

Hiring an apprentice can be a great investment for your business and gives you the opportunity to guide and mentor the next generation of workers.

It's also an important decision for your business and comes with responsibilities. This guide will help you understand your obligations and get your apprentice started on the right track.

Taking a few simple planning steps before you start can help you make better hiring decisions, which will save you time and money in the long run. Our 'Hiring employees' online learning course has interactive activities, templates and checklists to help you through these steps – you can complete it for free at www.fairwork.gov.au/learning.

Who is an apprentice?

An apprentice is someone who combines work and study to obtain a trade qualification in their industry, for example as a carpenter, chef or hairdresser. An apprenticeship typically takes between 1 to 4 years to complete. Anyone who's old enough to work can be an apprentice and they don't need a secondary school certificate or any other qualification. A school-based apprentice is an employee who is undertaking an apprenticeship while also completing their secondary education.

An apprentice must have a formal training contract with the relevant state or territory apprenticeship authority and regularly undertake training through a Registered Training Organisation (RTO), for example a TAFE or other registered training provider. You can find your relevant state or territory training authority at the end of this guide.

Who is a trainee?

A trainee is someone who combines work and study to obtain a certificate qualification in a particular industry or occupation, for example office work, childcare or information technology. It takes approximately 1 to 2 years to complete a traineeship. For more information about <u>trainees</u> visit www.fairwork.gov.au/apprenticestrainees.



Step One: Know the law

There are workplace laws that apply to all employees in the national workplace relations system. Apprentices receive the same entitlements as other employees, such as annual leave, sick leave, public holidays and breaks. These entitlements are set out in the National Employment Standards and the award or agreement that applies to your business.

What are the National Employment Standards?

There are 10 National Employment Standards (NES) that apply to all employees. They cover:

- 1. Maximum weekly hours 38 hours per week, plus reasonable additional hours
- 2. Requests for flexible working arrangements certain employees can request a change in their working arrangements
- 3. Parental leave up to 12 months unpaid leave per employee, as well as the right to request an additional 12 months leave
- 4. Annual leave 4 weeks paid leave per year, plus an additional week for some shiftworkers
- 5. Personal/carer's leave (also known as sick/carer's leave), compassionate leave and family and domestic violence leave 10 days per year paid personal/carer's leave (pro rata for part-time employees), 2 days unpaid carer's leave, 2 days compassionate leave as required and 5 days unpaid family and domestic violence leave (in a 12 month period)
- 6. Community service leave unpaid leave for voluntary emergency management activities and leave for jury service
- 7. Long service leave paid leave for employees who have been with the same employer for a long time
- 8. Public holidays an entitlement to a day off on a public holiday, unless reasonably requested to work
- 9. Notice of termination and redundancy pay up to 5 weeks notice of termination and up to 16 weeks redundancy pay
- 10. Fair Work Information Statement a document that must be provided to all new employees.

For more information about the NES go to www.fairwork.gov.au/nes.



Awards

An award is a document that sets out the minimum wages and conditions for an industry or occupation. They apply in addition to the NES. Awards cover things like apprentice pay, hours of work, rosters, breaks, allowances, penalty rates and overtime. To search for the award that applies to your business, go to www.fairwork.gov.au/ awards.



Registered agreements

An agreement is a document that sets out the minimum wages and conditions for a workplace. When an agreement is in place, it will usually apply instead of the award. For more information on agreements go to

www.fairwork.gov.au/awards-and-agreements.



Award/agreement free employees

Some employees aren't covered by a modern award or registered agreement. These employees are considered to be award/agreement free. These employees are entitled to the national minimum wage and the NES.

The national minimum wage doesn't include special rates for apprentices. Apprentices who are award/agreement free must be paid at least the minimum pay rates provided for apprentices in the Miscellaneous Award.



Apprentice wages

Apprentices usually receive special pay rates while they complete their qualification. This includes payment for all hours spent working at your business and in formal training/trade school. You can only pay apprentice wages if you have a formal training contract with your apprentice that has been registered and recognised by a state or territory training authority.

Apprentice wages are set out in the award or agreement that applies to your business. It can vary based on the length of the apprenticeship, how much training the apprentice has completed, and if the employee is a school-based or adult apprentice. For help with pay rates go to www.fairwork.gov.au/pact or your industry association.



Pay increases

Apprentice wages usually increase on 1 July each year and each time a milestone is reached in the apprenticeship.

The award or agreement that applies to your business will state whether milestones are:

- time-based the apprentice moves to the next pay level after they've worked a certain amount of time (for example, 12 months). You should refer to your apprentice's training contract for a record of the date the apprenticeship started. Industries that use time-based milestones include the hair & beauty, restaurant and café industries.
- competency-based the apprentice moves to the next pay level when they've achieved certain skill or training requirements (which might be earlier than 12 months). These competencies need to be set out in the apprentice's negotiated training plan and approved by the RTO and the employer before the apprentice can move to the next stage. Industries that use competency based milestones include the building & construction and vehicle manufacturing & repair industries.

Once the apprenticeship is completed and signed off by the RTO and the employer, the employee will be paid the tradesperson's pay rate.



