



Briefing Papers

Training Portfolio

The Isolated Children's Parents' Association of Australia, ICPA (Aust), is a voluntary, apolitical, national parent organisation working on behalf of our members for equity of access to appropriate education for children living outside of metropolitan areas.

ICPA (Aust) is committed to ensuring all rural and remote students and young people have the opportunity to pursue courses and careers that best suit their interests and capabilities, regardless of their geographical location. Vocational Education and Training (VET) pathways, and Australian Apprenticeships play a vital role in many students' career aspirations and it is vital that these opportunities are affordable and accessible for all rural and remote young Australians.

SUMMARY

1. Relocation Scholarship

ICPA (Aust) seeks inclusion of students and young people who must relocate from their home to access Vocational Education and Training (VET) courses and apprenticeships, in the Relocation Scholarship eligibility criteria.

2. Commonwealth Living Away from Home Allowance (LAFHA)

- ICPA (Aust) seeks an immediate increase in the Commonwealth Living Away from Home Allowance (LAFHA) and indexation to the Consumer Price Index (CPI) similar to other payments to better assist Australian Apprentices with the rising cost of living.
- Eligibility criteria for LAFHA is based on the recognition that an apprentice has moved away from their parental or legal guardian's home for the first time to access an Australian Apprenticeship.
- The current rate of LAFHA payments is inadequate to support an apprentice with the cost of living, including rental bond and rent, food, household goods, fuel, utilities, clothing and the myriad of expenses required to set up and maintain a household.

3. Inclusion of Australian Apprentices in Tertiary Access Payment (TAP)

- ICPA (Aust) seeks the inclusion of rural and remote Australian Apprentices in the established TAP.
- Many rural and remote apprentices experienced immense financial hardship during their relocation to establish themselves in locations that allow them daily access to their employment and training on an apprentice wage. For many this is prohibitive in the absence of adequate financial support.

4. Increased non-financial supports for rural and remote Australian Apprentices through Australian Apprenticeship Support Networks (AASNs)

- The assurance of comprehensive and timely audits of AASNs services.
- Specialist support staff within the AASNs for rural and remote Australian Apprentices.



ISSUE 1 - Relocation Scholarship

Tertiary students who are eligible for Youth Allowance as a dependent or ABSTUDY recipients are eligible for the Relocation Scholarship, which is an adjunct payment to dependent Youth Allowance. However, access to this Relocation Scholarship is not extended to Australian Apprentices or Vocational Education Training (VET) students even if they do receive Youth Allowance as a dependent.

For many rural and remote students and young people who, due to geographical isolation, must relocate from home to undertake an apprenticeship, traineeship and/or Certificates and Diploma level courses, the cost of relocation is beyond their financial means.

The high up-front costs of relocating from the family home, which could extend for periods of up to four years depending on the chosen pathway, is exorbitant and includes:

- accommodation costs (rental bond and ongoing rent)
- connection of utilities e.g. power and water
- equipping the home with basic living commodities necessary to maintain a reasonable standard of living

These inordinate and unsubsidised costs are compounded by the fact that these young people are often leaving home for the first time to relocate to centres which can be hundreds, if not thousands of kilometres away from family.

Improved financial assistance to support rural and remote students and young people moving away from home to embark on a VET pathway can only strengthen the VET sector and increase the number of young people returning to their communities armed with skills and qualifications that can meet the needs of business.

RECOMMENDATION

Eligibility to the Relocation Scholarship for VET students and Australian Apprentices who receive dependent Youth Allowance.

ISSUE 2 - Commonwealth Living Away From Home Allowance (LAFHA)

Eligibility criteria for LAFHA is based on the recognition that an apprentice has moved away from their parental or legal guardian's home for the first time to access an Australian Apprenticeship and is only available for those who are ineligible for Youth Allowance, ABSTUDY or Austudy payments. It is not annually indexed to the CPI.

LAFHA is available to eligible full and part-time Australian Apprentices and Australian School-based Apprentices during the first three years of training at a rate of:

- \$77.17 per week for the first 12 months
- \$36.59 per week for the second 12 months
- \$25.00 per week for the third 12 months



For a full-time apprentice who has moved away from home to access a full-time apprenticeship, costs include food, rent, fuel, utilities, clothing and much more. While ICPA (Aust) is extremely appreciative of this allowance, it does not adequately provide meaningful support for the cost of living in the current economic climate.

