



**National Australian
Apprenticeship Association**

Evolving the Apprentice Connect Australia model for maximum effectiveness

Technical Paper

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1. Executive summary

The central lesson from a comprehensive review of user feedback is that the Apprentice Connect Australia (ACA) service should be made more visible, more responsive and more focused on the parts of the apprenticeship relationship that drive success. The current system contains national reach, deep technical knowledge and a provider network capable of guiding apprentices and employers through a complex federated system. Those capabilities become more valuable, not less, as the economic and policy environment becomes more challenging.

ACA should enter Contract 9 heeding the feedback from apprentices, trainees and employers and be a more relational, more intelligent and less administratively intensive national service. The central proposition is that in the next contract apprentices will know who supports them, employers should find the system easier and more worthwhile to participate in, problems should be visible earlier, training should be better aligned with the changing nature of work, administration should consume less human effort, and more apprentices should complete.

The current ACA framework contains many of the right objectives. The current support services are intended to improve retention, completion and satisfaction through integrated, targeted support from before commencement to completion, and to minimise administrative burden on apprentices and employers. The service suite combines assessment, engagement and technical support, and mentoring and personal support. The problem is not that the model lacks purpose. The problem is that the way the service is segmented, contracted, recorded and paid can work against those objectives in practice (DEWR, 2025).

Instead, the Department should procure a national service with state and territory based contracts that combines universal relationship coverage with differentiated support, delivered through ACA providers that have sufficient scale to maintain local employer networks and national consistency. Digital and AI infrastructure should be common where consistency, assurance and data portability matter, while providers should retain flexibility in how they organise staff and local service delivery.

The contract should define an explicit universal service guarantee. Every apprentice and employer should have a named provider navigator. Every first-year apprentice should receive meaningful human contact at agreed early milestones. Every apprentice should have a visible route to independent support. Every first-time employer should be offered Gateway recruitment, induction and supervisor support. Every customer who cannot use the digital channel should be able to obtain assisted service without starting again.

The contract should also define the differentiated service layer. Providers should have authority and funding to respond when events or where professional judgement indicates additional need. Mentoring should be purchased flexibly enough to match the cadence of the issue. Specialist capability should be accessible through integrated arrangements without fragmenting the customer relationship. Regional and remote loadings should continue to reflect higher service costs where appropriate.

DEWR should specify data and interoperability standards rather than prescribing separate provider technology stacks. Providers should be required to use the national identity, record, rules, consent and AI assurance layers for relevant transactions. They should be able to innovate around workflow and customer engagement where this does not create inconsistent advice or undermine portability.

The performance framework should distinguish digital interactions from service interventions. Automated reminders, chatbot sessions and system-generated prompts are useful operational data but should not be counted as equivalent to a progress contact conversation. Provider KPIs should place increasing weight on first-year service coverage, customer-confirmed support, timeliness, issue resolution, employer administrative effort, training commencement, successful transfer and recommencement, continuation and completion.

A strengthened governance mechanism should sit above the contract. Building on the existing continuous improvement groups, DEWR should maintain a provider and stakeholder forum that reviews operational evidence, digital incidents, AI performance, emerging customer friction and policy interactions. Changes to service requirements should be tested against the five principles in this paper: does the change improve the user journey, respond to evidence, support employer participation, prepare the system for future conditions and improve value for money.

The evidence assembled during 2026 is unusually consistent. Apprenticeship Support Australia's National First Year Experience Survey identifies the first year as the period in which confidence, commitment, supervision and support matter most. Other provider research identifies the first three to six months as the critical window and finds that confidence, workplace communication and understanding expectations are more prominent early challenges than technical skill. Both studies elevate the importance of the workplace supervisor or mentor. At the same time, DEWR's own ADMS user research finds that the system requires too much interpretation, that notifications are not sufficiently visible or actionable, that repeated entry and document handling create friction, and that time poverty turns friction into abandonment (ASA, 2026; DEWR, 2026).

NAAA's Apprentice First Strategy places these findings in a wider economic frame. Apprenticeships and traineeships should be treated as national capability and resilience infrastructure: a way of building practical, technical, care and infrastructure capability while Australia responds to AI, housing pressures, climate adaptation, geoeconomic uncertainty, cyber risk and demographic change. On that view, employer participation is not a residual market decision. It is an objective that should be deliberately supported, while the quality of the apprenticeship employment and training experience is actively strengthened (NAAA, 2026a).

Artificial intelligence should be designed into this model from the start, but within firm authority boundaries. The strongest AI opportunities are the structured and verifiable tasks that currently consume provider and customer time: information gathering, document checking, evidence extraction, transcription, file-note drafting, routine questions, status tracking and claims preparation.

The digital model should be national while service delivery remains local. DEWR should own the common identity, authoritative record, knowledge, consent, rules, orchestration and AI assurance layers. Providers should remain the accountable human service layer. An apprentice or employer should experience one journey even when DEWR, an ACA provider, an RTO, a State Training Authority and a specialist service are contributing behind the scenes. The system should detect events such as delayed training commencement, unresolved claims, supervisor changes, missed milestones or cancellation and route the right next action to the right person.

