new apprentices and trainees
- businesses returning apprentices to Group Training Organisations due to lack of sufficient work
- making business savings by reducing investment in training, and
- retrenching, generally in the first instance, apprentices and trainees, when business slows.

1. The User Choice Program in Queensland provides public funding to contracted registered training organisations (RTOs) for delivery of priority apprenticeship and traineeship training and assessment services. Not all training delivery is funded under the User Choice Program due to budgetary constraints and funding is prioritised based on a range of factors to ensure that public investment is directed towards industry outcomes which best meet the Queensland Government's economic, employment and social development priorities.



## The Strategies

The range of actions that has been developed by the Taskforce to help combat the impact of the global financial crisis on apprentices and trainees in Queensland has been formed around four key strategies that are aimed at offsetting the effect of these market behaviours on the apprenticeship and traineeship system:

1. maintaining apprenticeship and traineeship commencement levels
2. retaining apprentices and trainees in training
3. assisting cancelled apprentices and trainees, and
4. upskilling recently completed apprentices and trainees.

### Strategy 1 – Maintaining Commencement Levels

January and February are traditionally the months of major apprentice and trainee commencements but the current climate is anticipated to result in an up to 20% decrease in commencements.

The first strategy is aimed at maintaining current commencement levels, or at the very least minimising the reduction in commencements, of apprentices and trainees to ensure that a skilled workforce is available quickly when the booming Queensland economy reappears.

Proposed actions to address this strategy are:

#### **Action 1.1 Enhancing and Increasing Targeted Pre-vocational Training**

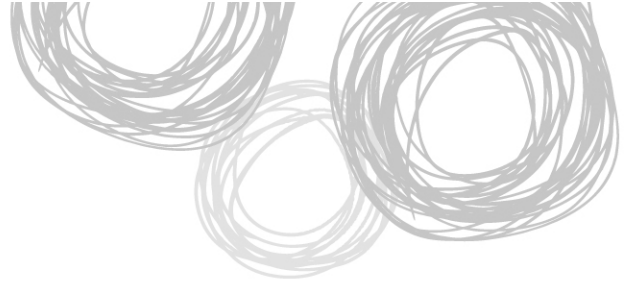
Enhancing and increasing targeted pre-vocational training will ensure that young people remain interested in the apprenticeship system as an attractive career pathway. Pre-vocational training must provide participants with real skills that support their entry into the workplace as productive employees.

Timing of the delivery of pre-vocational courses will need to correspond with available employment opportunities and will need to be considered on an industry and geographical basis.

#### **Action 1.2 Reviewing Government Training Funding Priorities**

Reviewing current government training funding priorities to consider, for instance, funding traineeships under the User Choice Program in areas previously not funded to increase the attractiveness of traineeships to employers and individuals. This may be necessary to ensure that young people are gaining the employability skills and may reflect the desire of some employers to invest in training commitments of a shorter duration than an apprenticeship.

Reviewing funding priorities may also be necessary to support other actions within this strategy such as upskilling cancelled or recently completed apprentices and trainees in green and business skills.



### **Action 1.3 Evaluating the Effectiveness of the 10% Training Policy**

The State Government Building and Construction Contracts Structured Training Policy (the 10% Training Policy) plays a key role in ensuring the building and construction industry continues to employ apprentices and trainees and upskill its existing workforce. The policy requires contractors to ensure structured training occurs on State Government building and construction contracts, with a minimum of 10% of the total on-site labour hours being undertaken by apprentices, trainees or cadets.

Management of the 10% Training Policy has been transitioned to Construction Skills Queensland. Industry leadership in the management of this Policy is expected to increase industry compliance and provide opportunities to leverage further training benefits.

The effectiveness of this policy will be evaluated to assess compliance, include consideration of whether the policy should be increased to 20% to ensure apprentice commencement levels in the building and construction industry are maintained during the downturn and consider options with the Commonwealth in terms of how it could better engage with Queensland on implementation of this Policy to enhance compliance, including possible adoption of the Policy on Commonwealth projects.

## **Strategy 2 – Early Intervention**

It is important that a range of employment options are explored that will continue to deliver quality outcomes and retain apprentices and trainees in the workforce.

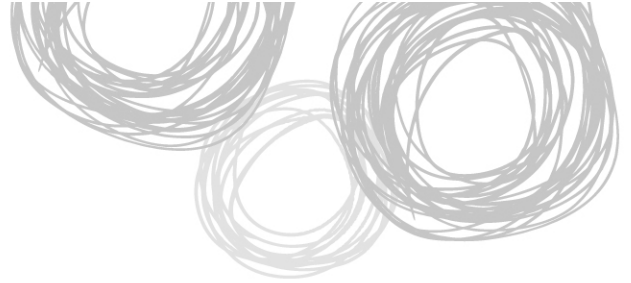
Critical to early intervention is the need for enhanced data collection across industry, regional and vocational groups to ensure early intervention is appropriately targeted in a timely manner. Our industry engagement mechanisms such as Centres of Excellence and Skills Alliances, as well as critical partners such as unions and employer groups will play a pivotal role in collecting reliable market intelligence and industry data and disseminating this data in a timely manner.

Early intervention will require collaboration across a range of industry and VET stakeholders to enable a case management approach to be effectively deployed. Key employer partners such as QBuild, QRail, government owned corporations and businesses in sectors that are “recession-proof” need to be actively engaged to assist in retention of apprentices and trainees.

