



The Australian Apprenticeship Support Network

Apprenticeship and traineeship arrangements develop critical skills for the labour market. Employers play a key role in training apprentices or trainees and benefit through access to fully qualified workers. Apprentices and trainees benefit by developing skills that employers need.

Australia's record in recent years of completion of apprenticeships and traineeships has been poor. A new approach is required to ensure all players in the Australian Apprenticeships system work effectively to improve completion rates. Often this comes down to prospective apprentices being given better advice so they select the right training and employment that will increase the chance of completion. During the apprenticeship support and guidance is also required for some employers and apprentices to make the most out of the opportunity.

The Australian Government will invest up to \$200 million annually to establish the Australian Apprenticeship Support Network (AASN) to deliver a new generation of services to Australian Apprenticeships participants to lift apprenticeship completion rates.

Announced by the Prime Minister, the Hon Tony Abbott MP and Minister for Industry, the Hon Ian Macfarlane MP on 8 September 2014, AASN will give young Australians the best opportunity to find a job through an earning and learning pathway and provide employers with skilled and productive employees who are the "right fit" to grow their business.

The Government's new, streamlined and effective system will place a greater focus on delivery of advice and direct support to apprentices and employers and is a move away from the focus on process and paper handling which hampers the current Australian Apprenticeships Centres (AACs).

The AASN services suite will:

- Consist of an approach to service delivery which will provide support tailored to meet individual requirements throughout the apprenticeship lifecycle
- Include an outcomes-based payment structure for Service Providers designed to incentivise completions
- Encourage consortium bids for more efficient and effective delivery
- Achieve efficient servicing and value for money
- Establish State-based Service Providers to create efficiencies and reduce confusion in the market
- Establish single servicing arrangements for national employers
- Streamline administration through the introduction on a new e-business platform.

AASN will commence operations on 1 July 2015, replacing the existing national network of Australian Apprenticeships Centres making it much easier for employers to recruit, train and retain Australian Apprentices.

In conjunction with the Government's Trade Support Loans and incentives to employers, the AASN demonstrates the Government's commitment to apprenticeship and traineeship arrangements as a valued pathway to a productive career, and its commitment to help employers build their competitiveness and thereby create jobs.

Background

The Australian Government is committed to building a high quality Australian Apprenticeships system which better supports apprentices and responds to the needs of employers and the economy. Commonwealth-funded services play an integral role in assisting apprentices and their employers to engage with and complete the apprenticeship training pathway.

AACs have been the entry point to apprenticeships across the country since 1998. AACs handle all contract sign-ups for apprentices and trainees, manage claims for Commonwealth incentives and work with employers, state governments and other stakeholders to administer training contracts through the apprenticeship lifecycle.

While these are vital functions, current support provision is primarily administrative. This narrow focus on administration suited the system in the past but is no longer adequate. Stakeholders agree that current services do not deliver the level of support many employers and their apprentices need to successfully complete contracted apprenticeship arrangements. The Government is answering the call of employers, industry groups and feedback from apprentices to improve the current system to assist them in delivering skilled labour into the economy.

Employers, particularly small business owners, need better support to navigate the apprenticeships system. Individuals need assistance to complete their training in order to realise the full benefits of an apprenticeship as a distinctive learning and earning pathway to a rewarding career. Service delivery needs to be simplified and streamlined to help industry re-engage with apprenticeships and build a skilled workforce through Vocational Education and Training (VET).

