

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Employment, Small Business and Training
Name of the proposal	Sunset review of the <i>Further Education and Training Regulation 2014</i> (FET Regulation)
Submission type	Summary IAS
Title of related legislative or regulatory instrument	<i>Further Education and Training Act 2014</i> <i>Further Education and Training Regulation 2014</i>
Date of issue	July 2024

What is the nature, size and scope of the problem? What are the objectives of government action?

The FET Regulation, made under the *Further Education and Training Act 2014* (FET Act), commenced on 1 July 2014 and is due to automatically expire on 1 September 2024. The automatic expiry is in accordance with section 54 of the *Statutory Instruments Act 1992*, which provides that subordinate legislation expires on 1 September first occurring after the tenth anniversary of the day of its making.

The FET Act provides for the regulatory framework for apprenticeships and traineeships in Queensland. Apprenticeships and traineeships integrate employment and structured training, whereby an apprentice or trainee enters into a training contract with an employer for a nominal period of time, in order to gain competence in a trade (apprentice) or vocational area (trainee).

Data shows that as of June 2024, there were approximately 55,500 apprentices and 28,500 trainees in training under a registered training contract in Queensland. As of 30 June 2024, there were 141 apprenticeships and 333 traineeships approved for delivery in Queensland.

The FET Regulation currently prescribes necessary matters for the purpose of the FET Act. The FET Act provides for limited matters to be prescribed by regulation, in particular:

- additional matters which can be included in a declaration of an apprenticeship and traineeship;
- requirements for keeping, producing, and updating the training record for an apprenticeship or traineeship; and
- provision and costs for copies of certain apprenticeship and traineeship related documents.

A sunset review of the FET Regulation is required to be undertaken to evaluate the continuing need, effectiveness, and efficiency of the regulation. The objective of this regulatory proposal is to prescribe the following necessary matters for the purpose of the FET Act, ensuring a robust regulatory framework for apprenticeships and traineeships in Queensland is maintained.

Declaration of an Apprenticeship or Traineeship

Section 8(2) of the FET Act provides for the chief executive to declare employment-based training, which leads to a qualification or statement of attainment, to be an apprenticeship or traineeship in Queensland. The declaration of an apprenticeship or traineeship may include the matters stated in section 8(4) of the Act, such as minimum hours of paid employment and whether a school student may complete the apprenticeship or traineeship.

Additionally, section 8(3)(c) of the FET Act permits other matters, prescribed in the FET Regulation, to also be included in the declaration. These matters relate to industry requirements specific to the apprenticeship or traineeship being declared including:

- the minimum education level for a person starting the apprenticeship or traineeship.



- whether prior approval of an industry body, employer group, or regulatory authority is required before a person can start an apprenticeship or traineeship.
- supervision requirements for the apprenticeship or traineeship and the qualifications and experience the supervisor must have.

The declaration process ensures that where industry identify a training need and no apprenticeship or traineeship exists in Queensland to meet this need, an apprenticeship or traineeship can be considered and declared.

Further, the declaration process also provides a framework for existing apprenticeships and traineeships to be reviewed and re-declared, generally when nationally endorsed vocational education and training qualifications are revised and replaced, to ensure that apprenticeships and traineeships in Queensland remain relevant and current.

When an apprenticeship or traineeship is declared, the declaration is published on the department's Queensland Training and Information Service website – <https://www.qtis.training.qld.gov.au/>. During the first six months of 2024, five new apprenticeships and three new traineeships were declared in Queensland.

Training records

Under section 4 of the FET Regulation, the supervising registered training organisation (SRTTO) must give the apprentice or trainee an appropriate training record for the apprenticeship/traineeship within 14 days after the training plan for the apprentice/trainee has been signed by all parties. The SRTTO decides the format of the training record, for example, a book format or electronic format. (Note: *Training plans* are prescribed under the FET Act and are different from *training records*.)

Additionally, section 4 outlines who is responsible for keeping, maintaining, and updating the training record; and the frequency for updating the training record.