Actions to be implemented include:

### **Action 2.1 Communication Strategy**

Developing and deploying a communication strategy to ensure cancellation of an apprenticeship or traineeship is considered only as a last resort. This would include information on the support available to employers to retain their apprentice or trainee and encouraging employers to discuss options prior to cancelling the Training Contract as well as information to apprentices and trainees on what their



rights and options are if they feel that their Training Contract is “at risk”. The Department of Education and Training – Apprentice Info Line (1800 210 210) will be used as the first point of contact and filter on this matter.

Intelligence gathered from the Apprentice Info Line and other industry sources such as Group Training Organisations, Centres of Excellence, employer groups and unions will also provide an early warning system that can be linked to the register (Action 2.2) and case management referrals and activities (Action 2.3).

### **Action 2.2 Register of Apprentices and Trainees Stood Down and At Risk**

A register of apprentices and trainees stood down or “at risk” will be established by the Department of Education and Training. This database will be used to actively case manage those apprentices and trainees back into work and training. The case management will be undertaken by the department in collaboration with its industry partners, such as Construction Skills Queensland, Group Training Organisations and Australian Apprenticeship Centres.

The register will have a dedicated departmental officer to work with regional, industry partners and other stakeholders to facilitate the active case management of apprentices and trainees on the register in line with Action 2.3.

### **Action 2.3 Targeted Retention Strategies**

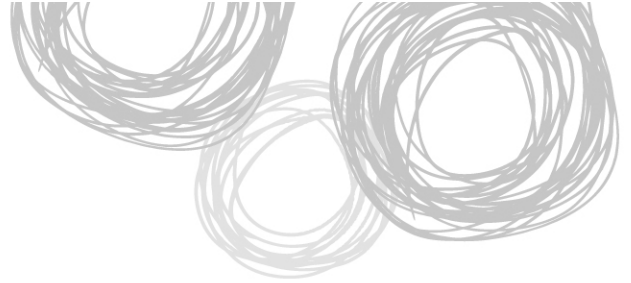
Key service delivery areas, regional offices, Skilling Solutions Queensland, Centres of Excellence, Group Training Organisations and other key stakeholders will be engaged to work collaboratively on the targeted retention of apprentices and trainees.

This will involve a range of activities focussed around: providing an advisory and mentoring service to employers and apprentices / trainees; monitoring “at risk” apprentices identified on the register; providing assistance in transferring apprentices and trainees to other employers, possibly in like-industry sectors (in line with Action 2.4); facilitating relocation of apprentices and trainees where circumstances are not prohibitive from city to regional areas; and continuing to focus on initiatives that retain apprentices and trainees in local industries and communities through the Train to Retain Strategy, including arranging for institutional training for third and fourth year apprentices (particularly in green skills, business skills and other advanced trade competencies that will increase the opportunities for apprentices to access future work opportunities).

Many of these responses will need to be underpinned by a new, flexible approach to the administration of the apprenticeship system.

### **Action 2.4 Alternative Employment Arrangements**

Exploring alternative employment arrangements for apprentices and trainees to ensure that they are experiencing the range of work required to complete their qualification. Alternative arrangements could include temporarily transferring Training Contracts to other organisations such as QBuild to enable apprentices and trainees to be engaged in public works and community projects. Part of this action



would involve identifying partner organisations, particularly those that are “recession-proof” that will have the capacity to offer “transfers” for apprentices and trainees.

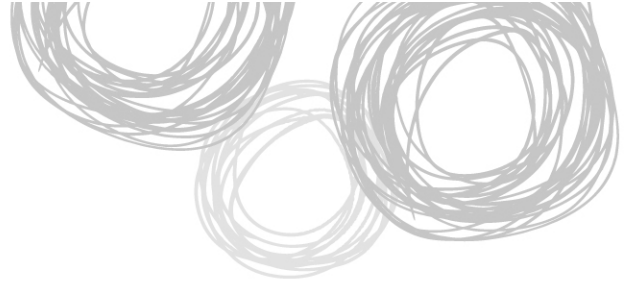
The Industry Capability Network, Centres of Excellence and other industry engagement mechanisms will be used to gather additional industry intelligence on new or enhanced projects or work packages which may provide additional employment opportunities particularly for apprentices and trainees.

### **Action 2.5 Income Support and Subsidies**

Economic modeling completed by the National Centre for Vocational Education Research (NCVER) suggests that the direct costs to employers of employing an apprentice or trainee (including wages, administration, supervision and other training costs) are in excess of \$60,000 per year for the first and second year of the apprenticeship/traineeship. Many businesses will view these costs as unsustainable in the current economic climate and therefore employer subsidies and allowances are considered by many industry sectors as a crucial mechanism to retain apprentices and trainees as well as support continued commencement levels.

