



Brotherhood  
of St Laurence

Working for an Australia free of poverty

Submission to the Department of  
Employment and Workplace Relations

# Australian Skills Guarantee

Brotherhood of St. Laurence

December 2022

## The Brotherhood of St. Laurence and employment-based training

The Brotherhood of St. Laurence (BSL) is a social justice organisation working to prevent and alleviate poverty across Australia. Our mission is to pursue lasting change, to create a more compassionate and just society where everyone can thrive. Our approach is informed directly by the people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

This submission draws on our practical experience, along with our research and that of others. Our skills and training related work includes:

- **partnering with TAFEs** to support young people to access and sustain engagement with education and training. This includes the establishment (with Launch Housing) of Education First Youth Foyers. This supportive accommodation, located on TAFE campuses, enables young people experiencing (or at risk of) homelessness to engage in education and training that helps alter their life trajectory.
- **delivering training** to a diverse range of learners – particularly those experiencing disadvantage – through our Group Training Organisation, Learn Local and our former Registered Training Organisation.
- **operating the David Scott School** – a high-support, independent school for young people who had fallen out of mainstream education. In 2022, over 110 senior secondary students are currently undertaking the Victorian Certificate in Applied Learning at the school.
- **innovative employment support models**, sustained by philanthropic, corporate, state and federal funding. This includes facilitating the National Youth Employment Body (NYEB).
- **major Australia-wide research** commissioned by the National Centre for Vocational Education Research, and others, as well as numerous evaluations of VET-related support services.
- **piloting innovative employment-based training** models in partnership with youth service providers, vocational education providers, and industry bodies. This includes the current AgFutures: Foundational Capabilities Pathway project in the southwest of Victoria, with the support of the Victorian Government’s Workforce Training Innovation Fund.

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## Overview

BSL welcomes the Department of Employment and Workplace Relations' request for feedback on the Australian Skills Guarantee. This submission provides a general response to the discussion paper. BSL agrees that investment in skills and training is critical to building a pipeline of skilled workers, improving wellbeing and driving future economic growth. However, the skills and training system in its current form is no longer fit for purpose for the modern economy.

This submission makes three recommendations for how the skills and training system can be strengthened to maximise the investment and impact of an Australian Skills Guarantee. These draw from BSL's expertise and experience with skills and training, developed through the research of the Social Policy and Research Centre, our support of learners passing through the vocational education system, and our delivery of educational and employment programs to Australians experiencing disadvantage. These recommendations are:

- place-based adaptability and responsiveness to the needs of local industry and employers
- joined-up policy efforts to address the barriers to accessing training, especially in regional areas
- expanding employment-based training offers to enable learners to build a broader set of entry-level technical skills that provide career flexibility and mobility.

## 1 Maximising the impact of an Australian Skills Guarantee

### Adopt place-based approaches to employment that leverage community effort

BSL welcomes the focus of the *Australian Skills Guarantee* discussion paper on the role Australian Government funded projects play in providing employment opportunities to apprentices, trainees, and cadets. However, the success of the Guarantee is reliant on the effectiveness of the current skills and training system. Recent NCVER data shows that completion rates for Australian apprenticeships have now fallen as low as 55.7%. These rates of completion have been in steady decline since 2012.

Low apprenticeship completion rates:

- represent a waste of investment, both of resources and of effort, from learners and governments
- engender a lack of faith in the apprenticeship system for employers and industry, hindering uptake of apprentices
- indicate that training products are misaligned with labour market needs, as the centralised development of these products limits responsiveness to local labour needs.

Data on those who did not complete a trade apprenticeship reveal that approximately three-quarters cited employment-based reasons as their reason for discontinuing (Misko, Gu & Circelli et al. 2020). These employment-based reasons included having a poor relationship with their boss

and co-workers, working conditions and pay. This suggests that employer readiness to enable and support on-the-job training needs to be considered when selecting employers for infrastructure projects.