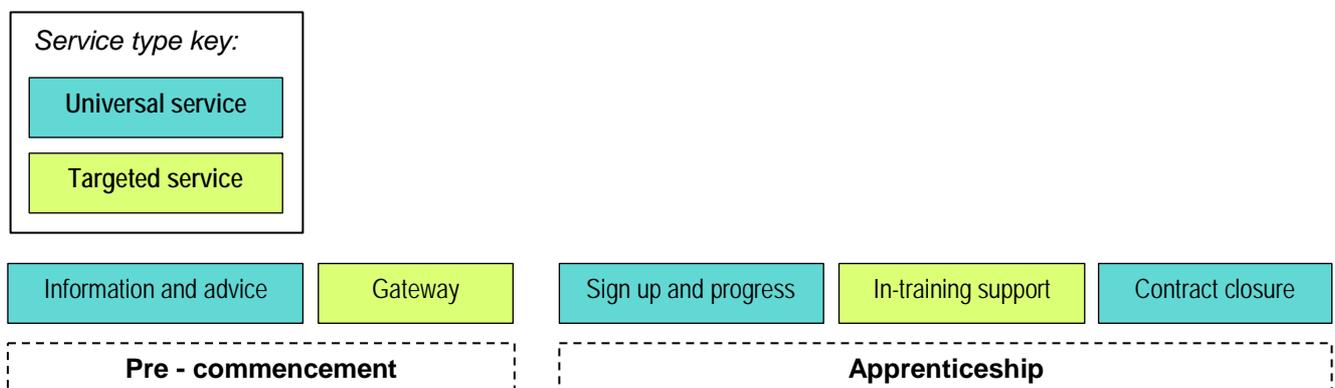
Aims

AASN aims to:

- simplify and improve user access to and engagement with the Australian Apprenticeships system by establishing providers as hubs for the delivery of quality end-to-end advice and support services to Australia's apprentices and their employers
- improve apprenticeship retention, completion and satisfaction rates through targeted support to specific apprentices and employers prior to commencement and in-training
- provide services to assist individuals to find the right VET or employment pathway
- reduce red tape and the administrative burden on AASN providers, stakeholders and system users, particularly employers.

The Government will achieve these aims through the introduction of a new services suite to better support employers and individuals from pre-commencement to completion. The new service suite is illustrated in Figure 1 below.

Figure 1: AASN service suite



*Targeted services available to a limited number of suitable individuals.

New service suite

The new service suite comprises 'universal' and 'targeted' services helping prospective Australian Apprentices, Australian Apprentices and their employers to engage with the Australian Apprenticeships system and delivering support throughout the apprenticeship lifecycle.

Universal services

Universal services are the essential marketing, administrative, payment processing and stakeholder engagement functions required to underpin the apprenticeship arrangement. These services will be available to all clients and include:

- Marketing, information and advice
- Contract sign-up and administration
- Eligibility assessments for Commonwealth incentives and Trade Support Loans
- Monitoring of progress through the training contract and payment of incentives and loans
- Engagement with State and Territory Training Authorities (STAs) through the apprenticeship lifecycle
- Assisting employers to select the right apprentice training.

As part of Universal services delivery, AASN providers are expected to maintain ongoing and regular engagement with employers and apprentices to ensure the apprenticeship arrangement is operating effectively from sign-up to completion. Through these points of contact the AASN provider will advise and support the employer in discharging their role in training and help the apprentice engage fully in training on and off the job. New on-line tools and paperless processing will reduce administrative overheads on providers which is expected to free-up resources to be redirected to in-field services.

Targeted services

Targeted services have been designed to complement universal servicing where there is a need for additional support to individuals, apprentices and/or employers. Targeted services comprise both gateway and in-training support services.

Gateway will:

- provide customised pre-commencement services to employers seeking assistance to establish apprenticeship or traineeship training arrangements to suit their business needs, or to individuals seeking an apprenticeship to find the "right fit" employer and training
- assist individuals who require additional skills or support, such as literacy and numeracy foundation skills or work preparation training prior to commencing an apprenticeship, to access that training
- direct individuals who may be better suited to a non-apprenticeship pathway to other options available in the VET sector.

In-training support will:

- provide tailored support (e.g. mentoring) to individuals assessed as being at high-risk of non-completion
 - assist employers who may be facing difficulties retaining an apprentice in training.
- Figure 2 below provides more details on the two types of services – universal and targeted.

Figure 2: AASN – service types

Type	Service	Requirements
Universal	Marketing, information and advice	Marketing and information about Australian Apprenticeships and VET pathways including outreach activities and provision of information to prospective clients. Advice to employers and their prospective apprentices on appropriate Australian Apprenticeships arrangements.
	Sign-up, client progress contacts and claims processing	Training contract sign-up - determine relevant qualification; facilitate sign-up; lodge contract with STA; determine eligibility for Australian Government incentives or initiatives and facilitate take-up
		Client progress contacts and site visits
		Incentives claim management – assess eligibility for and process incentives payment claims; assure integrity of payments
		Trade Support Loans management – assessment and determination of eligibility; process payment claims; administrative follow-up and assuring integrity of payments
		Contract closure - confirm completion of apprenticeship; process any outstanding claims for payments; close contract
Targeted	Gateway	Individualised screening, testing, streaming and matching services
	In-training support	Identification of at-risk apprentices; provision of tailored support (e.g. mentoring); advice on additional support or training

