

# Apprenticeships and Traineeships



A highly skilled and appropriately trained workforce is crucial to Western Australia's long-term economic growth. The Liberal-led Government is committed to ensuring that the State's training and apprenticeship system is affordable and accessible and provides Western Australians with access to high-quality training that leads to jobs.

## Fast Facts

- The Liberal Government introduced Future Skills WA in 2014, one of the largest reforms to WA's training system ensuring more students gain priority skills to take up jobs that are, or will be, in high demand.
- The State Government subsidises around 85% of the cost of training and apprenticeships in WA by funding TAFE courses.
- WA's building and construction industry is the largest single employer of apprentices and trainees on a sector-by-sector basis.
- The Liberal Government is committed to encouraging vocational education and training through its payroll tax exemption scheme and currently provides around \$86 million a year in payroll tax exemptions for the employment of apprentices and trainees.
- The Construction Industry Training Fund (CTF), administered by the State Government, collects a small training levy from applicable construction projects and redirects that funding back to the industry through apprentice and trainee wage subsidies/incentives for employers.
- Around 25% of new trainees and apprentices are eligible for employer subsidies through the Construction Training Fund.
- The CTF report, *The Impact of Subsidies on Employer Decisions to Recruit Apprentices and Trainees* (June 2015) found:
  - 71% of employers stated subsidies had influenced their decision to employ and/or retain an apprentice/trainee. This compares to 28.6% in 2011 and demonstrates that the subsidies do in fact encourage employment of apprentices.
  - 43% of employers stated... "they would not employ apprentices if they did not receive the subsidy". This compares to only 11.2% in 2011 research.



## Support for Training

The Commonwealth provides a range of incentives to apprentice and trainee employers including a \$1,500 commencement payment and a \$2,500 completion payment focused almost exclusively at the Certificate III and IV level.

The Liberal-led Government introduced the Government Building Training Policy, requiring companies awarded State Government contracts with a labour value of \$2 million or more to meet minimum benchmarks for apprentices and trainees, initially set at 11.5% of the company's trade workforce.

New entrant (excluding existing worker trainees) commencements have fallen from 20,500 in 2014, to 18,000 in 2015 and are projected to be around 16,000 in 2016.



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This is attributable to the combination of a downturn in the economy, changes to award wages for apprentices and the reduction in Commonwealth employer incentives.

About two thirds of commencing new trainees and apprentices are under 25 years of age and around 60% are employed by small to medium enterprises (SMEs are defined as those with less than 200 employees).

## Our Commitment

If re-elected, a Liberal Government will:

- Provide additional incentives for employers of small to medium businesses, to help generate up to 15,000 new apprenticeships and traineeships over two years (\$75 million over four years).
- The program will target young people under 25 seeking new apprenticeships and traineeships at Cert II and above in priority sectors such as hospitality and tourism, retail, maritime, resources, construction and agriculture to help further drive the broadening of the Western Australian economy.
  - Eligible employers with fewer than 200 employees will be provided a commencement incentive of \$2,500 paid after the probation period (3 months) and a retention incentive of \$2,500 two years later.
  - The timing of incentives is designed to encourage SMEs to take on and train low-skilled staff, helping to reduce the financial burden on the company in the early stages of their training.
  - The program will commence from 1 July 2017 and the Department of Training and Workforce Development will monitor the program to ensure sectors are provided equitable access to the incentives.
- Ensure that Government Trading Enterprises will be included under the Government Building Training Policy. Any contractor hired by a GTE for a building, construction and/or maintenance contract with an estimated labour component over the value of \$2 million must have a trade workforce that has a minimum of 11.5% apprentices and trainees.



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