The training record documents an apprentice's or trainee's learnings and progress throughout the apprenticeship/traineeship – both workplace tasks completed under the employer and formal training delivered by the SRTTO. It is utilised to inform where training may be lacking or requires revision, for example, workplace tasks being provided by the employer may not be suitable for the qualification being undertaken; or the apprentice is not grasping a required workplace task, therefore cannot be moved onto more advanced tasks.

Penalties apply for offences in relation to the training record under section 4 of the FET Regulation, however, there have been no offences pursued by the department since its introduction. Additionally, failure to keep the training record as prescribed by the FET Regulation in the way prescribed, or produce it when requested, may constitute misconduct under section 41 of the FET Act. Disciplinary provisions under section 42 allow for a reprimand or fine to be issued to an apprentice, trainee, or employer if they have engaged in misconduct.

The department's key focus has long been on supporting apprentices/trainees, employers, and SRTTOs through education about their obligations under the FET Act and FET Regulation and, where possible facilitating suitable outcomes ahead of using regulatory solutions or penalties.

Disciplinary provisions under the FET Act cover a range of matters, therefore data specific to the issuing of a reprimand or fine in relation to the keeping, maintaining, or producing the training record since the introduction of the FET Regulation cannot be determined. However, since January 2020, a more mediated and supportive approach across all apprenticeship and traineeship matters has resulted in no disciplinary fines and only two reprimands being issued by the department.

Prescribed documents and fees

The Department keeps documents for individuals under the FET Act, the repealed *Vocational Education, Training and Employment Act 2000* (VETE Act), and other repealed Acts. These documents relate to apprenticeships and traineeships in Queensland. The FET Act provides the authority to provide copies of documents as prescribed in the FET Regulation and to charge fees.

Copies of documents, such as completion certificates, training contracts, or certified extracts from the register of training contracts and other records, are provided to individuals on request. These documents establish that employment-based training under an apprenticeship or traineeship, or similar, has been completed by an individual in the past, or otherwise undertaken.

In a 12-month period, the department typically receives around 730 requests for copies of documents relating to apprenticeships and traineeships in Queensland. A majority of requests for documents are employment related, for example, to provide evidence of satisfactory completion of an apprenticeship or traineeship to – a potential employer; be eligible to supervise an apprentice or trainee; apply for an industry specific licence, such as a Queensland Building and Construction Commission licence.

The service of providing documents verifying that the employment-based training component under an apprenticeship or traineeship has been undertaken by an individual, can only be provided by the department.

The fees payable is set by the FET Regulation and indexed each financial year in accordance with Queensland Treasury guidelines. The fee payable as of 1 July 2023 is \$21.68 and remains the same for the 2024/25 financial year.

An analysis undertaken by the department on the full cost recovery for providing copies of historical apprenticeship and traineeship related documents to individuals determined that the fees would need to increase to around \$103.00 under a full cost recovery model.

The following is an indication of the fee levels set by State Training Authorities in other jurisdictions for providing similar documents:

- Northern Territory, South Australia and Western Australia have no charge for recovery or reissue of these documents.
- Victoria charges around \$99.00, New South Wales (NSW) around \$60.00 and Tasmania around \$18.00.

The department does have an agreed reciprocal arrangement with State Training Authorities in both Victoria and NSW to provide certified extracts of training records.

Individuals who have completed some unlicensed apprenticeships and many traineeships may be able to satisfy employment related requirements for documents by obtaining verification from their registered training organisation (RTO) that the qualification under the apprenticeship or traineeship has been completed. Each RTO sets their own fees for a replacement qualification certificate. As an example, TAFE Queensland currently charges a fee of \$30.00.

Queensland trade licensing authorities, such as the Queensland Building and Construction Commission (QBCC) and Electrical Safety Office, currently charge comparable fees to replace a lost, damaged, or destroyed licences of \$32.91 (QBCC licence certificate), \$9.33 (QBCC licence card), and \$35.72 (electrical work licence).