Service innovation and efficiencies

In addition to the new service suite, the Department is implementing structural changes and new operational supports to better meet client needs, drive innovation and realise efficiencies. These changes are designed to:

- improve access to nationally consistent support services for employers and apprentices
- streamline administration processes through the enhanced Training and Youth Internet Management System and a new e-business platform – the Australian Apprenticeships Management System - allowing providers to focus more delivery effort on targeted support services for apprentices and employers
- rationalise and restructure the national network of contracted service providers by shifting from regional to state-based service areas, allowing for more effective integration with STAs and single provider service arrangements for national clients
- introduce outcomes-based purchasing arrangements to encourage innovation and high-quality service delivery throughout the apprenticeship lifecycle, from pre-commencement to completion
- provide advice and guidance to individuals on VET pathways to employment, and
- retain essential face-to-face engagement between service providers, employers and apprentices.

Through its contracting arrangements the Government is seeking to ensure employers and apprentices have good choices in service providers. Services will also need to align with requirements of each state and territory, which will be provided in the RFT.

The Department expects to allocate a number of providers per state or territory, excluding the Northern Territory which will be subject to separate servicing and tender arrangements. Tenderers are expected to tender for both universal and targeted services when submitting a tender, and may consider forming a consortium if they do not have the capabilities to provide services across one or more states or territories or across the service suite themselves.

Fee Structure

As part of the Request For Tender, the Department will ask tenderers to provide separate prices for each service stream.

Universal

The fee for the universal service stream is currently expected to be a unit price per apprentice to cover the specified service over the life of the apprenticeship. A loading may be applied for servicing in regional and remote areas.

Targeted: gateway and in-training

Tenderers will be asked to tender separate all inclusive prices for the provision of both gateway and in-training support service streams for priority clients. The Government is seeking innovative proposals by which to meet the needs of these clients. In addition to the tender price, tenderers will be asked to identify the client groups, and describe the innovative service to be delivered and the minimum number of clients the tender price covers.

Case Study – Ella

Ella is 16 and unemployed after leaving school before completing Year 10. Although Ella is unsure of what to do with her life, she thinks she might like to work with food.

A friend has suggested she become an apprentice. Ella is interested, but as she doesn't know anyone in the industry, her friend suggests that she contacts an **Australian Apprenticeship Support Network** provider (network provider).

Ella contacts her state-based network provider who determines after an initial contact that she is one of a number of clients that will receive **gateway** services. Under gateway services, Ella will be screened and tested to determine which apprenticeship or VET pathway she is best suited to.

Gateway job matching services connects Ella to a compatible employer who has been looking to take on an apprentice. Ella is successful in securing an apprenticeship in commercial cookery.

Through **universal services**, the network provider organises to **sign-up** Ella and her employer to the training contract. The network provider maintains regular contact with Ella and her employer and offers information and determines eligibility for the Australian Apprenticeships Incentives Program (AAIP) and Trade Support Loans (TSL).

During the progress contacts undertaken as a part of **universal services**, the network provider has identified that Ella is at risk of not completing her apprenticeship due to her unstable home life and financial issues.

The network provider determines that Ella and her employer require **in-training support** such as mentoring visits made available to a small proportion of clients. At the 24 month point of Ella's apprenticeship, it is agreed the **in-training support** is no longer necessary. Through **universal services**, the provider continues to make regular contact between Ella and her employer until training contract completion.

Through the in-training support the likelihood of Ella completing her apprenticeship was increased.

Request for Tender

A Request for Tender (RFT) process to contract AASN service providers is currently expected to open in late October 2014 and run for a period of six weeks. Organisations with the capability and capacity to deliver the new services suite will be able to tender as part of the open RFT process (expected key dates below).

Activity	Expected Key date
RFT release and information sessions	Late October 2014
Tender close	Early December 2014
Negotiate and finalise contracts with providers	March/April 2015
Provider training and transition	May/June 2015
AASN commences	1 July 2015