



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**SOCIAL SECURITY AND OTHER  
LEGISLATION AMENDMENT  
(AUSTRALIAN APPRENTICES) BILL 2009**

**Second Reading**

**SPEECH**

**Thursday, 28 May 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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# SPEECH

**Date** Thursday, 28 May 2009  
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**Questioner**  
**Speaker** Gillard, Julia, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Ms GILLARD** (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.41 am)—I move:

That this bill be now read a second time.

The Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009 seeks to benefit Australian apprentices who are eligible to receive payments under two new Australian government programs; Skills for Sustainability for Australian Apprentices and Tools For Your Trade (under the Australian Apprenticeships Incentives Program). This bill ensures that eligible Australian apprentices receive the full benefit of the payments without deductions.

This bill makes minor adjustments to the Income Tax Assessment Act 1997, the Social Security Act 1991 and the Veterans' Entitlements Act 1986 to exempt from taxation and treatment as taxable income payments made to Australian apprentices under the two programs.

Tackling climate change and building a more environmentally sustainable base for Australian industry and the Australian economy are among the great challenges facing the nation.

The programs that are the subject of this legislation represent significant steps to meet the growing demand for skills in sustainability. In addition the bill provides essential support for the Australian apprenticeship market in preparation for economic recovery.

Skills for Sustainability for Australian Apprentices is an outcome of the Australia 2020 Summit and aims to accelerate industry's and the tertiary education sector's response to climate change by providing practical incentives for industry to focus on developing skills for sustainability.

The Rudd government is working to transition Australia into one of the world's leading green and sustainable economies. This will not just mean developing new technology but will also require new ways of learning and applying skills—in the obvious fields like energy, building and construction, automotive and engineering but also in service areas like hospitality and tourism, where even greater effort is needed to minimise environmental costs.

The incentives contained in the Skills for Sustainability measure are designed to encourage employers and Australian apprentices in selected National Skills Needs List (NSNL) occupations to undertake a threshold level of sustainability related training. The goal is to develop an appropriately skilled workforce that can meet the rising demand for sustainable buildings, technologies and industries.

The program delivers a personal benefit payment of \$1,000 to eligible Australian apprentices in selected occupations following completion of the required level of sustainability related training.

The program is an essential investment to develop a workforce ready to implement the energy efficiencies essential to the Carbon Pollution Reduction Scheme and to take advantage of the new business opportunities likely to open up as a result of Australia's leadership in meeting the global carbon challenge.

The Rudd government is building an environmentally sustainable economy through the CPRS, the mandatory renewable energy target, the Clean Energy Initiative, solar flagships, investment in green buildings, insulation and solar hot water incentives. These and other measures being taken by governments, businesses and individual households are placing new demands on Australia's vocational education system.

The nation's apprentices will need to be skilled in new ways, with new and more integrated knowledge about the environment being required alongside traditional trade skills.

This program will add to work currently being undertaken by my department on research into the workplace impacts of climate change policies, the development of training resources in key industries likely to be affected

by climate change, a voluntary certification program to recognise registered training organisations that provide vital training in skills for sustainability and the encouragement of excellence through green training awards.

The Tools For Your Trade payment (within the broader Australian Apprenticeships Incentives Program) combines into one new payment three administratively complex programs previously available to Australian apprentices (the Tools For Your Trade voucher program, the apprenticeship wage top-up and the Commonwealth trade learning scholarship). The new payment comprises five cash payments totalling \$3,800 over the life of the Australian apprenticeship.

The new Tools For Your Trade payment represents a substantial improvement on previous arrangements for both Australian apprentices and their employers. Under the previous arrangements, Australian apprentices were required to claim the three payments from two different providers. As each of the programs had different eligibility criteria, Australian apprentices in the same occupation may have received different levels of financial support based on criteria outside their control, such as their age or the size of their employer. The new Tools For Your Trade payment addresses these inequities and inefficiencies. The streamlined delivery arrangements also remove unnecessary red tape.

The new payment replaces the previous Tools For Your Trade voucher initiative, which provided vouchers to purchase a tool kit worth up to \$800 for eligible Australian apprentices. By replacing this program with the new Tools For Your Trade cash payment, Australian apprentices will still be able to acquire the tools needed during their training but without the limitations imposed by the previous program. They will receive critical financial support across the life of their Australian apprenticeship, assisting apprentices to sustain their livelihood and to remain in their trade.

For commencements from 13 May 2009, the Tools For Your Trade voucher will cease to exist. Transitional arrangements will be put in place to ensure that Australian apprentices who commenced on or before 12 May 2009 and who have not yet received their tool kit will still be eligible for a tool kit at their three-month point.

The new Tools For Your Trade payment program will include agricultural apprentices and trainees and, if in rural and regional Australia, horticultural apprentices and trainees.

The Tools For Your Trade payment is one of a range of measures for Australian Apprentices and their employers, representing an investment by the Australian government of \$5 billion in apprenticeship and related programs over four years.

Ensuring the apprenticeship rates are maintained and that more apprentices complete their training during this time of global recession is a key goal of the Rudd government. We know that failing to invest in skills today will lead to shortages and lost opportunities tomorrow.

The measures in this bill will provide support and stability to the Australian apprenticeships market and ensure that we continue to build a strong national skills base as Australia recovers from the global recession.

It should be noted that the amendments proposed in this bill are consistent with taxation treatment of previous programs that deliver personal benefit payments to Australian apprentices.

This measure, combined with other initiatives that support development of Australia's skills base, represent a significant step in preparation for the economic recovery. I commend the bill to the House.

Debate (on motion by **Mr Coulton**) adjourned.