What options were considered?

Option 1 – No regulation – the FET Regulation is allowed to expire (status quo)

Declaration of an apprenticeship or traineeship

When declaring an apprenticeship or traineeship under the FET Act, additional requirements may also be included which are currently prescribed in the FET Regulation, such as:

- the minimum education level for a person starting an apprenticeship or traineeship.
- whether prior approval of an industry body, employer group, or regulatory authority is required before a person can start an apprenticeship or traineeship.
- the requirements for supervision of an apprentice or trainee and the qualifications and experience required to be held by a supervisor.

Allowing the FET Regulation to expire will remove consideration of these requirements from the declaration process.

Training records

The training record is essential for documenting an apprentice's or trainee's learnings and progress throughout the apprenticeship/traineeship – both workplace tasks completed under the employer and formal training delivered by the SRTTO.

Allowing the FET Regulation to expire will remove the legislative requirements for who is responsible for providing, keeping, maintaining, and updating the training record; the frequency for updating the training record; and the format of the training record.

Prescribed documents and fees

Section 191 of the FET Act provides that information about a person obtained for the purposes of the FET Act cannot be disclosed or communicated to another person except in the circumstances listed in section 191(3). Section 191(3)(b) permits disclosure of the information if authorised under the FET Act.

Section 195(1) of the FET Act provides that a person may apply for a copy of a document held by the chief executive and prescribed by regulation that relates to an apprenticeship or traineeship for the person. Further the chief executive is permitted to provide a copy of the prescribed document upon payment of the prescribed fee.

If the FET Regulation was allowed to expire, the department's authority to provide information to individuals relating to their apprenticeship or traineeship, or similar, formerly undertaken in Queensland would be limited by the protection of confidentiality under section 191 of the FET Act.

Option 2 – Remake the FET Regulation as is, however, increase fees to reflect cost recovery

This option seeks to remake the FET Regulation as is, for matters relating to the declaration of apprenticeships and traineeships in Queensland, training record requirements, and prescribed documents.

The prescribed fees under the FET Regulation are subsidised by the department. The fee payable as of 1 July 2023 is \$21.68 and is indexed each financial year in accordance with Queensland Treasury guidelines, however, remains the same for the 2024/25 financial year following a decision by the Government, to support the community with the cost of living.

An analysis undertaken by the department on the full cost recovery for providing copies of historical apprenticeship and traineeship related documents to individuals determined that the fees would need to increase to around \$103.00 under a full cost recovery model.

Option 3 – Remake the FET Regulation as is (Preferred Option)

This option seeks to remake the FET Regulation as is, for all matters, with no change to the fees. The prescribed fees would continue to be subsidised by the department, indexed each financial year in accordance with Queensland Treasury guidelines. Indexation seeks to maintain the value of the fee level over time relative to the anticipated increase in associated costs to the department.

What are the impacts?

Option 1 – No regulation – the FET Regulation is allowed to expire (status quo)

- Impacts for apprentices, trainees and individuals

Without the current protections provided by the FET Regulation in relation to consideration of additional requirements under an apprenticeship/traineeship declaration and the training record, the ability of the department to enforce requirements to assist those more vulnerable in the workplace to achieve equitable and quality training outcomes would be reduced. This may have an impact for apprentices and trainees resulting in relationship breakdowns with their employer, lower completion rates, possible lost confidence in the apprenticeship and traineeship system, and lost future income prospects.

A limit in the department's authority to provide information to individuals about their previously undertaken apprenticeship or traineeship would impact individuals if they could not obtain a copy of documents, particularly if required as evidence to gain employment or to upskill to increase future income prospects.

Additionally, the current agreed reciprocal arrangement the department has with State Training Authorities (STAs) in both Victoria and NSW to request and provide extracts of information from apprenticeship/traineeship records may break down. Under this arrangement, extracts provide information about individuals who have partially completed an apprenticeship/traineeship in the other State.