Contract 9 will not be fully effective if adjacent artefacts remain unchanged. The Australian Apprenticeship Incentive System Guidelines, Training Contract, employer registration arrangements, ADMS transaction architecture, RTO and state data standards, the Australian Apprenticeships Priority List, Australian Skills Guarantee and procurement settings, group training and shared-employer mechanisms, direct apprentice financial supports and national monitoring arrangements all shape whether ACA can do its job. These reforms should be designed as a companion package rather than left to separate policy cycles.

The value-for-money opportunity is therefore not to remove the human service layer. It is to remove low-value handling around that layer. The current contract is highly administratively prescriptive meaning that automation could release resources for recruitment, supervisor capability, progress contacts and more flexible mentoring. Contract 9 should convert that opportunity into an explicit productivity approach: providers use common national digital infrastructure and accept stronger automated assurance; government redirects the efficiency dividend into earlier human contact, employer engagement and effective intervention; and performance is measured more directly through customer experience, timeliness, continuation, issue resolution and completion.

Under contract 8 the difficulty is that the operating logic has become increasingly segmented. General Services apprentices can be supported through capped mentoring places when an issue is identified,

while Enhanced Services apprentices in key client groups have guaranteed demand-driven access for the first mentoring service period. Departmental emails are used to contact General Services apprentices at relevant progress points, while provider-led contacts are more intensive for Enhanced Services. The mentoring product itself is tightly structured around a twelve-month service period and three payable contacts, with additional contacts unpaid even where they are operationally necessary (DEWR, 2025).

This structure has advantages. It directs scarce resources toward recognised barriers and establishes clear contractual rules. But the 2026 evidence indicates two weaknesses. First, risk is dynamic: a person who appears low risk at commencement can encounter a poor workplace match, financial stress, delayed training, a supervisor change or an employer failure within weeks. Second, the factors associated with retention are often relational and experiential rather than demographic. A supportive supervisor, clear expectations, regular feedback, timely training and knowing where to go for help matter across cohorts. A model that waits for a complex need to become visible can therefore be late by design.

The Association argues that refining the apprenticeship support services model must be considered separately from a parallel process of reforming employment services. The reasons the two DEWR program streams have been separated in the past remains pertinent. The apprenticeship system is a complex set of federated arrangements where there are currently few touchpoints before an apprentice or trainee is recruited by an employer. The low unit price¹ is predicated on maintaining the economies of scale required to deliver the universal sign-up service across Australia. Disaggregation risks loss of deep domain expertise, a poor user experience and a higher unit price.

The next five years will require Australia to expand practical capability at a time when employers face additional costs, uncertainty and technological change. The Strategy argues that integrated work-based learning is a national asset because it develops competence, then proficiency and eventually mastery through real work, feedback and responsibility.

NCVER figures show that the pipeline is weakening, with trade and especially non-trade in-training levels falling materially since 2022 while the wider labour force has grown significantly. In that context, ACA should not be designed as a narrow administrative support contract. It should be one part of an integrated national system for employer participation, apprentice success and workforce resilience.

The design task for Contract 9 is therefore to preserve the national consistency, trusted navigation and technical expertise of ACA while evolving the operating model around five principles, that it is:

- User centric
- Evidence informed
- Employer engaged
- Future focused
- Value for money

These principles are mutually reinforcing. User-centric service requires evidence about where people experience friction. Employer engagement requires a value proposition that is financially and administratively credible. Future-focused delivery requires AI and better data, but AI only creates value when roles and authority are well designed. Value for money requires automation, but the resulting capacity should be redirected to the human contacts that improve the experience and protect completion.

THE CONTRACT 9 PROPOSITION

Automate the paperwork. Augment the adviser. Protect the relationship. Make the whole system easier for apprentices and employers to navigate and use the savings to buy more of the human support that the evidence shows improves outcomes.

¹ \$498 per apprentice or trainee supported in the first year of the ACA contract

NAAA recommends that the commonwealth government adopt the following integrated reform package. The recommendations are intentionally expressed as system settings rather than isolated program ideas.

System design and development

1. Adopt a universal first-year service guarantee for every apprentice and employer, with meaningful provider-led human contact at early milestones and differentiated support as needs emerge.
2. Assign a named ACA navigator to every apprenticeship and make that relationship visible in the national digital account from commencement to completion, transfer or exit.
3. Implement a light touch employer registration process for first time employers of apprentices. Streamline the sign-up process for established apprentice employers.
4. Restore and strengthen an ACA Gateway covering recruitment, realistic job and qualification matching, induction, supervisor readiness and early training planning.
5. Redesign ACA mentoring as flexible occasions or episodes of service rather than a rigid three-contact product, while preserving specialist capability and independent support.
6. Move incentive claiming toward a tell-government-once model using verified data, pre-fill, deterministic rules and human exception handling rather than repeated evidence submission.
7. Build a national apprentice and employer digital account linked to ADMS, with actionable notifications, conversational assistance, visible milestones and one-click access to the named ACA provider.
8. Establish a DEWR-owned national AI and orchestration layer covering authoritative knowledge, event detection, low-risk automation, claims preparation and service monitoring, with firm human authority boundaries.
9. Require providers to use AI primarily to automate structured administration and augment professional work, while retaining human accountability for sensitive, adverse, safety, contractual and relationship decisions.
10. Shift the Contract 9 performance framework from activity-heavy compliance toward customer-confirmed service quality, first-year coverage, issue resolution, administrative effort, training commencement, retention, recommencement where required and completion.