The State Government will liaise with the Commonwealth government to identify additional and/or more flexible income support measures and subsidies to support employers, apprentices and trainees such as:

- reviewing joint group training funding arrangements to establish the capacity to instigate flexible funding arrangements within this source to help maintain Group Training Organisations viability as a major employer of apprentices and trainees. Consideration of flexible funding arrangements is considered a critical means by which Group Training Organisations may be able to redirect some of their efforts towards a range of activities aimed at retaining apprentices and trainees such as targeted case management and relocation expense support for apprentices / trainees moving location to continue their apprenticeship / traineeship
- continuing immediate and easy access to commonwealth allowances and applying flexibility to current arrangements for apprentices and trainees. This could include, but not be limited to, eligibility for income support associated with the Financial Assistance for Apprentices and Trainees (FAATs) administered by the Queensland Government which supports cancelled and out of trade apprentices and trainees to continue their trade training whilst at the same time being eligible to access federal income support. Flexibility could be applied in this particular instance to the training considered an approved activity that exempts individuals from actively undertaking job search whilst completing their training – training currently must be within the trade they have been apprenticed however could be expanded to include related trade training (such as “green skills” and business skills) that contributes to the employability of the apprentice / trainee



- provision of additional employer subsidies for those employers that take on out of trade apprentices and trainees, particularly those in skills shortage areas and in the final year/s of their apprenticeship / traineeship, and
- provision of subsidies for employers taking on additional apprentices and trainees as part of a community service obligation that supports the retention of apprentices and trainees on major projects and community infrastructure projects.

Current state, federal and industry employer, apprentice and trainee allowances and subsidies are substantial and comprehensive but perhaps not well understood. The communication strategy in Action 2.1 will need to ensure employers, apprentices and trainees are provided with accurate and complete details on assistance that may already be available.

#### **Action 2.6 Introducing a Gap Year in Apprenticeships**

Implementing a gap year (suspend the apprenticeship/traineeship) as a last resort step to avoid cancellation of the Training Contract.

### **Strategy 3 – Assisting Cancelled Apprentices and Trainees**

The third strategy incorporates a range of actions to support apprentices and trainees that have been cancelled from their apprenticeship or traineeship. The actions focus on assisting these people to complete their apprenticeship or traineeship where possible, providing additional training to enhance their employability and linking them back to work to enable them to complete their training.

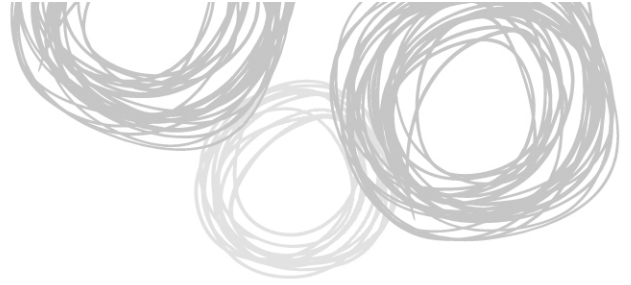
Actions include:

#### **Action 3.1 Institutional Completion**

Facilitating institutional completion of training for 3<sup>rd</sup> and 4<sup>th</sup> year apprentices where appropriate.

This Action is supported by the Funding Assistance for Apprentices and Trainees (FAAT) initiative managed by the Department of Education and Training which provides support to eligible apprentices and trainees to continue their training when their Training Contract has been cancelled. It also links to income support administered through Centrelink. Application of this initiative may need to be more flexible to be able to respond to the financial crisis.

Facilitation of institutional completion of training will only be undertaken where a quality outcome for the apprentice, trainee and industry is assured. Facilitation of this response will also need to take into account the capacity of training providers to support training delivery and will require flexible responses by training providers to demand.



### **Action 3.2 Additional Training**

Enhancing outcomes for apprentices and trainees by offering additional training – eg green skills, business skills and other advanced trade competencies that will increase the opportunities for apprentices to access future work opportunities.

Many apprentices and trainees go on to become self employed, small business operators. Studies indicate that without small business management training, these small business operators fail within the first one to two years. Small business training can be offered to cancelled 3<sup>rd</sup> and 4<sup>th</sup> year apprentices particularly to supplement their trade training and ensure they have every opportunity to succeed as a small trade business operator.

Similarly, green trade skills can provide an opportunity for the apprentice / trainee to continue training whilst stood down, cancelled or waiting to complete their on or off-the-job training component of their apprenticeship / traineeship and at the same time provide them with new skills to better equip them for new and emerging “green jobs”.

### **Action 3.3 Industry-led Employment Opportunities**

Utilising industry engagement mechanisms and major industry associations to identify alternative employment opportunities for apprentices and trainees through their existing employer and member networks.

### **Action 3.4 Income Support for Continuing Apprentices and Trainees**

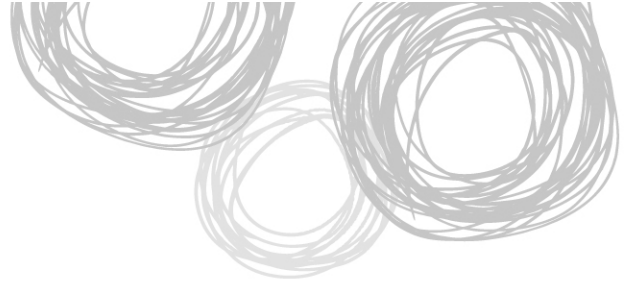
To support more flexible arrangements for apprentices and trainees to continue their training, the State Government will explore the expansion of the definition of “approved activity” with the Commonwealth Government to maintain apprentices’ and trainees’ eligibility for income support whilst continuing training outside of but relevant to their trade.

### **Action 3.5 Employer Subsidies**

Considering providing employers with subsidies for taking on out of trade apprentices. As detailed in Action 2.5, the State Government will explore the provision of additional employer subsidies particularly to support those employers that take on out of trade apprentices and trainees, specifically those in skills shortage areas and in the final year/s of their apprenticeship / traineeship.