Individuals who have partially completed their apprenticeship/traineeship in another State and seek to have that time served credited towards continuing their apprenticeship/traineeship in Queensland are required to provide evidence of their time already served. Under the reciprocal arrangement, Victoria and NSW STAs provide this information directly to the department free of charge. However, if this arrangement was to breakdown, the individual would be required to obtain the extract of information directly from these Authorities and may incur a charge of up to \$99.00.

This may impact individuals by causing an affordability barrier and may result in lost employment prospects, lost confidence in the apprenticeship and traineeship system, and lost future income prospects.

- Impacts for employers and other stakeholders

Without the current protections provided by the FET Regulation in relation to consideration of additional requirements under an apprenticeship/traineeship declaration and the training record, an increase in workplace and stakeholder visits would be required by the department's regional officers to maintain a more balanced oversight of training requirements and arising issues and provide additional education and support to employers and other stakeholders about their obligations. This may have an economic impact overall for employers and stakeholders due to the increased time and resources required to participate in the additional visits.

A limit in the department's authority to provide information to individuals about their previously undertaken apprenticeship or traineeship would have an impact on employers by reducing the talent pool of prospective employees by those individuals who could not obtain a copy of documents necessary as evidence to be employed, particularly for skill shortage areas.

- Impacts for Queensland industry

Without consideration of bespoke industry requirements specific to an apprenticeship or traineeship as part of the declaration of an apprenticeship or traineeship process, and a regulated approach towards the training record, particularly for industries such as electrical and plumbing, industry may be impacted by a decrease in quality, industry relevant training outcomes. This may result in higher levels of workplace injury or illness, a decrease in productivity, and a reduction in stakeholder confidence in the apprenticeship and traineeship system.

- Impacts for Government

A decision to increase the department's regional office staffing levels to allow for an increase in visits to workplaces and with stakeholders to maintain a more balanced oversight of training requirements and arising issues and provide additional education and support would have an impact on resources of the department and other government departments to obtain Queensland Government consideration and approval.

Additionally, amending the FET Act to increase enforceability of requirements and/or enable adequate authority for the department to provide information to individuals relating to their apprenticeship or traineeship formerly undertaken in Queensland would have an impact on resources of the department and other government departments to obtain Queensland Government consideration and approval.

Option 2 – Remake the FET Regulation as is, however, increase fees to reflect cost recovery

- Impacts for apprentices, trainees and individuals

Increasing the prescribed fee for providing copies of documents to individuals from the current level of \$21.68 up to around \$103.00 may have an impact on individuals, particularly if documents are required to gain employment or to upskill to increase future income prospects. Individuals are often at their most vulnerable during times of unemployment or when income is low, and with the current cost of living pressures, an increase in fees may place obtaining documents beyond affordability thresholds.

- Impacts for employers

If an increase of fees to full cost recovery reduces the number of individuals applying for copies of documents relating to their previously undertaken apprenticeship or traineeship due to affordability, this may have an impact on employers by reducing the talent pool of prospective employees, particularly for skill shortage areas.

- Impacts for Government

An increase of fees to full cost recovery for around 730 requests for copies of documents each year would have an impact of increased revenue for the department of approximately \$59,360 per year. However, a decision to increase the prescribed fees would counterproductively have an impact on resources of the department and other government departments to obtain Queensland Government consideration and approval.

Option 3 –Remake the FET Regulation as is (Preferred Option)

- Impacts for apprentices, trainees and individuals

Remaking the FET Regulation will ensure the continuation of consideration of bespoke industry requirements specific to an apprenticeship or traineeship, and enforceability of the training record requirements by the department. This will impact apprentices and trainees, who are often the more vulnerable in the workplace, resulting in more equitable and quality training outcomes, increased completion rates, and improved future income prospects.

The department's authority to provide information to individuals about their previously undertaken apprenticeship or traineeship will continue if the FET Regulation was remade. The prescribed fee for providing copies of documents to individuals will remain at the current level of \$21.68, which may impact affordability for individuals, however individuals will also benefit by being able to provide the evidence required to gain employment, or to upskill to increase future income prospects.