System procurement

11. Preserve the economies of scale of generalist ACA infrastructure while integrating specialist expertise through approved subcontracting, placed based and professional referral arrangements that do not fragment the customer journey.
12. Treat provider automation savings as a productivity dividend to be reinvested in earlier human contact, employer engagement, supervisor capability and effective intervention rather than assuming technology can replace the human service layer.
13. Procure Contract 9 and its companion digital and incentive reforms as one coordinated implementation program, with staged pilots, evaluation, customer safeguards, and data portability. Conduct regular productivity and service reviews to ensure DEWR designed tools are meeting customer expectations and delivering administrative savings.
14. Contract transitions can be disruptive to system users, particularly where large number of apprentices and trainees are reassigned between providers by DEWR. Aim to minimise the number of clients that are moved between providers at the commencement of Contract 9.
15. Ensure Contract 9 pricing realistically reflects the complexity of the service mix being purchased. Consider reintroducing a floor price, a 5 year plus 2 possible extension year contracting cycle with annual CPI increments.

Harmonisation reforms

16. Require a named workplace coach or supervisor to be recorded through a nationally harmonised Training Contract and lodgment rules.
17. Harmonise jurisdiction based sign up pre-requisites by embedding current paper based forms for SRTTO, TPP and TPO into ADMS and state based management systems. Use ADMS to validate other state based processes such as SA worksite registration.
18. Harmonise pre and school-based apprenticeships around the Queensland model.

19. Create timely RTO and state data standards so training commencement, material progression issues, cancellation, recommencement and completion are visible to the support system.

Companion reforms

20. Redesign apprentice and trainee supports through the tax system implementing broad based and generous tax free earnings caps. Keep additional supports targeted for those in highest need
21. Redesign employer incentives around a stable broad participation foundation, first-year quality, continuation and completion, with transparent strategic loadings and counter-cyclical stabilisers
22. Embed AI-enabled and cyber-aware capability into relevant apprenticeship and traineeship qualifications and develop new transition traineeships for workers displaced or exposed by changes in routine cognitive and service work.
23. Use a Skills Compact with hyperscalers, the Australian Skills Guarantee, public procurement, group training and shared-employer mechanisms to create and protect apprenticeship pipelines in housing, energy, climate adaptation, care, defence, digital infrastructure and other strategic sectors.
24. Establish a national apprenticeship skills and risk dashboard linked to annual participation targets, incentive loadings and automatic stabilisers, so temporary economic shocks do not become long-term skills shortages.

2. User centric: design the service around the apprenticeship relationship

User centric means designing around the real apprentice and employer journey, not around the boundaries between programs, service status or payment administration. It means a primary focus on apprentice and trainee wellbeing and success.

A user-centric ACA model should begin with a simple observation: an apprenticeship is not just a recruitment event. It is a multi-year employment, learning and supervision relationship involving at least an apprentice, an employer, an RTO, a state or territory training authority and the Commonwealth support system. The customer should not be expected to understand how those institutional responsibilities are divided before they can obtain help. But they should understand that their ACA provider will guide them through what they need to know.

DEWR's ADMS research provides a direct description of one dimension of the present user problem. Users report that ADMS requires too much interpretation, notifications are not reliably noticed or acted on, administrative effort can outweigh perceived value, technical and access friction occurs at critical moments, and successful users often rely on informal workarounds and social support. The research recommends clearer support pathways, more noticeable and actionable notifications, multiple communication channels, pre-filled information, fewer documentary requirements and simpler processes (DEWR, 2026).

The Contract 9 response should be to establish one visible journey. Every apprentice and employer should have a named ACA navigator from commencement to completion or exit. The navigator is not required to personally perform every task, but is accountable for making sure unresolved matters reach the right place and do not disappear between systems. The digital platform should display that person clearly, whilst keeping up with staffing changes. Where a specialist service, RTO or state authority becomes involved, the customer should still be able to see who owns the next action and when it is due.

A named navigator also addresses a weakness identified in provider research: many apprentices can describe the sign-up experience but lose sight of their ACA provider afterwards. We have argued that the reduction in provider touchpoints for the majority of apprentices, combined with reliance on Departmental email, has weakened the visibility of the service. The answer is not to abandon digital communication. It is to make digital communication part of a continuing relationship rather than a substitute for it (NAAA, 2026b).