## **Strategy 4 – Upskilling Apprentices and Trainees**

The fourth strategy focuses on providing additional and post-trade skills to increase the competitiveness of recently completed apprentices and trainees in the labour market. The actions particularly target those recently completed apprentices and trainees who are experiencing difficulty gaining employment.



Such actions include:

**Action 4.1 Green Skills, Business Skills and Other Advanced Trade Competencies**

Enhancing employment opportunities for apprentices or trainees who have recently completed their apprenticeship or traineeship – for example green skills, business skills and other advanced trade competencies that will increase the opportunities for apprentices and trainees to access future work opportunities.

Similar to Action 3.2, to support more flexible arrangements for apprentices and trainees to continue their training, the State Government will explore the expansion of the definition of “approved activity” with the Commonwealth Government to maintain apprentices’ and trainees’ eligibility for income support whilst continuing training outside of but relevant to their trade

The transition to a more sustainable, low-carbon, economy which is being driven by the introduction of the Commonwealth Government’s Carbon Pollution Reduction Scheme will bring about significant skills implications including an increase in the demand for new green knowledge and skills as well as the reorientation of existing skills across all industry sectors, especially in construction, energy, mining, manufacturing, transport, agriculture, and administrative and service-related industries.

A slowdown in workflow provides the opportunity for industry and the VET sector to drive the diffusion of green skills to recently completed apprentices and trainees and put them in a strong position to respond to emergent job roles and customer demand for green services.

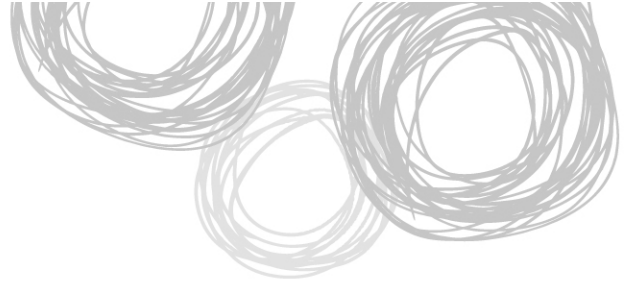
**Action 4.2 Productivity Places Program (PPP)**

In conjunction with the Commonwealth Government, implementing the Productivity Places Program (PPP) to provide post trade, higher level skills.

The key objective of the PPP is to provide additional training places for higher level qualifications through industry-led processes that aim to deliver training that is more responsive to the needs of enterprises and individuals. Both existing workers and job seekers are eligible to participate in the program.

The program will provide an additional 701,000 training places nationally over five years commencing 2008 - Queensland’s allocation over the five year period will be approximately 20% of the total training places based on the state’s share of the working age population.

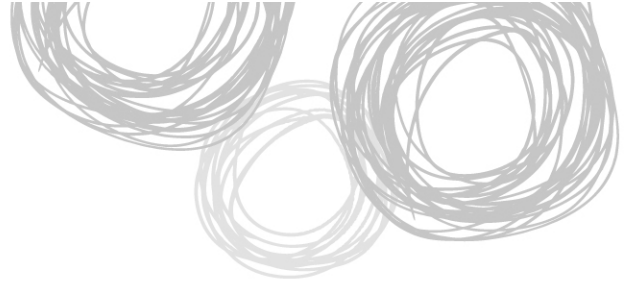
The Department of Education and Training will continue to work with state industry engagement bodies to finalise industry-specific procurement plans to ensure that funding is directed towards key industry priorities. This will include ongoing negotiations with the Commonwealth Government to ensure the policy framework of the PPP continues to reflect the economic realities facing Queensland.



**Action 4.3 Employment Assistance**

Providing assistance in linking completed apprentices and trainees to employment agencies.

As part of the case management activities, a final point of referral will be to employment agencies to assist with job placements.



## Implementation

The Department of Education and Training will lead the implementation of the Apprentice and Trainee Package under the auspices of the Trade Training Taskforce.

As part of the implementation, the Taskforce will also consider the need for:

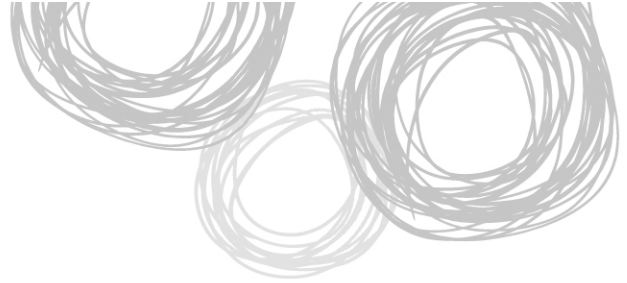
- continuing to collect, analyse and interpret data, and
- developing ongoing strategies for boom/bust environments.

The Department of Education and Training and key stakeholders are already implementing a range of strategies to support employers, apprentices and trainees during the global financial crisis. Progress reports will be provided on a regular basis to the Taskforce and will endeavour to capture the range of activities being undertaken by all stakeholders in each strategy area. This process will ensure that actions are prioritised to ensure that short, medium and long term strategies are being effectively implemented and targeted.