The *Strengthening Skills: Expert Review of Australian Vocational Education and Training (VET) Systems* reported that low wages for up to four years was cited by respondents as one reason why young people are less attracted to the traditional apprenticeship model.

The weekly minimum rate of pay for a junior first year apprentice under the [Vehicle, Manufacturing, Repair, Services and Retail Award 2010](#) is \$482.68 and even less if the young person has not completed Year 12. Without additional support to subsidise their costs of living, apprentices face extreme financial pressure when pursuing this pathway. This financial hardship creates a lack of incentive for rural and remote young people to pursue these pathways and many simply do not complete their qualifications as a result.

While ICPA (Aust) recognises and appreciates that Trade Support Loans are available to eligible apprentices to assist with everyday costs while completing an apprenticeship, it is often not ideal for a young person to enter into a loan arrangement to help cover the costs of living.

RECOMMENDATIONS

- An immediate increase to the Commonwealth LAFHA to better reflect and adequately assist with living costs for Australian Apprentices.
- The indexation of the LAFHA to the CPI to ensure the Allowance keeps pace with the rising cost of living.

ISSUE 3 - Inclusion of Australian Apprentices in the Tertiary Access Payment (TAP)

Australian Apprentices relocating to undertake their trade and training face similar relocation and set up costs (travel, bond/rent, uniforms) as students relocating to undertake tertiary study. Australian Apprentices are also doing modules of study in order to complete their trade qualification. They are generally school leavers, moving vast distances from the family home for the first time with very little financial security. To make apprenticeships more attractive and increase retention rates, it is imperative that apprentices are well supported financially with relocation costs. This is particularly important in the initial stages of their apprenticeship as the established TAP scheme recognises for Tertiary students.

RECOMMENDATION

That TAP criteria be expanded to include Australian Apprentices who must relocate from a rural or remote location to access their apprenticeship.



ISSUE 4 - Increased non-financial supports from Australian Apprentice Support Networks (AASNs) for rural and remote Australian Apprentices

There are two groups represented within rural and remote apprentices - those who live and work within a rural or remote location and those who relocate to a larger centre from a rural or remote location to undertake either or both of their on-the-job and off-the-job aspects of their apprenticeship. These

students are dependent on the non-financial supports available to them through one of Australia's seven current Australian Apprentice Support Network (AASN) organisations.

With a nationwide skill shortage, it is imperative that apprentices are well supported during their apprenticeship. With national apprenticeship completion rates alarmingly low (55%), AASNs are integral to ensuring that the sign up, administration and management of apprenticeships occurs. Government websites clearly state that one of the key roles of the AASN is "to provide advice and support during the apprenticeship". To ensure this support is ongoing and comprehensive, it is essential that Government conduct more rigorous and timely audits of all AASNs which include gathering feedback from apprentices and their guardians (of those under 18 years of age), and face to face follow up within three months of the contract sign up.

It is also imperative that there are trained rural and remote specialist support staff within the AASNs. These staff must be accessible by employers, trainers and apprentices/trainees (and their families if the contract is signed before the apprentice is 18 years of age).

Assistance for the rural and remote apprentice requires mandatory actions from the AASNs including (but not limited to):

- visits to the workplace and/or training facility to check that the apprentices are being suitably trained, educated and supported
- documented semester reviews on all parties involved
- knowledge and assistance with state and federal financial supports such as Living Away From Home Allowance (LAFHA)
- follow-up contact and interviews should the apprentice/trainee or employer terminate the contract prior to its completion
- knowledge and documentation of the home and residential addresses of apprentices - it is concerning that some employers and trainers do not know and subsequently support apprentices who have relocated vast distances from family and supports to undertake the working and training aspects of the Australian Apprenticeship, with minimum wages and increasing living expenses

RECOMMENDATIONS

- Regular comprehensive audits of AASNs to ensure that the delivery and support intended by the Department of Employment and Workplace Relations (DEWR) is actually received by rural and remote apprentices/trainees.
- DEWR mandate specialist support structures for regional, remote and rural apprentices/trainees from within the AASNs.