2.1 A universal first-year service guarantee

The strongest consistent finding across the research is the importance of the first year. ASA describes the first year as the period in which attrition risk is highest and support, supervision, mentoring and clarity matter most. Other research narrows the most acute period to the first three to six months and finds that the leading early challenges are confidence and motivation, workplace communication, understanding expectations, coping with pressure and balancing study with work. Technical skill demands rank below these relational and adjustment issues (ASA, 2026).

Contract 9 should therefore provide a universal first-year service guarantee for every apprentice and employer. This does not mean giving every person an identical intensive mentoring program. It means guaranteeing a minimum service floor before risk is known. The floor should include a strong onboarding process, confirmation that formal training has commenced, confirmation that a workplace coach or supervisor is identified, an agreed first-year work and training plan, early human contact and a clear route to additional help.

An indicative contact pattern would include provider-led contact in the early weeks, a substantive check around the existing seven-week and three-month points, another review around six or seven months, a twelve-month review and less frequent continuing contact thereafter. The exact schedule should be tested with customers and aligned with state processes, but the policy objective should be fixed: no

apprentice should be effectively invisible to their ACA provider during the period when risk is highest. Automated reminders can sit between these points but should not be counted as completed human service interventions.

The service should be flexible enough to respond between scheduled contacts. An apprentice who reports a problem, an employer whose supervisor leaves, a training program that has not commenced or a claim that remains unresolved should generate an earlier response. This is the core difference between a calendar-led model and an event-enabled model. The calendar creates a guaranteed safety net; events create differentiated intensity.

2.2 Distinguish workplace coaching from external ACA mentoring

The research also requires precision in how the system talks about mentoring. Often apprentices will use “mentor” primarily to describe the supervisor, leading hand or experienced tradesperson in the workplace who guides the apprentice day to day. Provider research finds that a supportive supervisor or mentor is the highest-ranked completion driver, yet only around 40 per cent of apprentices could confirm a mentor in their own workplace. ASA uses a broader mentoring concept and reports much higher levels of perceived adequate mentoring, while also finding that apprentices want more regular check-ins, clearer guidance and more structured ongoing support (ASA, 2026).

These findings should not be treated as contradictory. They point to two different support functions. The workplace coach provides day-to-day occupational guidance, feedback, role modelling and confidence. ACA mentoring provides independent support when workplace, personal, financial or other issues threaten progress. Contract 9 should strengthen both.

The Training Contract should identify a named workplace coach. The apprentice should confirm that they know who the person is. Providers should help first-time and less experienced employers establish regular coaching conversations and psychologically safe ways for apprentices to raise questions. ACA mentoring should then remain an independent and confidential escalation route. This is particularly important where the workplace itself is the source of the problem.

The current mentoring framework is also too rigid for a service intended to respond to changing circumstances. A fixed twelve-month period with three payable contacts separated by at least three months can be administratively clear but does not align neatly with the rhythm of emerging issues. Contract 9 should purchase occasions of service or support episodes with sufficient flexibility for frequency and duration to follow need, while retaining documentation and quality expectations.

2.3 One digital front door, with assisted service built in

NAAA has previously proposed an Apprentice App linked to ADMS. Contract 9 should expand that concept into a common digital apprenticeship account for apprentices and an equivalent employer account. The account should not replicate the complexity of ADMS on a smaller screen. It should present the journey in plain language: who the ACA navigator is, who the workplace coach is, which RTO is responsible for training, when the next milestone occurs, what payments or actions may be due, what has already been completed and how to ask for help.

A conversational digital companion can provide a natural interface to this account. It should answer source-grounded questions about rights, obligations, incentives, training and next steps; explain the status of a transaction; prepare documents; and arrange a handover to the named provider. It should be able to say not only what the rule is but what the user needs to do next. The source, effective date and status of material guidance should be visible so that users can distinguish general information from formal decisions (NAAA, 2026c).

Digital access must not become a new exclusion mechanism. Providers should be funded and required to offer assisted digital service to people facing identity, literacy, disability, language, connectivity or evidence barriers. The same underlying workflow should be used so that a person who needs assistance does not have to restart the transaction or maintain a separate paper record. User centricity requires equivalent outcomes regardless of channel. The biggest weakness of the current model is that

those clients who need the support most are serviced by providers with the least viable contract sizes, may have limited access to mobile coverage, phones and computers and often lack the core documentation² to navigate the MyGov gateway to ADMS and other government services.

2.4 Align the workplace and RTO experience

ASA's recommendations emphasise timely and sequenced training, a structured first-year training plan and better coordination between workplaces and RTOs. This matters because an apprentice experiences one apprenticeship even though employment and formal training are governed through different institutions. Delayed RTO commencement, repeated non-attendance or a mismatch between work tasks and formal training should therefore be visible to the ACA navigator early enough to act (ASA, 2026).

Contract 9 should make RTO-workplace coordination an explicit provider function. Providers should not become training regulators, but they should be required to identify material delays or misalignment, clarify responsibility and convene the parties when the apprenticeship is drifting. The digital record should make the first-year plan and key training milestones visible, subject to appropriate data-sharing arrangements.