### **Key Progress to Date**

*Some key measures that have been progressed by the Department of Education and Training during December 2008 include:*

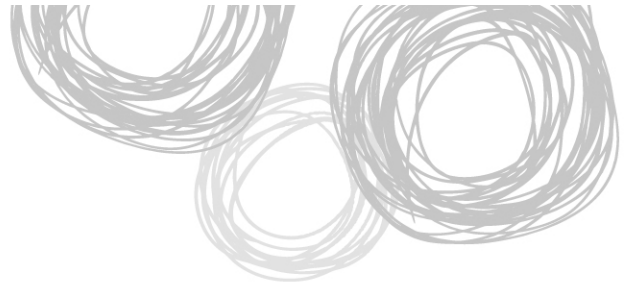
- *Establishment of the Department of Education and Training based Register of Apprentices and Trainees Stood Down and at Risk*
- *Recruitment of a dedicated Department of Education and Training officer to manage the Register*
- *Briefing and engagement of the Apprentice Info Line in the development of scripts, referral points and processes for handling calls related to the global financial crisis*
- *Development of a Communication Plan in consultation with the Taskforce.*



**Attachment 1**

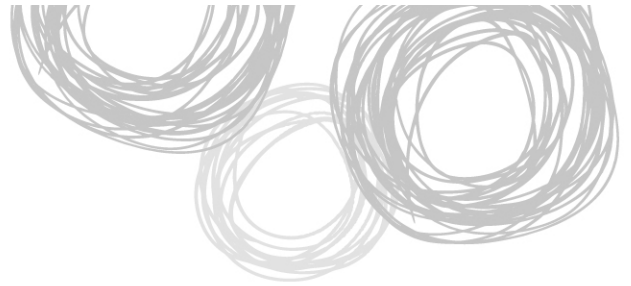
## Trade Training Taskforce Membership

Industry Members	Government Members
Beatrice Booth, Queensland President, Chamber of Commerce and Industry Queensland	Rod Arthur (Chair), Deputy Director-General, Training Department of Education and Training
Rod Camm, Chief Executive Officer, Construction Skills Queensland	Bernie Carlon, Executive Director, Employment and Indigenous Initiatives, Department of Employment and Economic Development
Graham Cuthbert, Executive Director, Queensland Master Builders Association	Geoff Favell, Executive Director, Industry Development, Department of Education and Training
Andrew Dettmer, Queensland Secretary, Australian Manufacturing Workers Union	Sue Fergusson, Executive Director, VET Policy Development, Department of Education and Training
Michael Hall, Executive Officer (Qld & NT), Australian Council for Private Education and Training	Steve Ghost, Managing Director, SkillsTech Australia
Dave Mitchell, Executive Officer, Group Training Association of Qld & NT	Peter Henneken, A/Director-General, Department of Employment and Economic Development
Ron Monaghan, General Secretary, Queensland Council of Unions	Tim Maloney, Director, Training Services, Department of Education and Training
Chris Rodwell, Queensland Director, Australian Industry Group	Peter McNeale, Executive Director, Regional Services and Queensland Skills Plan, Department of Education and Training
Erik Salonen, General Manager, Manufacturing Skills Queensland	Dennis Molloy, Executive Director, Economic Policy, Department of the Premier and Cabinet
Warwick Temby, Executive Director, Queensland, Housing Industry Association	Barry Nutter, Chair, Training and Employment Recognition Council
Greg Lane, Deputy Chief Executive and Director Skills Policy, Queensland Resources Council	Peter Ruhanen, Training Ombudsman
	Max Smith, Deputy Director-General, Works Department of Public Works
	Carol Webb, Assistant Director-General, TAFE Queensland



**Attachment 2**

<b>Trade Training Taskforce Terms of Reference</b>	
<b>Background</b>	<p>On 8 December, the Queensland Premier and Treasurer announced a multi-million dollar package to address slowing employment growth in the current economic environment.</p> <p>The package will support vulnerable trainees and apprentices, intervene to prevent long term unemployment, increase financial counselling for families and support unemployment in mining communities.</p> <p>The Premier Anna Bligh and Treasurer Andrew Fraser confirmed that employment growth would be hit by the global financial crisis.</p> <p>"The nation's unemployment rate is now predicted to be 5% this year - in Queensland the forecast is for a rise from current generation-low of 3.75% to 4.25%," the Treasurer said.</p> <p>"Rising unemployment will be our number one challenge in 2009..."</p>
<b>Purpose</b>	<p>The Trade Training Taskforce brings together key stakeholders to develop and implement urgent measures that ensure apprentices and trainees in training, and those displaced or at risk of being displaced, are supported to complete their training.</p>
<b>Objectives</b>	<p>The Taskforce will be the forum to:</p> <ul style="list-style-type: none"> <li>• develop a package of strategies that support apprentices and trainees during the current labour market environment</li> <li>• be clear on what the package encompasses and the strategies to be implemented</li> <li>• involve employers, unions and other key stakeholders in discussions</li> <li>• consult on the mechanics of how the package will roll out</li> <li>• determine and agree on the implementation and progress plan</li> <li>• discuss with the Commonwealth Government how best to co-ordinate joint activities</li> <li>• monitor implementation progress and report to the Minister for Education and Training</li> </ul>



