



CLUBS AUSTRALIA SUBMISSION STRATEGIC REVIEW OF THE AUSTRALIAN APPRENTICESHIP INCENTIVE SYSTEM

A. INTRODUCTION

Clubs Australia welcomes the opportunity to comment on the Strategic Review of the Australian Apprenticeship Incentive System.

Clubs Australia represents 6,000 licensed clubs that employ more than 140,000 people. Clubs are not-for-profit, member-owned organisations that provide sporting and recreation infrastructure to their members and the wider community.

The Australian Government is conducting a review of the Australian Apprenticeship Incentive System (Incentive System), which offers financial assistance to apprentices, trainees, and employers in priority industries. This support encourages individuals to pursue and complete an apprenticeship to ensure that Australia has a workforce equipped with the trade and technical skills required by individuals.

Apprentices are critical to the hospitality industry and are essential for building the skilled workforce upon which clubs rely. The predominant trade courses in the club sector are:

- Certificate III in Commercial Cookery,
- Certificate IV in Commercial Cookery,
- Certificate III in Sports Turf Management.

There is an acute shortage of skilled workers in the club industry, particularly chefs and cooks, to meet the sector's demands.

There are opportunities for apprentices to advance in critical roles, such as Head Chef and Golf Course Superintendent. The average tenure of employees in the club sector exceeds 6 years, highlighting the industry's ongoing commitment to its workers.¹

The shortage of skilled workers correlates with the low completion rate of apprenticeships. Poor working conditions (e.g., customer abuse), unappealing work hours and inflexibility in off-the-job training contribute to apprenticeship retention.

Clubs offer a safe and inclusive environment for work experience, traineeship, and apprenticeship opportunities.

Clubs are passionate about training future skilled workers and allocating considerable resources to their growth and development. Many offer work experience opportunities for school-aged students, enabling them to broaden their knowledge and skill set with the aspiration that they may advance as skilled employees within the organisation.

Clubs Australia supports the Federal Government's commitment to assess the financial assistance available to apprentices and employers in priority industries.

¹ Results obtained from a survey ClubsNSW conducted on regional and metropolitan clubs in NSW.

Clubs Australia's submission focuses on the ToR related to:

- The effectiveness and efficiency of the Incentive System,
- Encouraging employers to increase their intake of apprentices and supporting underrepresented individuals and those who lack opportunities.

We believe sufficient support should be provided for apprentices and businesses to build an adaptable, skilled, and highly trained workforce.

B. SUMMARY OF RECOMMENDATIONS

Clubs Australia recommends:

1. Retaining the priority wage subsidy for employers of an apprentice training towards an occupation in the club sector.
2. Retaining the hiring incentive for employers engaging an apprentice who is not undertaking a course listed on the priority occupation list.
3. Exploring further opportunities to support clubs in employing apprentices in key cohorts, such as individuals with disability, women, First Nations people and those in regional locations.
4. Continuing to provide additional support for apprentices in priority cohorts, including chefs and cooks, through the Australian Apprentice Training Support Payment.

C. RETAINING THE PRIORITY WAGE SUBSIDY

The priority wage subsidy has encouraged clubs to support the development and growth of apprentices.

The subsidy reflects the positive economic externalities arising from employers who support an apprentice's transition into Australia's skilled workforce.

Employers incur disproportionate upfront supervision costs when they engage an apprentice. Clubs have been able to recover a portion of these costs through the wage subsidy.

By continuing to offer financial incentives to employers, apprenticeship completion rates will increase, as clubs will have the capacity to allocate their time and resources to the program.

Clubs Australia recommends:

- 1. Retaining the priority wage subsidy for employers of an apprentice training towards an occupation in the club sector.**

D. RETAINING THE HIRING INCENTIVE

In addition to the priority wage subsidy, the hiring incentive acknowledges employers' efforts in training prospective skilled workers and the disproportionate upfront supervision costs incurred.

The hiring incentive has benefited clubs engaging apprentices in roles not listed as priority occupations, such as greenskeepers.



Clubs Australia believes that continuing this incentive will prevent further shortages and support businesses in training apprentices who are central to their operations.

Clubs Australia recommends:

- 2. Retaining the hiring incentive for employers engaging an apprentice who is not undertaking a course listed on the priority occupation list.**

E. EXPLORING FURTHER OPPORTUNITIES TO SUPPORT CLUBS IN EMPLOYING APPRENTICES IN KEY COHORTS

Clubs Australia considers there are further opportunities to support clubs in employing apprentices in key cohorts, such as individuals with disability, women, First Nations people and those in regional locations.

These groups demonstrate a lower interest in starting an apprenticeship, often due to the barriers they face during training.² For those who commence a trade, the chances of completion are lower than average.

Clubs have expressed challenges in engaging with these cohorts. When an apprentice from one of these groups is employed, additional support is often required, which clubs provide separately from any government assistance.

Enhancing the contribution of individuals with disability, women, First Nations people, and those in regional locations are crucial, as they offer diverse perspectives that cultivate a more inclusive and dynamic workplace environment.

Clubs Australia recommends:

- 3. Exploring further opportunities to support clubs in employing apprentices in key cohorts, such as individuals with disability, women, First Nations people, and those in regional locations.**

F. CONTINUE PROVIDING ADDITIONAL SUPPORT FOR APPRENTICES IN KEY COHORTS

The Australian Apprentice Training Support Payment has successfully encouraged apprentices to continue training in critical occupations.

Clubs Australia advocates for extending the payment beyond the scheduled expiration date of 30 June 2024, ensuring ongoing support for aspiring apprentices in industries facing skills shortages to complete their training.

The prospect of a 6-monthly reward can serve as a strong incentive for apprentices, demonstrating that their efforts will be recognised and rewarded.

Yamba Bowling Club engaged a young apprentice completing their Certificate III in Commercial Cookery. The Club offered a \$1,000 sign-on bonus and has continued to extend annual incentive bonuses, separate from the Federal Government's payment, to reward their commitment and foster ongoing progress.

² The Department of Employment and Workplace Relations. 2023. 'Future Directors: Apprenticeship Support Services Paper'.

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Clubs Australia

Clubs Australia recognises that not all clubs may have the capacity to provide a sign-on bonus or annual incentive to acknowledge an apprentice's dedication. Consequently, we believe the Federal Government should continue providing support to these apprentices in priority cohorts.

Clubs Australia recommends:

- 4. Continuing to provide additional support for apprentices in priority cohorts, including chefs and cooks, through the Australian Apprentice Training Support Payment.**

CONTACT INFORMATION

Clubs Australia appreciates the opportunity to provide a submission. For further information, please contact Alison Tehan, Executive Manager of Regulatory Affairs, at atehan@clubsaustralia.com.au or 0455 284 411.