This creates a more meaningful definition of "progress contact". A progress contact should not be primarily a compliance event at which a provider proves that specified topics were discussed. It should be a structured opportunity to test whether the employment, supervision and training relationship remains healthy and to resolve divergence while it is still manageable.

2.5 Treat transfer and recommencement as success

A user-centric system should preserve the apprentice's occupational pathway when an employment relationship fails. Cancellation should trigger an active "out of trade" recovery process where there is a reasonable prospect of continuing the apprenticeship. The provider should contact the apprentice, preserve verified training history, help identify a new employer or group training arrangement, coordinate continuity with the RTO and remain accountable until recommencement or an informed alternative pathway is agreed.

This has implications for performance measurement. A transfer from a poor workplace into a sustainable apprenticeship should be treated as a positive recommencement. The primary outcome is sustained occupational learning and completion, with safe and fair treatment along the way.

2.6 Provide financial supports to apprentices through the tax system

We recommend the introduction of a tax-free income threshold for Australian apprentices and trainees, recognising that low early-career wages and rising living costs can materially affect commencement and completion decisions.

We propose that income earned through a registered Australian Apprenticeship or Traineeship be exempt from personal income tax up to annual earnings caps of \$39,000 in the first year, \$49,500 in the second year, \$58,500 in the third year and \$61,000 in the fourth year, indexed annually to movements in apprentice award wages

This would provide a simple, visible and nationally consistent financial incentive to enter and remain in an apprenticeship, particularly during the early years when wages are lowest, while reinforcing the Apprentice First principle that government support should improve the financial viability of learning while working rather than relying solely on payments to employers.

It would also form the cornerstone of an enduring marketing campaign to encourage young people to consider trades and vocational skills based careers. "Do an apprenticeship – they are tax free".

² There are over 200,000 First Nations people without a registered birth certificate for example

2.7 School Based Apprenticeships

VET participation in Australian schools is at its highest level since the national collection began in 2006. In 2025, among students aged 19 and under:

- 276,860 students undertook VET in Schools, up 4.1% on 2024.
- There were 412,840 program enrolments, up 4.8%.
- There were 151,485 program completions, up 6.4%.
- All three measures—students, enrolments and completions—were at record levels.

Relative to the school population, 22.6% of Australian secondary students aged 14–19 participated in VET in Schools in 2025, up from 22.1% in 2024. However, conversion into a formal school based apprenticeship is extremely patchy with Queensland leading the way as shown here:

Rank	Jurisdiction	SBAT Sep-2025	SBAT per 10k students	SBAT per 100k labour force	SBAT change since Mar-2022	School enrolment change 2022-25	Interpretation
1	Queensland	12,550	141.1	403.7	-4.3%	+2.2%	Clear national leader on scale and intensity
2	South Australia	1,925	67.6	188.7	+3.5%	+3.2%	Strong, balanced performance
3	Northern Territory	225	56.2	148.9	-10.0%	-0.2%	Small system, but relatively high intensity
4	Tasmania	565	70.4	188.3	-29.4%	-1.5%	High intensity, but weakening trend
5	ACT	570	73.2	198.4	-30.9%	+2.6%	High relative intensity, but sharp decline
6	NSW	3,490	27.7	75.6	+11.0%	+1.2%	Best growth performance, but low penetration
7	Victoria	1,550	14.6	39.2	-16.9%	+4.8%	Weakest current intensity except WA
8	Western Australia	1,100	23.6	63.9	-46.6%	+6.1%	Weakest overall due to steep decline

A nationally harmonised approach to pre- apprenticeships and school based apprenticeships based on the Queensland approach could triple this pathway within five years.

3. Evidence informed: intervene where the evidence says it matters

Evidence informed means replacing static assumptions about who is at risk with a model that combines universal early support, observable events, customer voice and professional judgement.

Contract 8 was designed to target enhanced services toward recognised key client groups and to reserve capped mentoring places for General Services apprentices and employers with identified needs. That approach reflects a legitimate objective: scarce intensive resources should be directed toward people most likely to benefit. The 2026 evidence does not remove the need for specialist capability. It does, however, show why targeting cannot rely only on categories established at commencement.

ASA finds meaningful differences in first-year experience across cohorts. Apprentices living with disability report lower mentoring, support and supervision on several measures and higher wellbeing impacts. First Nations apprentices and Women in Trades also experience distinct challenges. Those findings support dedicated specialist capability and culturally safe, accessible services. Other provider research similarly identifies groups that can be poorly reached by formal systems and cautions that non-engagement can itself be a sign of disadvantage (ASA, 2026;).

At the same time, most apprentices in every cohort will not require intensive external mentoring, while some people outside priority categories will develop serious risks. A General Services apprentice can experience an employer insolvency, delayed training, wage problem, bullying complaint, cost-of-living shock, transport failure or supervisor change at any time. Contract 9 therefore needs a dynamic service model.

