

# Guide to taking on an apprentice



The Fair Work Ombudsman is committed to providing you with advice that you can rely on.

The information contained in this guide is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

### Why use this guide?

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 <u>Hiring employees online learning course</u> has interactive activities, templates and checklists to help you through these steps – you can complete it for free at 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 information about <u>trainees</u> visit fairwork.gov.au/apprenticestrainees



# **Step 1: 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.

#### The National Employment Standards

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

- Maximum weekly hours 38 hours per week, plus reasonable additional hours
- Requests for flexible working arrangements certain employees can request a change in their working arrangements
- Parental leave up to 12 months unpaid leave per employee, as well as the right to request an additional 12 months leave
- Annual leave 4 weeks paid leave per year, plus an additional week for some shiftworkers

- Sick and carer's leave (also known as personal/carer's leave) and compassionate leave 10 days per year paid sick and carer's leave (pro rata for part-time employees), 2 days unpaid carer's leave and 2 days compassionate leave as required
- Family and domestic violence leave 10 days paid leave per year\*
  - \*For small business employers, paid family and domestic violence leave starts from 1 August 2023. Until then, employees of a small business can access up to 5 days unpaid family and domestic violence leave. A small business, for these purposes, is one that had less than 15 employees on 1 February 2023.
- **Community service leave** unpaid leave for voluntary emergency management activities and leave for jury service
- Long service leave paid leave for employees who have been with the same employer for a long time
- **Public holidays** an entitlement to a day off on a public holiday, unless reasonably requested to work
- Notice of termination and redundancy pay up to 5 weeks notice of termination and up to 16 weeks redundancy pay
- Fair Work Information Statement and <u>Casual Employment Information Statement</u> the
  Fair Work Information Statement must be provided to all new employees. Visit
  fairwork.gov.au/fwis to download a copy. The Casual Employment Information Statement
  must also be provided to casual employees (visit fairwork.gov.au/ceis to download a copy).
  Note that apprentices and trainees can't be engaged on a casual basis.
- Casual conversion the right for a casual employee to become a permanent employee in some circumstances. Note that apprenticeships and traineeships can't be done on a casual basis.

For more information about each of the NES visit 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 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 <u>agreements</u> go to fairwork.gov.au/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 <u>help with pay rates</u> go to fairwork.gov.au/pact or contact 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 skills 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 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:
  - o the apprentice's name
  - o the employer's name and ABN
  - the apprentice's employment status (full-time or part-time and permanent or fixed term)
  - o 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.

**Important:** While you need to keep a record of leave balances and any leave taken by employees, pay slips must not mention paid family and domestic violence leave, including leave taken and leave balances.

Visit fairwork.gov.au/recordkeeping for more information about keeping records.

You also need to give all employees a pay slip within 1 day of paying their wages.

To find out more about <u>what has to be on a pay slip</u> or to download our <u>template pay slip</u>, go to 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 on the <u>Australian Taxation</u> <u>Office's (ATO) website</u> at ato.gov.au



#### 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 body.



## Step 2: 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** usually work, on average, 38 hours per week (or 36 hours for some workplaces), plus reasonable additional hours.
- part-time apprentices work, on average, 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 sick and 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 different types of employees at fairwork.gov.au/employee-types

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 <u>Hiring employees online learning course</u> at 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 website</u> at australian apprenticeships.gov.au or get in touch with your local provider.



## **Step 3: 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. You will also need a negotiated training plan endorsed by the relevant RTO and agreed to by the apprentice. The training plan should specify:

- the qualification to be issued on completion of the training plan
- the training/tasks to be delivered by you (the employer)
- the training to be delivered by the RTO and where and when that training will occur
- the end date of the apprenticeship
- units of competency that the apprentice must achieve together with the expected completion date for each unit
- any relevant units of competency that the apprentice has already completed (recognition of prior learning)
- training materials, resources, facilities and supervision arrangements that will support the training
- any additional support the apprentice may require if there are identified barriers of learning (for example, poor literacy and numeracy skills)
- how and when the RTO plans to monitor and assess the apprentice's progress
- an addendum, used to capture additional information required for school-based apprenticeships.

You must also provide the employee with a copy of the <u>Fair Work Information Statement</u>, available to print at fairwork.gov.au/fwis (this must be given to every new employee when they start work) and any forms that need completed such as a tax file declaration and superannuation paperwork.

It's best practice to give your apprentice a contract of employment or employment offer which sets outs things like their pay and entitlements, which can't be lower than the minimum entitlements under their award or agreement. To help them understand what's expected of them and what they can expect too, it's a good idea to also include copies of any relevant company policies such as a code of conduct, uniform or social media policies.