## Apprenticeship and Traineeship Training

### Summary

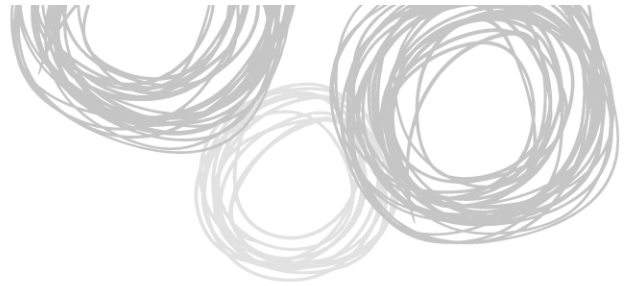
- The 2008-09 Service Delivery Statement (SDS) annual targets for **Commencements for Apprentices and Trainees is 70,000 -72,000** and **93,000 - 96,000** for **Apprentices and Trainees ‘in training’**. Both of these ranges are significantly higher than the 2007-08 MPS targets and take into consideration current trends and actions identified under the *Queensland Skills Plan*. Final performance figures against these targets will not be known until at least 120 days after the end of the reporting period due to the time lag in training contracts being registered (i.e. 90 days probation together with a further 30 days allowed for the training contract to be registered). Similarly, delays in the submission of documentation associated with completed / cancelled apprenticeships and traineeships have an impact on the ‘in training’ statistics.
- In order to compile a report for the month of December 2008 the DELTA Statistical Database has been interrogated using SQL methodology. Data provided is at 8 December 2008.

### Snapshot Information (data extracted at approximately the same relative point in time)

Indicator	2007-08 Snapshot	2008-09 Snapshot	Variance		
Apprentices & Trainees commencements (for November)	1,286	1,014	-272	-21.1%	down
School Based Apprentice & Trainee commencements (for November)	425	523	98	23.1%	↑
‘In training’ - apprentices & trainees (total) – 30 November	90,619	93,089	2,470	2.7%	↑
‘In training’ – apprentices only – 30 November	47,326	48,826	1,500	3.2%	↑

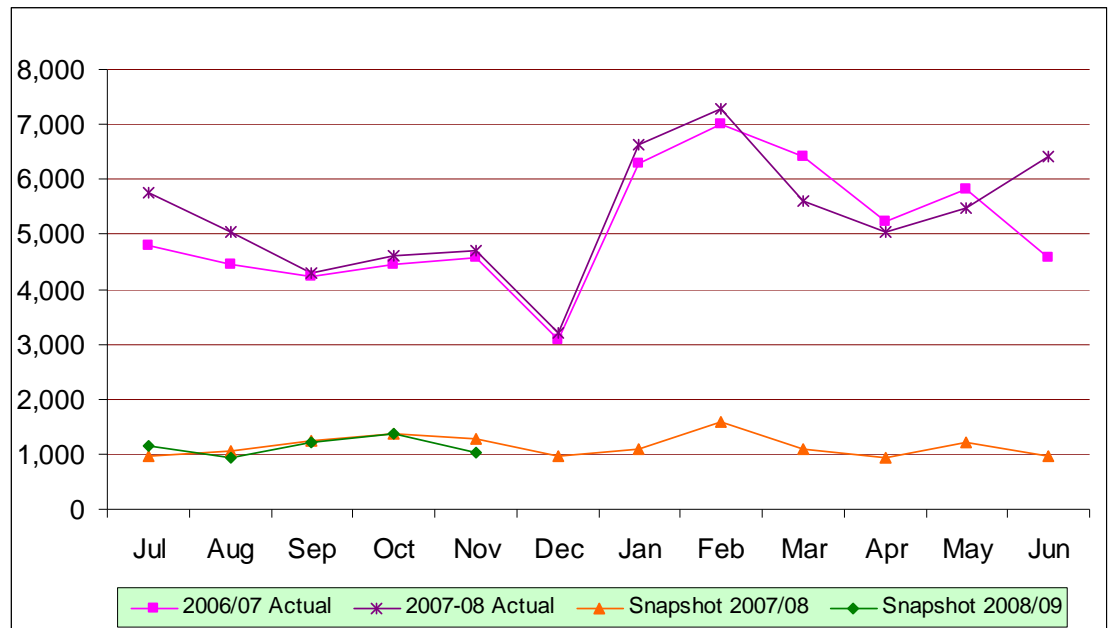
### General Notes:

1. FY2006-07 / FY2007-08 data reports full year performance, as measured on 8 December 2008 (these figures should be fairly stable). The ‘Snapshot’ represents point-in-time data and is not refreshed (the data is significantly impacted upon by the lag in recording commencement/completion/cancellation activity). This data is provided to allow general comparisons of performance between reporting periods. While snapshot data is useful as a general indicator, care must be exercised in drawing any definitive conclusions based on this data, particularly as small variations in the date the data is run (after the end of each month) can lead to significantly distorted information.
2. ‘In training’ data is based on the end of month position.
3. See Glossary for definitions.