3.1 Universal floor, differentiated intensity

The most effective model is a universal floor with differentiated intensity. Every apprentice and employer receives sign up and onboarding, named contacts and periodic check-ins. Additional support is triggered by expressed need, observable events, professional assessment and, where appropriate, analytics. Specialist capability remains available for cohorts and issues requiring expertise, but the generalist provider retains responsibility for the customer journey rather than forcing the apprentice to navigate a disconnected second system.

This approach also reduces the risk of stigma. The purpose of analytics should be to notice circumstances that deserve attention, not to label a person as a likely non-completer. A system might detect that training has not commenced, that a supervisor has changed, that an apprentice repeatedly reports uncertainty, that a claim remains unresolved or that contact attempts are failing. Those facts can justify a check-in without asserting that the person is inherently “high risk”.

3.2 Build an event model around leading indicators

The data architecture should be deliberately designed around events that precede disengagement. Relevant events include delayed RTO commencement, missed or cancelled training, an unresolved incentive claim, changes in supervisor or employer, repeated unsuccessful contact, a request for help, material financial stress, workplace concern, employer insolvency, suspension or cancellation. Some events will be generated by administrative data; others will come directly from the apprentice or employer.

The role of AI is to aggregate these signals, provide context and recommend the next best action. The role of the provider is to decide what response is appropriate. A prompt might recommend a private apprentice call, an employer discussion, RTO liaison, a workplace visit, specialist referral or a transfer recovery process. The provider should be able to see why the case has been prioritised and what evidence supports the recommendation.

This is a better evidence model than a single predictive risk score. Predictive models can be useful, but they can also reproduce historical patterns, disadvantage people with sparse data and create false confidence. Contract 9 should require explainability, monitoring for differential effects, human review and correction rights where automated analysis materially affects service.

3.3 Measure what matters to retention and completion

The performance framework should also become more evidence led. Current quality assurance appropriately tests whether providers comply with detailed service requirements, but extensive file-note and activity checking can encourage a model in which record completeness becomes a proxy for service effectiveness. Contract 9 should retain necessary assurance while shifting the centre of gravity toward outcomes and customer experience.

Relevant measures include whether training commenced on time; whether the apprentice can identify their ACA navigator and workplace coach; whether first-year contacts occurred; whether the apprentice reports clear expectations, adequate supervision and access to support; how long significant issues remain unresolved; whether transfers lead to recommencement; employer administrative effort; equity of access to specialist support; continuation at six, twelve and twenty-four months; and completion.

Measures should be interpreted carefully. Raw completion rates alone can create incentives to avoid harder cases. Performance should therefore be risk adjusted where practicable and accompanied by measures of access, service quality and successful recovery. An employer who takes on a mature-age apprentice or a person requiring additional support should not be punished for contributing to national capability. A provider that helps an apprentice transfer from a poor workplace and recommence should receive recognition for preserving the pathway.

3.4 Create a learning system, not a fixed specification

Contract 9 should be procured with an explicit learning architecture. DEWR should maintain a national service control tower that monitors provider capacity, intervention timeliness, access to specialist support, customer experience, AI accuracy, overrides, incidents and outcomes. This should be used primarily for stewardship and continuous improvement rather than micromanaged surveillance.

A formal evaluation plan should be agreed before commencement. Pilots should test the timing and mode of first-year contacts, employer onboarding, supervisor training, digital notifications, event triggers and AI-supported workflows. The Department should publish a controlled process for changing operating rules during the contract when evidence supports improvement, while protecting provider certainty and avoiding constant low-level specification churn.

3.5 A less disruptive transition, financially viable contracts

The transition from Contract 7 to Contract 8 involved the transfer of 120,000 apprentices and trainees to a new provider. This is highly disruptive to the user experience, employer agency and the ACA staff who need to move between providers. It has taken more than 2 years for the transition process to settle out and for the new model to be fully commissioned through continuous improvement processes.

Continuity of service should be a guiding principle in the procurement process for Contract 9. Provider contracts also need to maintain economies of scale large enough to offer a quality service and value for money. Specialist services may need to be delivered by subcontractors to generalist providers to facilitate this. Placed based and professional services should be able to augment the supports without fragmenting the apprentice journey.

3.6 Stable contracting environment

Short contracting periods of 2 years plus 2 year extensions are unnecessarily disruptive to system users, DEWR, ACA providers and staff. Once the model is updated and settled the contracting period should revert to 5 years with a 2 year extension option, with pricing that reflects the complexity of the service mix and reintroduces a floor price with annual CPI rises.

4. Employer engaged: make participation easier, more valuable and more accountable

Employer engagement is not achieved by just asking providers to market harder. It requires a credible employer value proposition: simpler administration, better recruitment, practical supervisor support and predictable financial settings.