Additionally, the current agreed reciprocal arrangement the department has with STAs in both Victoria and NSW to request and provide extracts of information from apprenticeship/traineeship records will continue, ensuring individuals moving from Victoria and NSW and seeking to continue their apprenticeship/traineeship in Queensland will not be disadvantaged. This will impact those individuals who may have faced affordability barriers with having to pay to obtain documents from these STAs, resulting in increased employment and future income prospects.

- Impacts for employers, other stakeholders and industry

Remaking the FET Regulation will ensure the continuation of consideration of bespoke industry requirements specific to an apprenticeship or traineeship, and enforceability of the training record requirements by the department. Additionally, an increase in workplace and stakeholder visits would not be required by the department's regional officers to maintain a more balanced oversight of training requirements and arising issues or provide additional education and support.

Maintaining regulatory obligations may have a minor impact on employers and SRTOs in comparison to the status quo of no regulation, however these impacts are far outweighed by the increased benefits to employers and industry through quality training outcomes, increased productivity, and a robust apprenticeship and traineeship system.

The structured nature of the training record not only aids in learning but also in proving competence and readiness for roles. Therefore, investment in a training record is generally seen as a worthwhile endeavour for both apprentices and the organisations training them.

Who was consulted?

A consultation paper was developed and circulated to various stakeholders, including apprentices, the Queensland Training Ombudsman, employer and union representative groups, and registered training organisation bodies, as part of the department's regulatory review of the FET Regulation. Feedback received from stakeholders was in support of remaking the FET Regulation as is, with no change to the fees.

The Department of the Premier and Cabinet, Queensland Treasury, and the Office of Best Practice Regulation (OBPR) were consulted. None of these agencies raised concerns with proceeding with the process to remake the FET Regulation.

The department also worked closely with OBPR whose feedback informed the final Summary Impact Analysis Statement.

What is the recommended option and why?

Recommended option: *Option 3 –Remake the FET Regulation as is*

The objective of this regulatory proposal is to prescribe the necessary matters for the purpose of the FET Act, ensuring a robust regulatory framework for apprenticeships and traineeships in Queensland is maintained.

Remaking the FET Regulation as is, will achieve this objective by ensuring apprenticeships and traineeships remain industry relevant, and continuing to provide protections for apprentices and trainees to achieve equitable and quality training outcomes.

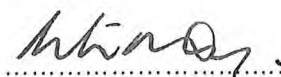
The prescribed documents under the current FET Regulation are widely regarded as sufficient to meet individual needs, and the providing of these documents is a valuable service for individuals. When balancing the potential increased revenue for the department against the initial resourcing required to gain approval to increase the prescribed fees, and the level of affordability during times of skills shortages and high cost of living, increasing the fees to reflect cost recovery is not considered a suitable option for effectiveness and efficiency, and to support the economic, social, and general wellbeing of Queensland.

Following stakeholder consultation, remaking the FET Regulation as is, is also considered the preferred option for effectiveness and efficiency, to maintain stakeholder confidence in the apprenticeship and traineeship system, and to support the economic, social, and general wellbeing of Queensland.

Impact assessment

	First full year	First 10 years
Direct costs – Compliance costs	Apprentices, trainees, and individuals will incur a cost of \$21.68 for each document requested.	Cost of documents will be indexed in accordance with Queensland Government Policy and therefore the costs to the individual over the next 10 years will remain relative to the first full year's cost.
Direct costs – Government costs	Costs to government are estimated at around \$60,000 per annum based on the average number of requests for documents received each year.	Over 10 years the estimated cost to government based on the first full year's impact is \$600,000.

Signed



Peter McKay
Director General
Department of Employment, Small Business
and Training

Date: 24 / 07 / 2024



Lance McCallum MP
Minister for Employment and Small Business and
Minister for Training and Skills Development

Date: 24 / 7 / 24