



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT
(AUSTRALIAN APPRENTICES) BILL 2009

Second Reading

SPEECH

Tuesday, 16 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 16 June 2009
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Questioner
Speaker Gillard, Julia, MP

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Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.54 pm)—in reply—I thank the shadow minister for employment and workplace relations at the table for his fulsome support of my right to speak in this parliament—it is very gratifying. I thank every member who has contributed to this debate. The Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009 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 two new Australian government programs: Skills for Sustainability for Australian Apprentices and the Tools for Your Trade program. These come under the Australian Apprenticeships Incentives Program.

The introduction of two new programs, Skills for Sustainability for Australian Apprentices and the Tools for Your Trade payment, is part of a much broader suite of programs to support Australian apprentices and their employers. These programs will provide valuable employment and training opportunities for those Australians looking to gain skills or retrain and will ensure Australia's skill base is protected and maintained. To this end, funding for Australian apprenticeship and related programs is at record levels, with \$5 billion being committed by the government over the next four years.

The first of the two programs, the Skills for Sustainability for Australian Apprentices pilot, aims to encourage Australian apprentices to develop new skills and a more integrated knowledge about sustainable work practices. 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 goal is to develop an appropriately skilled workforce that can meet the rising demand for sustainable buildings, technologies and industries. Industry skills councils have examined the current impacts of environmental sustainability on their industry sectors and identified training package units that have environmental or sustainability issues as central principles of competency. Where new sustainability related skills and knowledge are needed, the industry skills councils have developed and endorsed new units to target these skills. Undertaking study in a range of selected units and occupations will attract the incentive payment. It is expected these units will be monitored and reviewed as further research identifies new sustainability demands emerging in industry. Eligibility for the incentive will be adjusted accordingly to target areas of greatest need.

The second new Australian government program, the Tools for Your Trade payment, combines into one payment three administratively complex programs previously available to Australian apprentices. The payment provides essential financial support in order to maintain apprenticeship rates and to encourage completion of training. The new arrangements broaden eligibility for the payment, supporting more Australian apprentices. The streamlined delivery arrangements also remove unnecessary red tape for Australian apprentices and their employers. The new Tools for Your Trade payment provides Australian apprentices with \$3,800 over the life of the Australian apprenticeship and comprises five cash payments, with \$800 paid at the three-, 12- and 24-month points and \$700 at the 36-month point and on successful completion.

This new payment replaces the administratively complex Tools for Your Trade voucher program, the Commonwealth Trade Learning Scholarship and the apprenticeship wage top-up payment. Arrangements are in place to ensure a smooth transition from these programs to the new payment, which will guarantee that no Australian apprentice will be disadvantaged. Those Australian apprentices who commence their training after the closing date for the old programs will be eligible for payments under the new Tools of Your Trade payment.

This bill allows eligible Australian apprentices to receive the full benefit of payments under the two new programs without the payments being subjected to taxation. The bill also ensures that Australian apprentices who receive payments under the program will continue to receive the full benefit of their Centrelink and veterans entitlements. The amendments proposed in this bill are consistent with taxation treatment of previous programs that deliver personal benefit payments to Australian apprentices. Measures proposed in this bill provide support

and stability to Australian apprentices as we continue to build a strong national skills base in preparation for economic recovery.

I commend the bill to the House, thank members for their contributions in the debate and ask that the House support the bill.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.