The Apprentice First Strategy makes employer participation a national capability objective. This is an important shift. Apprenticeships cannot expand if employers do not create employment and training places, and the willingness to train is sensitive to the cost of supervision, business confidence, the quality of recruitment, administrative burden and the predictability of government support. The Strategy therefore argues that future incentives should increase participation while recognising the quality of supervision, safety, wellbeing, fair treatment and completion (NAAA, 2026a).

The provider research shows why the employer proposition needs structural reform. Difficulty claiming financial supports were the single largest frustration identified by employers, while paperwork and reporting ranked second. Together they accounted for more than half of the nominated worst friction points. Employers described repeated data entry, one-at-a-time evidence uploads, unclear errors and claim processes that could consume many hours. Some said the experience influenced their willingness to employ another apprentice.

This evidence should change the way Contract 9 and the incentive system are considered. ACA providers cannot fully repair employer engagement if they are required to guide employers through a process that remains intrinsically difficult. Provider support and system redesign must occur together.

4.1 Create an Employer Participation and Quality Compact

Employer incentives should be redesigned as a coherent participation and quality architecture rather than a changing collection of narrow claim payments. The framework should have a stable broad-based foundation because Australia needs a larger and more diverse pool of employers willing to train. On top of that foundation, additional support can recognise the points at which the cost or public value of training is greatest.

The first component should be a predictable participation payment available broadly at commencement, with a material share of support occurring early when supervision costs are high and apprentice productivity is lower. The second should recognise first-year quality, for example where a named workplace coach is in place, induction has occurred, formal training has commenced and the apprentice confirms that expectations and support pathways are clear. A continuation component should recognise employers who sustain the relationship through the high-risk first year. A meaningful completion component should reward employers that support apprentices through to qualification. ASA explicitly recommends a completion-based incentive and a stable, broad employer incentive framework that is predictable and easy to understand (ASA, 2026).

Additional loadings should be used where policy deliberately seeks more places in strategic occupations, regions or cohorts, or where the wage and supervision cost is structurally higher. Mature-age pathways, thin markets, small employers in priority trades and crisis-affected regions may require different risk sharing from a large employer with established training infrastructure. The architecture should make these differences transparent rather than proliferating separate incentive products.

4.2 Build quality safeguards without creating a new compliance industry

Quality should be based on multiple signals: apprentice-confirmed supervision and expectations; timely RTO commencement; absence of unresolved serious issues; evidence of active workplace coaching; continuation; and completion.

Where completion rates are used, they should be interpreted in context and, where practicable, risk adjusted. Successful transfer and recommencement should be recognised as a positive pathway outcome.

Crucially, employers should not be asked to create a new compliance file to prove quality. Much of the information should come from the apprenticeship record, RTO data, provider contact and brief apprentice confirmation. The objective is to reward quality while reducing, not increasing, administrative burden.

The sign-up process workflow should be streamlined in light of the other recommendations in this paper.

4.3 Make first-time employer entry a supported pathway

First-time apprenticeship employers should enter the system through an ACA Gateway. The gateway should be light-touch but purposeful: clarify the job and qualification, assess whether the workplace can provide the required experience, support realistic recruitment, identify a workplace coach, explain supervision and training responsibilities, and help the employer conduct a strong induction.

NAAA's market research submission proposes a registration workflow for first-time employers, recruitment assistance and supervisor training, with access to incentives linked to using the recruitment service. The Apprentice First Strategy similarly calls for a first-time employer registration process and Gateway support for best-practice recruitment and induction (NAAA, 2026a; NAAA, 2026b).

The policy intent should not be to create an entry barrier. It should be to reduce the probability of poor matching and early failure while making the process easier for a business that is new to apprenticeships. Once an employer has demonstrated capability and a positive record, later sign-ups should be much more streamlined.

4.4 Treat supervisor capability as part of the national training system

Both ASA and other provider research show that the supervisor relationship is a major determinant of experience and retention. ASA reports that stronger supervision is associated with confidence, safety and lower consideration of leaving. Others find that employers and apprentices both rank a supportive workplace supervisor or mentor as the most important completion driver, while the system does relatively little to develop or measure that relationship (ASA, 2026).

Contract 9 should therefore require providers to help build supervisor capability, while the broader system should recognise the workplace coaching function more explicitly. First-time employers should complete a short, practical supervisor induction covering expectations, feedback, psychologically safe communication, training responsibilities and escalation. Existing employers should have access to modular support and recognised mentoring units where useful.

The aim is not to professionalise every supervisor into a counsellor. It is to establish a minimum expectation that the apprentice knows who is responsible for day-to-day guidance and that the person has practical tools to coach rather than merely direct. This is a quality intervention with direct relevance to completion.

4.5 Make claims almost invisible

The strongest employer engagement reform may be to redesign claiming itself. The future state should operate on a "tell government once" basis. Where legally and technically possible, government should use data already held through the Training Contract, Single Touch Payroll (STP) and other trusted sources to identify eligibility, pre-populate information and verify routine evidence. The employer should confirm rather than reconstruct the case.

