



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.
- Or assist their necessary relocation through an Australian Apprentice Access Payment (AAAP).

4. Increased non-financial supports for rural and remote Australian Apprentices through Apprentice Connect Australia Provider (ACAPs)

- The assurance of comprehensive and timely audits of ACAPs services.
- Identification of rural and remote as a Service Specialisation for ACAPs
- Documentation of Australian Apprentice's home and residential address, to identify and then support those who relocate.



ICPA (Aust) families continue to witness the recurring disparity between rural and urban opportunities for apprenticeships and other study forms undertaken in the post-school pathway space. Our members' children who undertake apprenticeships do so in one of two ways as outlined in Table 1. For the majority of students living in rural and remote areas, it is necessary to relocate to larger centres to access off-the-job training centres and businesses with the capacity to provide on-the-job training throughout an apprenticeship. This can be a barrier for rural and remote students commencing or indeed completing an apprenticeship.

Table 1 – Full-Time Australian Apprentice delivery modes, within the ICPA (Aust) membership.

Australian Apprentice from a Rural and Remote location*	Type A Off-the-Job Training	Type B Off-the-Job Training	Considerations
<p>Group 1</p> <p>On-the-Job Training</p> <p>Secure an apprenticeship with an employer in a rural and remote location.</p> <p>NB – reported in NCVER as rural apprentices due to the on-the-job training location.</p>	<p>Local delivery - (near the employer's location and apprentice's home or residence)</p> <ul style="list-style-type: none"> – face to face, – a visiting RTO <p>or</p> <ul style="list-style-type: none"> – online from another location but completed at work or at home. 	<p>-Require travel more than 90km for day or block training in another location.</p> <p>-Accommodation may also be required.</p>	<p>-Still able to live at home, in a known and supported environment.</p>
<p>Group 2</p> <p>On-the-Job Training</p> <p>In order to secure an apprenticeship, the apprentices needs to relocate to a larger regional or metropolitan area, that is too far to commute from home.</p> <p>NB – Not reported in NCVER as rural apprentices due to the on-the-job training location.</p>	<p>Relocated delivery (near the employers' location)</p> <ul style="list-style-type: none"> – face to face, – a visiting RTO <p>or</p> <ul style="list-style-type: none"> – online from another location but completed at work or at home. 	<p>-Require travel more than 90km for day or block training in another location.</p> <p>-Accommodation may also be required.</p>	<p>-Relocation costs.</p> <p>-Ineligible for Tertiary Access Payment (TAP)</p> <p>-Excluded from the Relocation Scholarship even if apprentice is eligible for dependent Youth Allowance.</p> <p>-The only relocation assistance available is when an apprentice must 'relocate' to another employer to continue an apprenticeship.</p>

**Both of these apprentices are rural and remote but only one is recorded by NCVER as such, and as a result we are concerned there is a disparity between the financial and non-financial supports available to both the employer and the apprentice as a result.*



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

RECOMMENDATION

That TAP criteria be expanded to include Australian Apprentices who must relocate from a rural or remote location to access their apprenticeship or assist their necessary relocation through an Australian Apprentice Access Payment (AAAP).

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) or implement a parallel Australian Apprentice Access Payment (AAAP)

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.



RECOMMENDATIONS

Regular comprehensive audits of ACAPs 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.

ISSUE 4 - Increased non-financial supports from Apprentice Connect Australia Provider (ACAPs) for rural and remote Australian Apprentices including recognising them as a Service Specialisation within the 2024-2026 ACAP contract guidelines.

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 the current Apprentice Connect Australia Provider (ACAPs) 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%), ACAPs 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 ACAP 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 ACAPs 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 ACAPs. 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). ICPA appreciate that “Australian Apprentices in Remote Australian” are a Key Client Group in the 2024-26 contract guidelines, but this did not transfer over to a service specialisation, as it did with the other three key groups.

Assistance for the rural and remote apprentice requires mandatory actions from the ACAPs 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.

Documentation of the home and residential addresses of apprentices in the Training Plan is necessary to meet the obligation of ACAP's to support Australian Apprentices from Rural locations. It is concerning that some employers and trainers do not know (and subsequently do not adequately support) some apprentices have relocated vast distances from family and supports to undertake the working and training aspects of the Australian Apprenticeship. Maintaining an independent life on minimum wages with increasing living expenses - these apprentices are struggling to sustain their engagement in employment and training and increasing numbers do not complete their apprenticeship.



- DEWR amend guidelines, so that the Apprentice Connect Australia Providers (ACAPs) ensure rural and remote Australian Apprentices are fully supported by each provider and are recognised as a Service Specialisation within the 2024-2026 AASS contract guidelines.”
- Documentation of the Australian Apprentices home and residential address on all training plans.