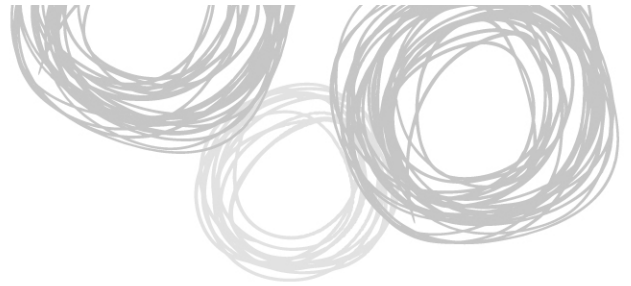
## New Commencements (combined Apprenticeships and Traineeships)

**SDS 2008-09 Target: 70,000 - 72,000**

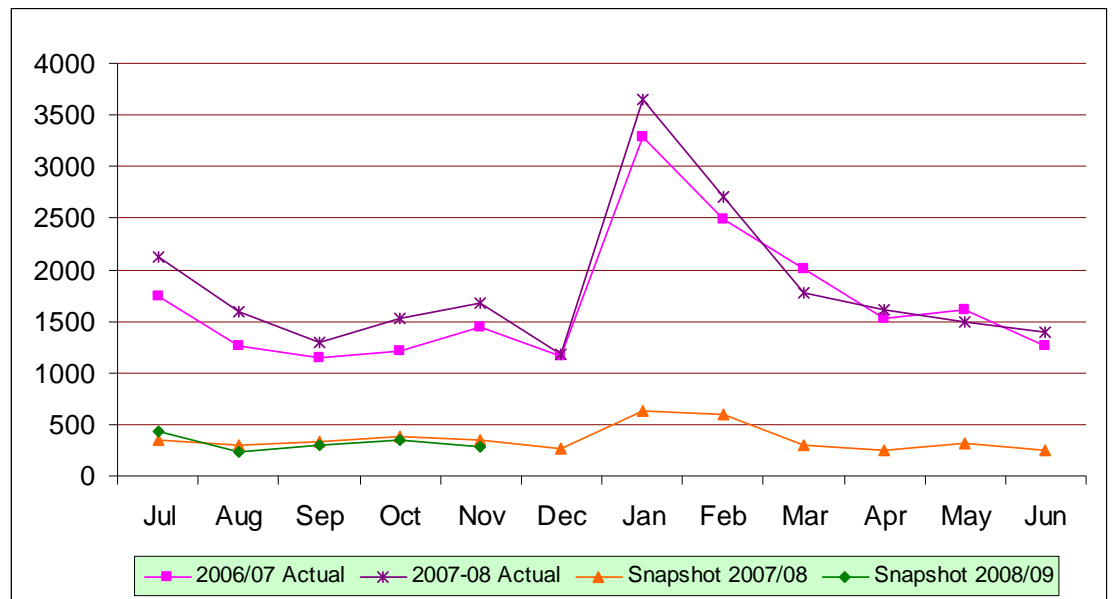


- The data in the chart above is End of Month (not Year to Date).
- Using the monthly snapshot data as a basis for comparison, there has been a decrease in commencements (an average reduction of 3.94% when comparing monthly snapshots [July to November] from 2007/08 to 2008/09). The snapshot of total commencements for the month of November 2008 is approximately 21.1% lower than the snapshot taken 12 months ago.

**Important note about why there is such a large variance between the ‘Actual’ and ‘Snapshot’ data** – the snapshot data shown above represents data collected at approximately the same time relative to the reporting period (i.e. the November 2007 snapshot of 1,286 is the actual number of apprentices and trainees commencements as recorded in early December 2007, whereas the actual performance of 4,701 was extracted from the data system on 8 December 2008). **Snapshot data has been provided for comparison purposes only.**

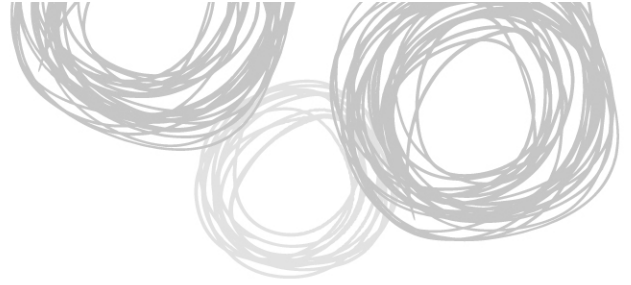


## Apprentice New Commencements (by month)



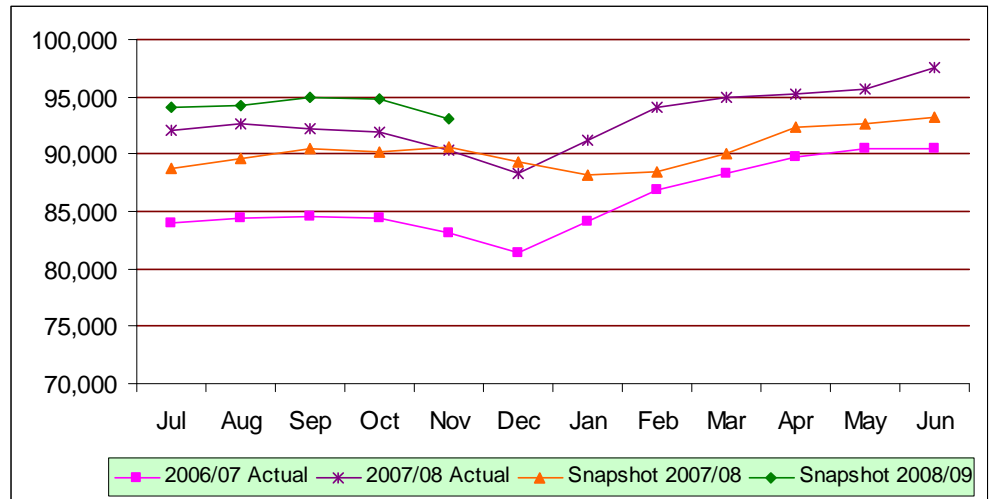
- The data in the chart above is End of Month (not Year to Date).
- Using the monthly snapshot data as a basis for comparison, there has been a reduction in the number of commencements (an average reduction of 6.67% when comparing monthly snapshots [July to November] from 2007/08 to 2008/09). The snapshot of apprentice commencements for November 2008 is down 17.3% when compared to the snapshot taken 12 months ago.

