

Apprentice and Trainee

eBook

Commercial-in-confidence. This publication is the copyright of Liquid HR. No part of this publication may be copied, reproduced or communicated to the public by any process, electronic or otherwise, without the express written permission of Liquid HR.

Contents

<u>Overview</u>	3
<u>Employing Apprentices and Trainees</u>	4
<u>What is an apprentice</u>	4
<u>What is a trainee</u>	4
<u>Employer obligations</u>	4
<u>How to engage an apprentice or employee</u>	5
<u>Rates of pay</u>	6
<u>Registration, contract and training plan</u>	7
<u>Study</u>	7
<u>Incentives</u>	7
<u>Hiring checklist</u>	8

Overview

This eBook contains an overview of obligations and requirements for employers to consider when hiring apprentices or trainees.

Should you have any questions in relation to the information below, please reach out to one of our Employment Relations experts on:

Tel: [1300 887 458](tel:1300887458)

Email: enquiries@liquidhr.com.au

Employing Apprentices and Trainees

What is an apprentice

An apprentice is an employee who is paid to learn and gain experience whilst obtaining a skilled trade through a nationally recognised qualification. An apprenticeship is predominantly on-the-job training whilst also completing classroom-based learning, usually 3 to 4 years in duration. Apprenticeships are available in trade industries such as engineering, building and construction, commercial cookery, manufacturing, automotive and more. When an apprenticeship has been completed the apprentice becomes a qualified tradesperson.

What is a trainee

A trainee is an “employee in training” in a vocational area, where an employer agrees to train the trainee and the trainee agrees to work and learn. A traineeship duration is usually between 9 months to 2 years and is available in sectors such as business, financial services, childcare, hair and beauty, retail and more. Once the traineeship has been completed the trainee receives a formally recognised qualification (minimum of a Certificate 2.)

Employer obligations

If an employer seeks to take on an apprentice or trainee, it's important that an organisation knows its obligations:

- An apprenticeship/traineeship is an employment arrangement
- The apprentice/trainee employee is entitled to the employment conditions outlined in the National Employment Standards, as well as any applicable modern award.
- Training contracts must be registered with the employer's relevant state training authority
- The employer must provide opportunities for learning, access to training and paid time off work to attend training (where required)
- Accurate records of time and wages must be kept for at least 7 years. This includes;
 - Apprentice/trainee name
 - Employers name and ABN
 - Apprentice/trainee employment status
 - Commencement date of apprentice/trainee
 - Overtime

- Hours of work
- Leave
- Superannuation contributions
- Termination of employment
- Employment agreements
- Complete the probation period: for an apprentice this is 90 days, for a trainee it is 30 days. Once the probation period is complete the employer and apprentice/trainee are contracted to each other for the term of the contract
- The contract can only be cancelled by mutual consent, or if one party applies for cancellation the circumstances will be taken into consideration by the relevant state training authority

How to engage an apprentice or trainee

When considering engaging an apprentice/trainee it's important to consider the following factors:

- Assess the current and future needs of the business and how employing an apprentice/trainee will support your business
- What type of apprentice/trainee is your organisation seeking
- Will they be employed on a full time (working on average 38 hours per week) or part time (working on average less than 38 hours per week) basis.
- Will the apprentice/trainee be school-based, have completed school requirements or an adult apprentice over the age of 21

Once it has been confirmed what type of apprentice/trainee an organisation needs, the next step is to recruit to fill the position with the most suitable candidate. This can be through the employers standard recruitment processes including; advertising for the position, reviewing resumes, conducting interviews and completing reference checks.

Employers will need to engage with their local [apprenticeship support network](#) to assist with the registration of the apprenticeship or traineeship paperwork. These providers can also assist with the recruitment process to promote and provide suitable candidates for the positions.

Employers can also utilise [Group Training Organisation \(GTO\)](#) to recruit the apprentice or trainee and then place them with the 'host' employer while they complete their training. The GTO is the employer of the apprentice or trainee and is responsible for their wages, allowances and superannuation payments.

Rates of pay

Apprentice

An employer can only pay an employee at apprentice rates of pay if they have a formal training contract in place that has been registered and recognised by the relevant state or territory training authority.

