

# **Guide to MANAGING YOUR APPRENTICE**



## **Metal and Engineering Apprentices**

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# Glossary

<b>RTO</b>	<b>Registered Training Organisation</b> – Training Provider recognised by the State Training Authority e.g. TAFE Institute, private training provider.
<b>STA</b>	<b>State Training Authority</b> – State government body with legislative responsibility for apprenticeships in that state.
<b>Training Contract</b>	An agreement between an employer and apprentice/trainee detailing training conditions and the type of training the apprentice/trainee will receive.
<b>Training Plan</b>	An agreement between an employer, RTO and apprentice outlining what competencies will be obtained, and where and when training and assessment will take place.

# Part 1 – What is competency based pay progression and completion

## Introduction

The apprenticeship system, in some form or other, has been around for hundreds of years. In that time it has evolved from an informal means of training young craftsmen on the job to the highly structured system we have today. The first legislation concerning apprentices in Australia was enacted in NSW in 1894, and stated that apprenticeships could be no longer than seven years duration, and finished at the age of 21. Terms were reduced to five years after the First World War, and then to four years in the 1960s. Over the past 40 years we have seen a system evolve whereby most apprentices complete the formal component of their training in the first three years of the apprenticeship, allowing the fourth year to be spent practising and refining those competencies in the workplace.

In the past 60 years, we have seen the introduction of technical colleges, pre-apprenticeship courses, adult apprenticeships, group training schemes, incentives for employers, school based apprenticeships, VET in schools and a host of other changes.

The apprenticeship system, while being one of the oldest forms of employment, continues to evolve to meet the needs of an economy that continually grows in complexity. But it's evolution rather than revolution.

## Recent initiatives

Over the past decade, Governments have been developing strategies to deal with the ongoing shortages of skilled tradespeople in Australia and the need to make trade apprenticeships more attractive to young people without diminishing the quality of training outcomes. In February 2006, the Council of Australian Governments (COAG) reached agreement that apprenticeships should be completed once an apprentice has achieved competency, and that reference to fixed durations in Awards and legislation should be removed.

The Australian Industry Group is a strong supporter of the COAG decision as a key element in helping to make apprenticeships better meet the needs of the modern economy.

In March 2006, the Metal, Engineering and Associated Industries Award 1998 was amended to enable engineering apprentices to progress through the four stage wage structure and complete their apprenticeship on the basis of achieving competency rather than serving a fixed term of four years.

Clause 4.2.6(j)(iii) of the Metal, Engineering and Associated Industries Award now allows for apprenticeships to be completed in less than four years provided the apprentice completes the relevant trade training and

*“...has the necessary practical experience to achieve competency in the skills covered by the competency.*

*The determination as to whether this condition has been met shall be by **agreement between the Registered Training Organisation (RTO), the employer and the apprentice.** Where there is a disagreement concerning this matter the matter may be referred to the relevant State/Territory Apprenticeship Authority for determination.”*

Competency-based wage progression and completion of apprenticeships is a win-win for employers and apprentices of all ages –

- Industry demand for skilled labour is met through adequate supply
- Young people are rewarded with qualifications and pay based on competency achieved rather than time served – this leads to more apprenticeship completions
- Mature apprentices are rewarded with recognition of valued skills brought to the industry and credit is given towards achievement of competency and progression towards qualifications.

## **The benefits of competency based progression and completion**

Ai Group has long been advocating the need to link competency with qualification achievement. The supply of people commencing apprenticeships has not met the demand of industry for many years. One of the key reasons for this gap between supply and demand is the perceived unattractiveness of apprenticeships and trades jobs to young people. In a modern, booming economy, the prospect of accelerating a career through personal achievement rather than time serving meets the career demands of today's youth and positions trades as a competitive career option.

Competency-based wage progression and completion of apprenticeships is a win-win for industry and all apprentices, young and more mature. It sends a clear message to young people that the industry values their skills and is prepared to reward those who work hard to learn their trade as well and as quickly as they can. It shows young people that the industry is in tune with the times and understands that it needs to compete to find good people to work in it. For older apprentices, it demonstrates that the skills and knowledge brought to the job are valued and recognised in a practical sense, by enabling them to gain credit for what they can already do.