**Important note about why there is such a large variance between the ‘Actual’ and ‘Snapshot’ data** - the snapshot data shown above represents data collected at approximately the same time relative to the reporting period (i.e. the November 2007 snapshot of 341 is the actual number of apprentice commencements as recorded in early December 2007, whereas the actual performance of 1,684 was extracted from the data system on 8 December 2008). **Snapshot data has been provided for comparison purposes only.**



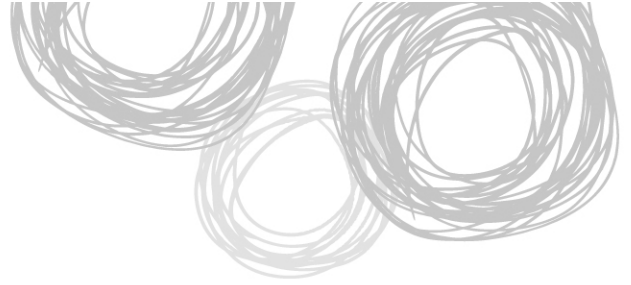
## Number of Apprentices & Trainees 'in training'

**SDS 2008-09 Target: 93,000 – 96,000**

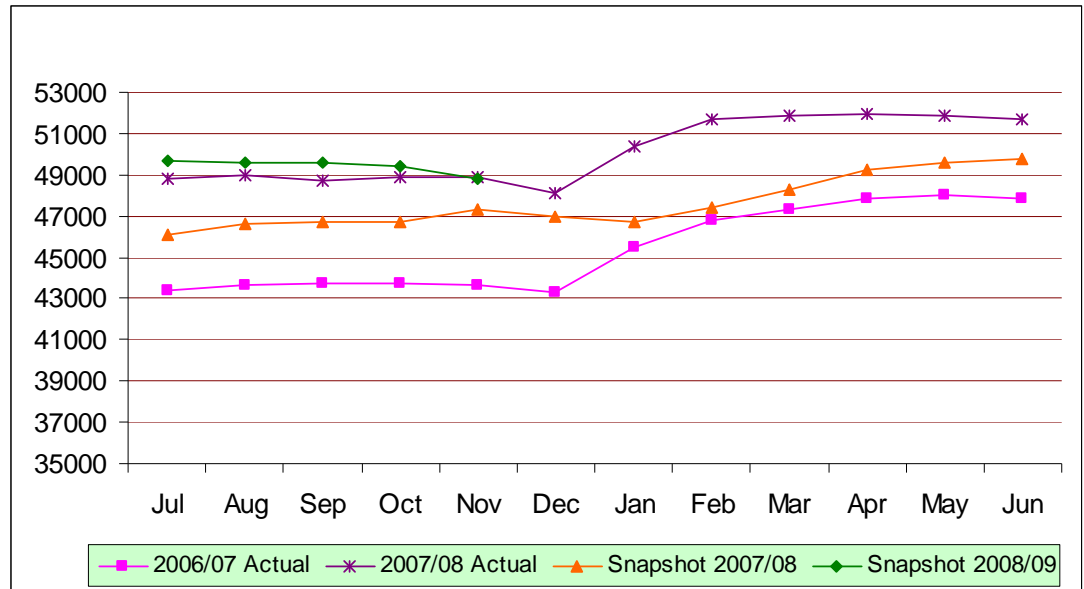


- The data in the chart above is End of Month (not Year to Date).
- Based on snapshot data, the number of apprentices and trainees 'in training' at 30 November 2008 has increased by 2,470 (2.7%) when compared to the same time last year.
- Based on current performance, it is anticipated that the SDS target of 93,000 – 96,000 apprentices and trainees 'in training' will be met or exceeded (snapshot at 30 November 2008 = 93,089).

**Important note about why there is such a large variance between the 'Actual' and 'Snapshot' data** - the snapshot data shown above represents data collected at approximately the same time relative to the reporting period (i.e. the 30 November 2007 snapshot of 90,619 is the actual number of apprentices and trainees recorded as being 'in training' in early December 2007, whereas the actual performance of 90,341 was extracted from the data system on 8 December 2008). This month has demonstrated an unusual result in that the 'actual' figure for November 2007 is lower than the snapshot. This fluctuation has occurred as a result of more trainees being retrospectively recorded as leaving the system than commencing in the period being reported against (ie system entries made after the reporting period which change data captured for the reporting period, that is changes to the 'Actual' performance data). **Snapshot data has been provided for comparison purposes only.**



## Number of Apprentices 'in training'



- The data in the chart above is End of month (not Year to Date).
- Based on snapshot data, the number of apprentices 'in training' at 30 November 2008 has increased by 1,500 (3.2%) when compared to the same time last year.

**Important note about why there is such a large variance between the 'Actual' and 'Snapshot' data** - the snapshot data shown above represents data collected at approximately the same time relative to the reporting period (i.e. the 30 November 2007 snapshot of 47,326 is the actual number of apprentices 'in training' as recorded in early December 2007, whereas the actual performance of 48,855 was extracted from the data system on 8 December 2008). **Snapshot data has been provided for comparison purposes only.**