Training entitlements

Your apprentice will undertake training as part of their training contract, and must be paid for this time. Off-the-job training is time spent in structured training delivered by an RTO. It's often delivered away from the workplace and referred to as trade school. It can sometimes be delivered at the worksite but doesn't include normal work duties.

The apprentice's award will outline when you have to reimburse them (or you can choose to pay the RTO directly) for the cost of training fees and prescribed textbooks.

School-based apprenticeships

For some school-based apprenticeships the payment for trade school isn't based on the actual hours they go to training. Instead, they get paid 25% of the hours they work for you each week. This only applies while they're a full-time school student, is paid at the full-time apprentice hourly rate (including any all-purpose allowances), and can be averaged over a semester/year.

For example, Sean is a full-time school student doing a school-based apprenticeship. He works 8 hours per week with his employer. Sean is paid 10 hours per week in total which is made up of:

- 8 hours he works with his employer
- 2 hours for his off-the-job training (being 25% of the 8 hours he works for his employer).

Queensland or Western Australia apprentice?

If you're an employer in Queensland or Western Australia your apprentices may have different conditions and entitlements. You can work out their relevant entitlements at www.fairwork.gov.au/pact.



Formal training contract

Apprenticeships operate on the basis of a formal training contract between you and your apprentice. The contract outlines your obligations to provide training and the qualification your apprentice is working towards achieving.

This contract can only be cancelled by mutual consent or, if only one party applies for cancellation by the relevant state training authority after considering the circumstances.

Training contracts must be registered with your state or territory training authority.



Record-keeping and pay slips

You must keep written time and wage records for each employee. This includes records about:

- · their employment details including:
 - the apprentice's name
 - the employer's name and ABN
 - the apprentice's employment status (full-time or part-time and permanent or fixed term)
 - the date the apprentice's employment began
- pay
- · overtime
- hours of work
- leave
- superannuation contributions
- termination of employment
- agreements relating to an individual's employment (including individual flexibility agreements and guarantees of annual earnings)

These records must be kept for at least seven years. Visit www.fairwork.gov.au/recordkeeping for more <u>information</u> about keeping records.

You also need to give all employees a pay slip within one day of paying their wages. To find out more about what has to be on a pay slip or to download our template pay slip, go to www.fairwork.gov.au/payslips.



Taxation and superannuation

Employers need to meet tax obligations for all workers. This includes PAYG withholding and superannuation on behalf of their employees. You can find more information about superannuation contributions at our <u>Tax and superannuation</u> page at www.fairwork.gov.au/pay/tax-and-superannuation.



Workplace health & safety and worker's compensation

As an employer, you are responsible for providing a healthy and safe working environment for your employees. You also need to pay worker's compensation insurance for your employees. Each state and territory has a local workplace health and safety body. Please see the end of this guide to find your relevant one.



Step Two: Think about hiring

By assessing the current and future needs of your business, you can get a better idea about the role you want to fill. You can then decide whether hiring an apprentice is the best option for your business.

Remember apprenticeships can take 3-4 years to complete, so consider how the role may change over time:

- full-time apprentices work 38 hours per week (or 36 hours for some workplaces), plus reasonable additional hours.
- part-time apprentices work less than 38 hours per week (or 36 hours for some workplaces). They work a regular pattern of hours which are usually recorded in writing. Part-time apprentices get entitlements such as annual leave and personal/carer's leave.
- adult apprentices are apprentices who are over 21 years of age when they are engaged. Some awards have different pay rates for adult apprentices.
- school-based apprentices are high school students who combine work, training and secondary education through a school-based apprenticeship. Some awards have different pay rates for time spent in training by full-time students.

Apprenticeships can't be done on a casual basis. If you need a worker who can work irregular hours and respond to changing business demands, an apprenticeship may not be the best fit – you may require a casual employee. We have information about <u>different types of employees</u> at www.fairwork.gov.au/employee-entitlements/types-of-employees.

Once you've worked out what type of apprentice will suit your business, you'll need to find the right person for the job. This means attracting the right candidates, reviewing resumes and interviewing people to find the right person. For practical information about interviewing skills, complete our 'Hiring employees' online learning course at www.fairwork.gov.au/learning.

Employers hiring apprentices may be eligible to receive financial support and incentives. For more information, you can visit the <u>Australian Apprenticeships</u> website at www.australianapprenticeships.gov.au or get in touch with your local provider.



Step Three: Complete the paperwork

Make sure you have a registered training contract in place. Contact your local Australian Apprenticeship Support Network Provider to organise the training contract and work out which RTO your apprentice will attend to complete their off-the-job training. You can't pay someone as an apprentice unless it's under a formal training contract.

It's best practice to give your apprentice a letter of engagement (a <u>template</u> is available at www.fairwork.gov.au/templates). This will help them understand what's expected of them and what they can expect too.

It's a good idea to include:

- a copy of the Fair Work Information Statement, available to print at www.fairwork.gov.au/fwis (this must be given to every new employee when they start work)
- · copies of any relevant company policies such as a code of conduct, uniform or social media policies
- any forms you need completed such as a tax file declaration.