## State administrative arrangements

All states are in the process of implementing competency based apprenticeship systems. While arrangements will vary to some extent around the country, the key element will be that **RTOs will contact employers when they intend to sign off apprentices as competent**. This will happen at key stages of the apprenticeship; namely where it will trigger wage rises or completion. The employer is required to confirm achievement of competency before the RTO can record the assessment.

## What has changed?

It has been the role of RTOs to assess the competence of apprentices for years – this has not always happened in consultation with apprentices' workplaces. The determination of competence, and the awarding of a qualification, previously was not necessarily linked to the completion of the apprenticeship. From now on, when an RTO signs off an apprentice's competence, and the stage progression requirements have been met, his/her wage will rise. When all competencies are completed, the apprenticeship will be completed.

**The amended Award now requires the agreement of the employer, the RTO and the apprentice. The RTO cannot determine this alone.** This requirement has been included in State Training Authority directions to RTOs, including TAFEs. Under this new requirement, an RTO must

- Make an assessment of an apprentice's competence against competency standards.

If the apprentice is deemed competent the RTO must;

- **Contact the employer for confirmation** of the apprentice's competence.

The three parties must agree for the apprentice to be signed off and the wage adjusted.

Old System	New System
<p>1 Training Contract signed with apprentice (and parent if required).</p>	<p>1 Training Contract signed with apprentice (and parent if required).</p>
<p>2 RTO contacted for enrolment.</p>	<p>2 RTO contacted for enrolment.</p>
<p>3 Training Plan agreed between RTO, employer and apprentice.</p>	<p>3 Training Plan agreed between RTO, employer and apprentice.</p>
<p>4 Apprentice assessed against competencies by the RTO and eventually receives qualification.</p>	<p>4 <b>RTO contacts employer to confirm apprentice's competence before finalising assessments.</b></p>
<p>5 Apprentice's pay rises on each anniversary.</p>	<p>5 <b>Apprentice's pay rises on attainment of 25%, 50% and 75% of competency points or on each anniversary, whichever comes first.</b></p>
<p>6 Apprentice receives 'trade papers' after the qualification is received and term of apprenticeship is finished.</p>	<p>6 Apprenticeship completed and qualification received <b>when employer, RTO and apprentice agree that all competencies have been attained.</b> Trade papers may be issued by the STA.</p>

Employer's responsibilities under new arrangements	RTO's responsibilities under new arrangements
<ul style="list-style-type: none"> <li>• <b>Negotiate a Training Plan with the RTO that is appropriate for both the workplace and the trade.</b></li> <li>• <b>Provide the apprentice with work that is relevant to the trade and in accordance with the Training Plan, including synchronising the work with training for a particular competency.</b></li> <li>• <b>Confirm the apprentice's competence when contacted by the RTO.</b></li> <li>• <b>Have appropriate evidence if disputing the apprentice's competence.</b></li> <li>• <b>Ensure the apprentice's pay accurately reflects the correct stage for the competencies achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate a Training Plan with the employer that is appropriate for both the workplace and the trade, and that aligns the training to when tasks are performed in the workplace.</li> <li>• Provide training in accordance with the Training Plan within the agreed time frames.</li> <li>• Contact the employer for confirmation of competence at appropriate stages of the apprenticeship, and especially where confirmation will trigger a pay progression.</li> <li>• Issue qualification</li> </ul>

## Part 2 – Making competency based apprenticeships work for you

How can an employer make competent and confident judgements about an apprentice's competence? This booklet is designed to help you make those judgements.

### The apprenticeship training program

All apprentices, whatever industry they work in, are required to enrol in a formal training qualification as part of their apprenticeship.

### Key facts about apprenticeship training programs in any industry

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- ✓ Apprentices must be enrolled in a formal training qualification
  - ✓ This qualification is made up of a list of competency units that relate to the apprentice's work
  - ✓ In the Metal and Engineering Industry, these units of competency are the same as those used for determining pay classifications according to the award
  - ✓ At the commencement of an apprenticeship, a Training Plan must be developed and signed off by the RTO, the employer and the apprentice
  - ✓ The Training Plan lists –
    - i) units of competency to be undertaken by the apprentice, and
    - ii) where and when the training will take place (e.g. TAFE or in the workplace)
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The Metal, Engineering and Associated Industries Award 1998 now allows for an apprentice's wage to progress through each of the four stages (formerly years) of the apprenticeship on achievement of 25% of the total competency points in the training qualification, and for the apprenticeship to be fully completed when 100% of competencies are achieved.

