

Legislative Council Hansard – 13 September 2017 – Proof

APPRENTICESHIP AND TRAINEESHIP AMENDMENT BILL 2017

Second Reading

The Hon. BEN FRANKLIN (12:02): On behalf of the Hon. Niall Blair: I move:

That this bill be now read a second time.

With the consideration of the Apprenticeship and Traineeship Amendment Bill 2017 today, the New South Wales Government is continuing its efforts to ensure that now and in the future New South Wales has a strong and skilled workforce to support our flourishing economy. Apprenticeships and traineeships are the foundation on which a skilled workforce is built. The New South Wales economy is growing faster than any other State or Territory in Australia. The Apprenticeship and Traineeship Act regulates the employment and training of apprentices and trainees in New South Wales. The package of reforms contained in the Apprenticeship and Traineeship Amendment Bill 2017 will ensure that New South Wales provides a modern framework that supports the coming generations of apprentices and trainees in this State.

The bill provides a modern look at the apprenticeship-traineeship system. It will strengthen communications between all parties involved and ensure a more cohesive alignment of training and skills development that meets the needs of our current rapidly growing economy. It will strengthen regulation where employers and apprentices tell us it is needed, but it will also remove complex red tape around assessment and certificates, simplify overly complicated legislation and repeal outdated structures. The bill was shaped by many stakeholders' suggestions on the current system and what they would like to see in the future. Stakeholders, including industry and employee associations, employers, registered training organisations, individual apprentices and trainees, State and Commonwealth government agencies, Australian Apprenticeship Support Network providers and the general public were provided with a consultation paper that raised issues related to the reform of the apprenticeship and traineeship system in New South Wales.

In August and September last year a total of 25 public and targeted consultation sessions were held. Sixty written submissions were received from the public and from industry stakeholders telling us what they thought of the current system, and their visions for its future. They told us that the Act is generally operating well. They are satisfied with the flexibility inherent in the Act. It supports a variety of models of apprenticeships and traineeships, including full-time, part-time, school-based and those higher level qualifications that readily allow participants to transition into university qualifications. But they also told us that some change is needed to update the Act and bring it into line with modern work practices, as well as strengthening the system for our apprentices and trainees. While the Act, as it stands, has served us up until now, everyone can agree that changes are needed.

The New South Wales Government has listened and heard the concerns of those involved in using and supporting the apprenticeship system. To ensure better communication between all parties, the bill will introduce the requirement for training providers to share information with the employer regarding the training plan. This transparency should strengthen the links between the training provider and the employer serving as a deterrent for disputes and complaints. Stronger regulation of training organisations will better support competency progression of apprenticeship and traineeships—a national policy introduced in 2010 to provide consistency across borders. The bill will introduce stronger enforcement capacity for current requirements for training providers to negotiate training plans with employers at the commencement of training.

The training plan outlines, among other things, the training to be undertaken and how, when and by whom training and assessment will be delivered and undertaken. This change was in response to overwhelming feedback from employers and industry groups that they feel divorced from the institution-based training process. They are often genuinely surprised when advised that their apprentices or trainees have been deemed to have completed their training, even though they may have more time to serve on their contracts. The change represents a significant effort on behalf of New South Wales to boost the quality of training services being provided to both employers and their apprentices. It will be seen as a strong, lead-taking change among other jurisdictions.

The current legislation spells out the roles and responsibilities attributed to all stakeholders, but enforcing penalties has been difficult because the outdated maximum penalty levels make costs of enforcement uneconomic. The bill will bring the legislation in line with other New South Wales regulatory agencies. The provision of penalty notices for offences will allow penalties to be imposed without taking infringements to court. Penalties will now also be applicable to all stakeholders, including registered training organisations, Australian Apprenticeship Support Network providers and employers to ensure that they are honouring their obligations to apprentices, trainees and employers. This should deter unlawful practices and, in turn, strengthen the New South Wales apprentice and trainee system.

Under this bill the Vocational Training Review Panel [VTRP] will be abolished. This is intended to reduce the administrative burden associated with maintaining the panel while allowing the flexibility to seek industry advice in the decision-making process. Under the proposed amendments, the Commissioner for Vocational Training will assume responsibility for the duties of the Vocational Training Review Panel. The commissioner will hear unresolved complaints, importantly still informed by industry expertise as required, including trade union representation and TAFE NSW. In practice, conciliators will be trained and experienced Training Services NSW staff located in regional centres across New South Wales. They are well placed to undertake conciliation, complaints handling and dispute resolution in or around the area in which the complaint arises.

I point out to those opposite that in 2016 only 15 disputes were referred to the review panel and so far this year there have been eight. All other disputes were settled at the local level without the need for a hearing by the panel. In addition, in the past five years only two disputes were appealed to the NSW Civil and Administrative Tribunal [NCAT], both of which were resolved before the hearing. I note that the Opposition and Greens amendments on this are contrary to the publicly stated position of TAFE NSW on abolishing the Vocational Training Review Panel.

In its submission to the review of apprenticeships and traineeships in New South Wales, TAFE NSW states:

TAFE NSW proposes that with the introduction of the NSW Civil and Administrative Tribunal and the abolition of certifications, the Vocational Training Review Panel is no longer required.

The trade recognition process for non-apprentice tradespersons will be simplified. Instead of the current three-step process, people seeking trades recognition will now go straight to a specially approved registered training organisation to have their skills assessed before they come to the commissioner to seek a certificate of proficiency. The commissioner will now be responsible for the trade recognition process, which helps unqualified but highly skilled New South Wales workers and people with experience outside New South Wales, including those coming from overseas.

The commissioner will continue to be advised by independent experts who will verify work experience in trades. Agents will also maintain their role of assisting employers establish apprenticeships and traineeships, but under the bill the Commissioner for Vocational Training will be able to reject applications from agents who do not follow the bill's requirements. The commissioner's role also extends to independent assessment of the competence of apprentices and trainees. The new bill will allow the commissioner to make vocational training guidelines. This will streamline the process of developing advice to stakeholders about system requirements, enhancing administrative consistency.

This bill will ensure we have a robust and modern framework to effectively manage the new generation of apprentices and trainees both now and in the future. Supporting this group of individuals will go a long way in confirming their value and place in New South Wales' growing economy. A complementary range of non-legislative initiatives for traditional trades is being implemented to align with this bill's amendments, such as pre-apprenticeship training. These initiatives will attract prospective trainees and apprentices and make these individuals more attractive to future employers. There is a decision to be made today regarding an important part of our training system. We can continue to work with out-of-date legislation that complicates the process for all stakeholders, or we can recognise the bill as a timely piece of legislation that will guide and strengthen the delivery of apprenticeships and traineeships in the future as the world of work continues to evolve. I commend the bill to the House.