The success of the *Australian Skills Guarantee* will require a transformation of the skills and training system to address these weaknesses. A place-based approach to employment and training is a key to achieving this transformation. A place-based response brings together industry, employers, training providers, prospective employees, community networks and government(s) to co-design skills and training pathways that meet the needs of local people seeking work, and local businesses and industries seeking staff and expanding their workforces. Having employers who take part in the Guarantee actively involved in the design of training products will ensure that the training is relevant and contributes to building a pipeline of skilled workers. Developing training that is relevant to employers and the local community will also help to increase completion rates and reduce drop-out rates, as learners will be able to see how their training aligns with job opportunities available through infrastructure projects. To translate the benefits of a place-based response to a system-wide solution will require a commissioning model that incentivises this form of collaboration and the formation of local institutions to align effort. It will also require learnings from local approaches and practice to be used to design a national approach that can flex to place-specific needs.

## Joined-up policy efforts

The *Australian Skills Guarantee* discussion paper notes that achieving the one in 10 target for apprentices/trainees on major government projects may be a challenge in regional and rural areas of Australia. BSL's work through the National Youth Employment Body in nine regions across Australia over the last four years has shown that in regional and rural Australia the local social and economic ecosystem impacts the effectiveness of training. Housing and transport options available in a region can enable or exclude prospective jobseekers and affect the attractiveness of locations. For example, the Barwon South West region, which is one of Victoria's renewable energy zones, has seen a 25% increase in rent over a two-year period, the highest across all regions in Victoria. This is coupled with only 91 vacant rental listings available (SQM 2022) and a decline in low-cost rentals. The lack of available and affordable housing limits the people's ability to take up training offers associated with government-funded infrastructure projects in regional and rural Australia.

To address this, a joined-up policy response is needed. This will require creating governance mechanisms that aim to align policy and program investments horizontally (across systems such as employment, training, social services) and vertically (local–state–national) to deliver structural and enduring solutions. Such approaches have been successful overseas. A review of seven European countries found that those with institutionalised interdepartmental collaboration and cross-sectoral strategies were the most successful at improving youth transitions (Orlando & Wilson 2022). Success was achieved by reducing siloed working by government departments and setting clear outcomes and accountability for all stakeholders (Orlando & Wilson 2022).

## Expanding employment-based training

The *Australian Skills Guarantee* discussion paper states that over time the Guarantee could be expanded to other industries, noting that currently ‘participation rates of apprentices and trainees for industries outside of construction range from less than 1% to around 10%’. BSL welcomes the recognition that the apprenticeship model has the potential to be expanded to other industries. For this expansion to occur two things need to be considered: first, whether the current apprenticeship model remains fit for purpose; and second, how apprenticeships can be used in emerging industries.

To address the first point, the current apprenticeship model is occupationally narrow and requires a significant time commitment from apprentices. This means learners are asked to sign up for multiyear courses in industries and occupations in which they have limited exposure and experience. The solution is to provide alternative, shorter form models of employment-based training to complement existing apprenticeship offers. A broader model would teach the learner a range of entry-level technical skills that are applicable and transferable to a cluster of related occupations, rather than just one occupation. This model would also help to attract women and other equity groups to industries in which they are currently underrepresented. The benefits for learners are that this model would enable them to be flexible in their decision-making, have career mobility and meet the dynamic needs of employers, including in growth industries outside the traditional trades.

The discussion paper also asks whether there are any industries to which the Guarantee should be applied. We welcome that the paper mentions new clean and renewable energy projects. However, the Guarantee should also include circularity and zero waste economies. Victoria, New South Wales, and the Australian Capital Territory have released circular economy strategies which note that vocational education and training will play an important role in the skilling and upskilling of workers to support the circular economy (ACT Government 2022; DEWLP 2020; NSW Government 2019). These strategies will be operationalised by new recycling and waste management infrastructure projects, and the upgrading of existing infrastructure. By adding circular economy projects to the industries the Guarantee is applied to, alongside clean and renewable energy, the Commonwealth Government would increase the opportunities open to the cohorts targeted by the Guarantee, in this critical area that impacts resource scarcity, waste and the climate crisis.

## 2 References

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