## Wage progression and apprenticeship completion in the Award

Clause 5.3.2(a) of the award reads as follows:

Stage of Apprenticeship	Entry, Exit and Progression Requirements
<p><b>Stage 1</b></p>	<p><b>Entry</b> Nil entry requirements</p> <p><b>Exit</b> There is no exit point at this stage</p>
<p><b>Stage 2</b></p>	<p><b>Entry</b> An apprentice enters Stage 2:</p> <ul style="list-style-type: none"> <li>• on attainment of 25% of the total competency points for the relevant AQF Certificate III qualification specified in the training plan; or</li> <li>• 12 months* after commencing the apprenticeship; whichever is earlier.</li> </ul> <p><b>Exit</b> There is no exit point at this stage</p>
<p><b>Stage 3</b></p>	<p><b>Entry</b> An apprentice enters Stage 3:</p> <ul style="list-style-type: none"> <li>• on attainment of 50% of the total competency points for the relevant AQF Certificate III qualification specified in the training plan; or</li> <li>• 12 months* after commencing Stage 2; whichever is earlier.</li> </ul> <p><b>Exit</b> There is no exit point at this stage</p>
<p><b>Stage 4</b></p>	<p><b>Entry</b> An apprentice enters Stage 4:</p> <ul style="list-style-type: none"> <li>• on attainment of 75% of the total competency points for the relevant AQF Certificate III qualification specified in the training plan; or</li> <li>• 12 months* after commencing Stage 3; whichever is earlier.</li> </ul> <p><b>Exit</b> Upon the attainment of 100% of the total competency points for the relevant AQF Certificate III qualification specified in the training plan and subject to clauses 4.2.6(j) and 4.2.6(m) an apprentice will exit with the relevant AQF Certificate III qualification</p>

\* Subject to clause 4.2.6(m) – Lost Time

## Implications of changes for employers of apprentices

The changes to competency based pay progression and completion means that unless employers fully understand the implications of signing off competencies, they may mistakenly authorise an increase in pay levels or an early completion of the apprenticeship.

### What is competency?

The broad concept of industry competency concerns the ability to perform particular tasks and duties to the standard of performance expected in the workplace. Competency requires the application of specified skills, knowledge and attitudes relevant to effective participation in an industry, industry sector or enterprise.<sup>1</sup>

### What is the standard and who decides what it is?

Training Package qualifications are based on standards designed in consultation with industry. RTOs are required to:

- ensure that assessment of competency is based on those industry agreed standards and
- provide assessment tasks which require the apprentice to demonstrate skills, knowledge and attitudes to the level expected in the workplace.

If you, as the employer, are to make an informed judgement about the competence of your apprentice, you must firstly have a clear and consistent understanding of the industry standards and also what you expect to see demonstrated in your workplace.

### What is in a competency standard?

Each unit of competence in a Training Package qualification specifies the knowledge and skills required to perform a particular task or function to the required standard in the workplace. It outlines how that knowledge and skill is applied in the workplace and the various situations that might allow for that knowledge and skill to be demonstrated. The apprentice is assessed against the specifications in the competency unit.

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<sup>1</sup> (definition from Metal and Engineering Training Package)

## Elements and Performance Criteria

There are a number of different components contained in a unit of competence, but an employer making a judgement about the competency of an apprentice needs to concentrate on two parts:

- the *elements* and *performance criteria*
- the required *skills* and *knowledge*

The **elements** list the essential outcomes of the competency. The apprentice **MUST** be able to satisfactorily demonstrate all of these things. For example, the elements of the *unit of competency: MEM07006B Perform lathe operations* are:

- 1 Observe safety precautions
- 2 Determine job requirements
- 3 Mount job
- 4 Perform turning operations
- 5 Check components for conformance with specifications

The **performance criteria** specify the standard to be achieved in each of the elements. The performance criteria for element 4 (Perform turning operations) of the unit of competency Perform lathe operations are:

- 4.1 Speeds and feeds are calculated using appropriate mathematical techniques and reference material.
- 4.2 The full range of accessories on a centre lathe are used including three and four jaw chucks, centres, face plate, steadies, cross slide and tailstock.
- 4.3 Turning operations are performed to specification.