# Step 4: 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</u> <u>conversations in the workplace - manager course</u> at 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 a provider page at australian apprenticeships.gov.au/search-aasn

HIRING CHECKLIST	COMPLETED
Know the award/agreement	
Most apprentices will be covered by an award or agreement which sets out their minimum terms and conditions. This includes things like annual leave, sick leave, parental leave and what penalties/allowances are paid. The formal training contract may have additional entitlements that reflect the apprenticeship requirements.	
Decide on the apprentice's employment status	
To work out the right pay and conditions you'll need to know whether your apprentice is full-time or part-time (which must be approved in the apprentice's training contract).	
Get pay rates right	
There are different minimum pay rates for different jobs. Your apprentice may also be entitled to additional penalty rates and allowances depending on the type of work they do.	
<b>Important:</b> Check before you advertise – job advertisements can't include pay rates that undercut employees' minimum entitlements. Find the correct pay rates for your apprentice by using our <u>Pay Calculator</u> at fairwork.gov.au/pact	
Agree on hours and rostering	
Under most awards you'll need to agree with your employees on their hours of work and rostering in advance. You can use our <u>free templates</u> which are available at fairwork.gov.au/templates	
Know your pay slips and record-keeping obligations	
You need to keep written time and wages records for your employees for seven years. You also have to give all of your employees a pay slip within one day of paying their wages. You can find out more or download our <a href="free templates">free templates</a> at fairwork.gov.au/recordkeeping	
Check your workplace health and safety and worker's compensation	
You need to provide your employees with a safe workplace. Visit your state or territory's work health and safety body for more information.	
Organise training	
You need to organise the training arrangements for your apprentice. This includes registering a training contract with the relevant state or territory training authority and agreeing on a training plan with the RTO, employer and apprentice. These will set out what times/days your apprentice will be attending external training, how you will be informed of their progress and who to speak to at the RTO about your apprentice's performance.	
Complete the paperwork	
It's best practice to give your apprentice a letter of engagement or written contract. You also need to give them the Fair Work Information Statement and have them complete any relevant paperwork (for example, Tax File Declaration Form and bank account details for wages).	
Conduct an induction	
Get off to a good start, make sure expectations are clear and help your apprentice settle in quickly by having a thorough induction.	



For more information about apprenticeships you can contact <u>Australian Apprenticeships</u> by visiting their website at australian apprenticeships.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 <u>Australian Chamber of Commerce and Industry's website</u> for a list of industry organisations and chambers at australianchamber.com.au
- the Ai Group, who represent employers across a variety of industries, at aigroup.com.au
- The Fair Work Commission's website for a list of <u>registered organisations</u> at fwc.gov.au/registered-organisations/find-registered-organisation

#### State and territory training authorities:

- ACT Skills Canberra ACT Chief Minister, Treasury and Economic Development Directorate: <a href="act.gov.au/skills">act.gov.au/skills</a> or call (02) 6205 8555
- **NSW** Training Services NSW NSW Department of Industry: <u>training.nsw.gov.au</u> or call 13 28 11 (local) or 1300 772 104 (interstate)
- **NT** Department of Trade, Business and Innovation: <a href="nt.gov.au/employ/apprenticeships-and-traineeships">nt.gov.au/employ/apprenticeships-and-traineeships</a> or call (08) 8935 7707
- QLD Department of Education and Training: <a href="mailto:qld.gov.au/education/apprenticeships">qld.gov.au/education/apprenticeships</a> or call 1800 210 210
- **SA** Department of State Development: <a href="mailto:skills.sa.gov.au/apprenticeships-traineeships">skills.sa.gov.au/apprenticeships-traineeships</a> or call 1800 673 097
- TAS Skills Tasmania Department of State Growth: skills.tas.gov.au/apprenticeships and traineeships or call 1800 655 846
- VIC For apprenticeship regulatory matters, including the regulation of Group Training Organisations - Victorian Registration and Qualifications Authority: <u>vrqa.vic.gov.au</u> or call 1300 722 603
- VIC For all other apprenticeship matters <u>apprenticeships.vic.gov.au</u> or call (03) 9651 4701
- **WA** Apprenticeship Office Department of Training and Workforce Development: <u>dtwd.wa.gov.au/apprenticeship-office</u> or call 13 19 54 (local) or (08) 6551 5499 (interstate)

#### State and territory workplace health and safety bodies:

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

#### **CONTACT US**

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service

(TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline

13 13 94

Speak & Listen: **1300 555 727**. Ask for the Fair

Work Infoline 13 13 94

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