When calculating the rate of pay for the apprentice an employer must factor in if the apprentice is school-based (still attending school which completing the apprenticeship) or an adult apprentice (21 years or older when commencing the apprenticeship).

If the employer does not have a registered agreement and the employee will be covered by an Award, the Fairwork website has a [pay and conditions tool](#) to calculate the rate of pay.

Apprentices who are award/agreement free must be paid as per the minimum pay rates provided in the [Miscellaneous Award](#).

Depending on the award the apprentice is covered by apprentices can move up pay levels in their apprenticeship either through;

- time-based; they move up to the next pay level after completing a certain amount of time (i.e. 1 year)
- Competency-based; they move up to the next pay level after meeting the required skill/training requirements

Once the apprenticeship has been completed, they would then be paid at the relevant tradesperson pay rate.

Trainee

For award-based trainees, employers and employees should check their relevant award to confirm pay and entitlements.

If the trainee is covered by a registered agreement, refer to the rates specified in the agreement.

For trainees completing a certificate - the trainee pay rates can be obtained from Schedule E in the [Miscellaneous Award](#). For all other entitlements such as penalty rates, allowances and overtime, the employer should refer to the relevant award they are covered by.

For trainees completing a diploma – these are limited to approved training that leads to a qualification level certification. Some trainees studying may be entitled to all pay and conditions as per the standard provisions in their relevant award. For example, the rate of pay for an employee completing a diploma and whether they should be paid the relevant junior or adult pay rate will be based on their classification and duties performed in the role. It's important for an employer to refer to the relevant award to confirm pay rates and entitlements.

The [pay and conditions tool](#) can also be used to calculate trainee rates.

Registration, contract and training plan

Once the employer has found the apprentice or trainee they wish to employ, the next step is to complete the sign-up paperwork and lodge a training contract and plan.

Steps required:

- The employer and employee agree which qualification the apprentice or trainee will complete which meets their career goals and the business needs
- Complete the registration and sign-up paperwork with the nominated local [Australian Apprenticeship Support Network](#) provider, for lodgement with the relevant State and Territory Training Authorities (STAs)
- Agree on a [Registered Training Organisation \(RTO\)](#) for the apprentice/trainee to attend
- In consultation with the RTO, develop a training plan with the apprentice/trainee
- Once completed, the employer and the apprentice/trainee will receive a confirmation letter from the relevant State or territory department.

Note: This step is not required if the employer has found the apprentice or trainee through a [Group Training Organisation \(GTO\)](#).

Study

Apprentices

If the apprentice is covered by an award, the award will outline the costs the employer will have to reimburse their employee for training fees and prescribed textbooks (or an employer can nominate to pay the registered training organisation directly).

As part of their contract an apprentice is required to complete training and they must be paid for the time they attend training by their employer.

Trainees

Trainees are entitled to be paid for all time spent completing training or assessments related to their studies unless they;

- are a school-based trainee
- are a part time trainee where training is wholly off-the-job

Incentives

The Australian Government provides a range of employer incentives to assist with the hiring and retention of an apprentice or trainee in an organisation. A summary of the current Australian Apprenticeships incentives available can be found [here](#).

For current State based incentives, please refer to these sites for current incentives:

[New South Wales](#)

[Victoria](#)

[Queensland](#)

[South Australia](#)

[Northern Territory](#)

[Western Australia](#)

Hiring checklist

- Know the award/agreement that sets out the minimum terms and conditions and explain these to the apprentice/trainee
- Confirm the apprentice/trainee's employment status (full time/part time)
- Confirm the agreed hours and rostering arrangement with the apprentice/trainee
- Ensure that the pay rate is correct
- Ensure the record keeping obligations will be met for the duration of the contract
- Organise training for the apprentice/trainee
- Ensure the workplace meets the health and safety requirements
- Complete the apprenticeship/traineeship paperwork
- Help the apprentice/trainee settle in by providing a thorough induction
- Complete a review of the apprentice/trainees performance within the probationary period



Raising the standard

HR Consulting • HR Outsourcing • Payroll

Call 1300 887 458

Email enquiries@liquidhr.com.au

Visit www.liquidhr.com.au

Level 32, 101 Miller Street,
North Sydney, NSW, 2060

enquiries@liquidhr.com.au