**Can the apprentice perform these tasks to the standard expected in your workplace?**

The **required skills** and **required knowledge** provide further information for the assessor to make an informed judgement about competence.

Continuing with the same example, the **required skills** are

- interpreting technical drawings/specifications in relation to turning
- setting up jobs using appropriate equipment
- calculating and setting cutting feeds and speeds appropriate to the job
- checking that job is concentric, running true etc.
- safely operating lathes
- performing turning operations.

The **required knowledge** is:

- sequence of operations to achieve the job requirements
- tool type and geometry to achieve the required specifications and for workpieces of different materials
- numerical operations, geometry and calculations/formulae within the scope of this unit
- the consequences of varying speeds and feeds from the optimum rates calculated
- characteristics of different materials and their effects on cutting speeds and feeds
- application of lathe accessories
- techniques, tools and equipment to measure materials and machined components
- use and application of personal protective equipment
- safe work practices and procedures
- hazards and control measures associated with lathe operations.

**Understanding what should be known and demonstrated by an apprentice so that he or she can be signed off as competent can help an employer make an informed judgement about an apprentice's performance in the workplace.**

## **Verifying the RTO's assessment**

Two things are critical if an employer is to verify the RTO's assessment of an apprentice's competence:

- the list of competency units contained in the apprentice's Training Plan must be relevant to what the apprentice is doing in the workplace, and
- the employer must give the apprentice enough opportunities to apply his/her skills in the workplace in order to become competent.

## Competency Standards must be relevant to the job

The RTO is required to tailor a Training Plan to meet the needs of the apprentice's workplace. It is important that you take an active interest in the choice of competency units to make sure they are relevant to your business. Sometimes there will be situations where you are not able to offer the full range of experiences for an apprentice to properly learn the trade, or where you want the apprentice to learn skills in new technologies not yet introduced to your workplace. In these situations you will need to rely on the RTO's assessment of the apprentice's competence.

Under the Training Contract it is the employer's responsibility to

*"provide work that is relevant and appropriate to the vocation and also to the achievement of the qualification ..."*

Therefore, as far as possible, the competency units in a Training Plan should be ones that can be applied and assessed in the workplace. It is your **responsibility** to agree on the list of competency units in the Training Plan with the RTO and the apprentice. It is in your **interest** to ensure that they cover all of the skills you want your apprentice to learn.

If you do not have a copy of the Metal and Engineering Competency Standards, the RTO will be able to provide the specifications listed in each of the units selected. Ai Group's Education and Training Advisers can provide advice on obtaining copies of the Competency Standards.

## Training Plans

The employer, RTO and apprentice negotiate and agree about the training and assessment that will take place during the apprenticeship. This agreement is known as the Training Plan and is legally binding on all parties.

The following extract from a training plan outlines some of the major areas that employers need to focus on in negotiations with the RTO. Key areas include:

- competencies selected,
- expected starting and completion dates for each competency and
- delivery and assessment methods chosen.
- Before signing off on the Training Plan, all parties need to have come to a common understanding and agreement about the assessment process. This includes a detailed plan of assessment of all relevant units of competency both
  - on the job (in the workplace), and
  - off the job (at the RTO).

This is also the time to identify

- how competency based progression will be applied and
- the opportunities for progressing through the training faster than the nominal duration of the apprenticeship.

It is important to understand that the extent of acceleration in an apprenticeship depends not only on the capability of the apprentice but also on the capacity of the employer and the RTO to assist and encourage the apprentice's accelerated progress.