Step Four: Start on the right foot

Investing time in a thorough induction will help you get the most from your apprentice. It will also help ensure that the employee feels well-informed, welcomed and equipped to do their job.

As part of the induction program, you can include:

- a tour of the workplace and introductions to other employees
- · an overview of the business
- an explanation of the employee's role and responsibilities. This is also a good time to discuss when the apprentice will attend trade school and how they can balance work and training responsibilities
- an explanation of the business' policies and procedures including the hours of operation, the dress code and payroll. It's a good time to explain any leave notification policies or preferences. For example, how the apprentice should notify you when they are sick (by text, phone call or email)
- an overview of the workplace health and safety protocols, including fire and evacuation procedures.

You can also use this time to make sure all the required paperwork has been completed.

Managing young workers

If you employ a younger apprentice it's important to remember this could be their first experience at work, so they might need help understanding what's expected of them and things like their pay. It's a good idea to:

- recognise and be supportive of the needs of apprentices, including their study requirements
- provide information to young workers in a way that is appropriate so they understand what is expected in terms of workplace policies, procedures and practices. Don't assume they know things like what to do if they're sick or running late
- provide young workers with safe systems of work, safe equipment and proper training
- ensure that all employees are aware that the business does not tolerate bullying, harassment or discrimination
- set them up with a more experienced buddy or mentor. This could be someone who's completed an apprenticeship in the past who can give them advice about both their work and training
- check in with them regularly and encourage them to ask questions
- ensure appropriate training is given to young workers that takes into account their level of experience, skill and knowledge
- ensure that any performance management, like giving regular feedback (both positive and constructive) is done appropriately.

Young workers are likely to form the basis of your business' future. They can also bring new enthusiasm and ideas to your business. Employees are more likely to stay in a positive and productive workplace. If a workplace issue does arise, it's important to address it as soon as possible to stop the issue from becoming more serious.

You can get practical tips on how to respond to employee concerns by completing our <u>Difficult conversations in the workplace - manager course</u> at www.fairwork.gov.au/learning. Remember, you don't want to lose a good employee after their first year and miss out on having their third year expertise.

Support from your Australian Apprenticeship Support Network Providers

Your local providers deliver free support services for Australian Apprenticeships. This includes providing information and assistance to employers, apprentices and other interested people. Australian Apprenticeship Support Network Providers also administer government incentive payments to employers and allowances for Australian Apprentices. To get in contact with a relevant provider, call the Australian Apprenticeships referral line on 13 38 73 or visit their Find My Apprenticeship Network provider page at www.australianapprenticeships.gov.au/search-aasn.



Who to contact?

For more information about apprenticeships you can contact <u>Australian Apprenticeships</u> by visiting their website at www.australianapprenticeships.gov.au/ or by calling them on 13 38 73.

Tailored advice from your industry association

Your industry or business association can provide tailored advice and assistance. For more information visit:

- the Australian Chamber of Commerce and Industry's website for a list of industry organisations and chambers at www.acci.asn.au/Our-Network
- the Ai Group, who represent employers across a variety of industries, at www.aigroup.com.au
- our website for a list of registered organisations at www.fairwork.gov.au/registeredorgs

State and territory training authorities:

- ACT Skills Canberra ACT Chief Minister, Treasury and Economic Development Directorate: www.cmtedd.act.gov.au/skillscanberra or call (02) 6205 8555
- NSW Training Services NSW NSW Department of Industry: <u>www.training.nsw.gov.au</u> or call 13 28 11 (NSW) or 1300 772 104 (interstate)
- NT Department of Trade, Business and Innovation Department of Business: nt.gov.au/employ/apprenticeships-and-traineeships or call (08) 8935 7707
- QLD Department of Education and Training: www.qld.gov.au/education or call 1800 210 210
- SA Department of State Development: https://www.skills.sa.gov.au/apprenticeships or call 1800 673 097
- TAS Skills Tasmania -Department of State Growth: www.skills.tas.gov.au/apprenticeshipstraineeships or call 1800 655 846
- VIC For apprenticeship regulatory matters, including the regulation of Group Training Organisations –
 Victorian Registration and Qualifications Authority: www.vrqa.vic.gov.au or call 1300 722 603
- VIC For all other apprenticeship matters Department of Education and Training: www.education.vic.gov.au/training/learners/apprentices or call (03) 9637 2000
- WA Apprenticeship Office Department of Training and Workforce Development: www.dtwd.wa.gov.au/apprenticeship-office or call 13 19 54 (WA) or (08) 6551 5499 (interstate)

State and territory workplace health and safety bodies:

- Commonwealth Comcare: www.comcare.gov.au
- ACT Work Safe: www.worksafe.act.gov.au
- NSW SafeWork: www.safework.nsw.gov.au
- NT WorkSafe: www.worksafe.nt.gov.au
- QLD Workplace Health and Safety Queensland: www.worksafe.qld.gov.au
- SA SafeWork: www.safework.sa.gov.au
- TAS WorkSafe: www.worksafe.tas.gov.au
- VIC WorkSafe: www.worksafe.vic.gov.au
- WA WorkSafe: www.commerce.wa.gov.au/WorkSafe