### Extract from a Training Plan

Unit Code	Competency Name	Points	Expected start date for the delivery of training  (Must be specific date not generic)	Expected end date for gaining competence both on and off the job.  (Must be specific date not generic)	Delivery method, assessment method and release pattern. Include frequency and duration.	Result
MEM 18.2B	Use power tools / hand held operation	2	12/6/2007	12/10/2007	Block release training delivered by the RTO	Competent
MEM 12.6B	Mark off/ out (general engineering)	4	12/6/2007	12/10/2007	Face to face training delivered by the RTO two full days per month	Competent
MEM 18.1C	Use Hand Tools	2	12/6/2007	12/10/2007	Face to face delivered by the RTO full day release once per month	Competent
MEM 7.6B	Perform Lathe Operations	4	01/2/2008	01/8/2008	E-Learning	
MEM 7.2B	Perform Precision shaping/ planning/ slotting operations	4	01/2/2008	01/8/2008	Workplace training delivered by the employer and assessed by a qualified assessor	

## **Apprentices need to practise their skills in the workplace**

Apprentices attend off-the-job training to learn the theory behind trade skills, and to start developing and honing their practical skills. However, an apprenticeship is a full time job. They may attend training one day per week or in blocks of weeks, but the rest of the time they are learning how to apply that training in the workplace.

It is when the theory and skills learnt in the RTO are supported by workplace practice, repetition of tasks and guidance from supervisors that competence is most likely achieved. As discussed previously, competence is being able to perform to the standard expected in the workplace.

Tradespeople are so highly valued in the labour market because of the confidence that industry has in the training they have undertaken with an RTO supported by workplace learning and application over a number of years. This important aspect of apprenticeship training is not changing. Apprentices will continue to undertake formal training and they will continue to apply their training in the workplace. The change is that they can progress according to their ability, rather than time served.

Progressing apprentices according to their achievement of competency provides an opportunity to reinvigorate the apprenticeship system while continuing to ensure apprentices receive the best trade training the industry can offer. However, it requires active participation on the part of the employer to ensure quality outcomes. You need to ensure that the Training Plan is right for the job, and the apprentice is given appropriate on-the-job training relevant to the competencies listed in the Training Plan.

For example, if the Training Plan indicates that the apprentice will be undertaking the unit Perform lathe operations in the second semester in off-the-job training, the second semester would be a good time to give the apprentice some experience in using a lathe in the workplace. This would enable you to make an informed judgement about whether the apprentice is competent to the standard expected in the workplace when the RTO seeks agreement on the apprentice's readiness to be signed off.

Alternatively, if you are aware that the apprentice won't be using a lathe at work until the following year, then the Training Plan should be amended to ensure that the off-the-job training for the use of the lathe is delivered at that time.

The benefit for the apprentice is that relevant workplace reinforcement occurs simultaneously to what's being learned off-the-job. Achievement of competence is more likely if the work experience coincides with (or occurs shortly after) the off-the-job training. It can also mean that the underpinning theory is grasped more effectively, when the apprentice sees its application in a practical context as it's being taught.

## What if you don't consider the apprentice to be competent?

Apprentices all learn at different rates. Some develop skills quickly, while others will take a lot longer. You have the right to dispute an RTO's judgement that an apprentice is competent.

During off-the-job training, an apprentice may be required to complete one or two exercises or projects as well as a theory exam to meet the requirements for a particular unit. However, the conditions off-the-job under which the exercise is completed, including time constraints, tooling, associated tasks and commercial realities will be different from those in the workplace. This could mean that application of the skill in the workplace is not up to industry standard.

It is entirely appropriate to say to the RTO that an apprentice needs more time to develop skills in the workplace before competence can be agreed. However, it's important that there is some **evidence** to support such a view.

Dispute mechanisms have been put into place to deal with formal disagreements between the employer and the RTO. Where necessary, you should contact the relevant State or Territory Training Authority to access information on the disputation process. Ai Group's Education and Training Advisers can assist with this.

## Working with your RTO

Most RTOs want the same for your apprentice as you do. They also want to develop tradespeople who will become highly skilled and valued members of Australia's workforce. RTO staff will want to work with you to achieve this.

Good communication with the RTO is the key to managing your apprentice's training properly. Talk to the apprentice's teachers about what he or she is doing, and about how he or she is progressing. Suggest areas where you think he or she may need some extra attention. A good relationship with the RTO should mean that employers will not be taken by surprise when they are contacted to sign the apprentice off.

## Ai Group can help

This booklet was designed as a national guide to implementing competency based apprenticeship completions and pay progression. Training providers in each State will develop their own set of procedures to comply with the requirements of the new system.

Ai Group's Education and Training Advisers can assist employers to further understand the national training system and how it is implemented in their particular state. For further information contact your local ETA:

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