Generative AI can explain an entitlement, extract information from allowable evidence, identify missing items and prepare a transaction. Deterministic rules and verified data should calculate eligibility and payment. Material submissions or changes to official records should require authenticated approval. Exceptions should be routed to ACA or departmental staff.

This distinction matters because the claim is a legal and financial transaction. AI should not invent or independently determine entitlements. Its role is to make the rule comprehensible and the process

easy. The result should be a system in which providers spend less time teaching employers how to navigate a portal and more time helping them recruit, supervise and retain apprentices.

4.6 Build counter-cyclical employer engagement into policy

The Apprentice First Strategy argues that apprenticeships should function as counter-cyclical workforce infrastructure. During downturns, disasters or sector-specific shocks, the economy may need future skilled labour precisely when employers are least willing to carry training risk. Waiting for each crisis to produce an ad hoc subsidy can allow the pipeline to collapse before support arrives.

The incentive framework should therefore include standing stabilisers. Agreed indicators such as sharp declines in commencements, employer participation, insolvencies, unemployment, construction activity or disaster recovery demand could trigger temporary increases in wage subsidies, group training places, shared-employer arrangements or public-sector placements in affected sectors and regions. The national skills and risk dashboard proposed in the Apprentice First Strategy would provide the monitoring base.

This would strengthen ACA's employer engagement role. A provider could approach businesses with a clear and timely proposition backed by known support settings, rather than marketing apprenticeships into a deteriorating market without a mechanism to share risk.

5. Future focused: build an AI-enabled and resilient apprenticeship system

Future focused means designing Contract 9 for the work, technology and economic conditions of 2028-2033, not just digitising and disaggregating the workflows of the current contract.

Artificial intelligence should be built into Contract 9 as an operating layer, not added later as a productivity tool. The relevant question is not whether providers will use AI in the next contract. By 2028 the use cases will be compelling. The policy question is which functions should be national, which should be provider-delivered, what authority AI may exercise, how customers retain choice and how the gains are converted into better outcomes.

The AI Skills Opportunity Map offers a useful taxonomy. It finds that automation is densest where work is structured, rule-based and verifiable, while accountability, authority, contextual dependence and error sensitivity create limits. It distinguishes predominantly automatable work from augmented work and human-led work. Administrative functions show particularly high automation potential, while stakeholder interaction, complex judgement, compliance accountability and work in unpredictable physical environments remain more human dependent (Digital Education Council, 2026).

ACA maps naturally onto this framework. Much of the current administrative burden is structured information work. Much of the value of providers lies in judgement, trust, local context, employer engagement and relationship repair. Contract 9 should automate the first category and strengthen the second.

5.1 DEWR should own the national intelligence and transaction layer

DEWR should operate the common national identity, consent, authoritative record, apprenticeship knowledge, transaction and orchestration infrastructure. This avoids a future in which every provider builds a separate customer assistant, rule interpretation layer and risk engine, creating inconsistent advice, duplicated investment and difficult assurance.

The national layer should maintain the authoritative apprentice, employer and Training Contract record; integrate Digital ID and approved government data; provide customer consent and correction controls; operate a source-grounded apprenticeship knowledge service; provide apprentice and employer digital companions; use deterministic rules for eligibility and payments; detect relevant events; and maintain national AI assurance controls.

A common architecture also protects portability. If a provider changes at the end of a contract or a customer transfers, the digital journey, consent history, verified documents and unresolved actions should not be trapped inside a provider platform.

5.2 ACA providers should remain the accountable human service layer

The existence of a national digital platform should not reduce providers overall role. Providers should remain responsible for navigation, local employer engagement, first-year onboarding, progress conversations, supervisor capability, mentoring, specialist escalation, RTO coordination, transfer and recommencement, assisted digital service and complex case resolution.

The platform should make these functions more effective. A Field Officer should see a concise service cockpit: relevant history, upcoming milestones, unresolved matters, the reason a case has been prioritised, known incentives, RTO status, previous agreed actions and suggested next steps. After a conversation, AI can transcribe with consent, prepare a draft file note, check whether mandatory topics were covered and suggest follow-up actions. The officer reviews and approves the record before it becomes authoritative.

This is augmentation rather than substitution. The provider still decides whether an apprentice needs a workplace visit, whether an employer conversation is appropriate, whether specialist support is required and how to handle a sensitive dispute.

5.3 Establish firm authority boundaries

Contract 9 should include an explicit AI authority matrix. AI may autonomously undertake low-risk, transparent and reversible activity such as answering grounded questions, pre-filling forms, saving drafts, issuing agreed reminders, scheduling appointments and preparing recommendations.

Authenticated human approval should be required before claims are submitted or official records are materially changed. AI should not autonomously reject an incentive, determine misconduct, make a workplace safety finding, diagnose a health condition, reduce access to service or make a final employer selection decision. These are areas where legal authority, ethical accountability, context or the consequences of error require human control (NAAA, 2026c).

Providers should disclose material AI use cases as now, and DEWR should maintain model and prompt registers, testing standards, audit logs, privacy and security controls, accessibility requirements, incident processes and release gates. Customers should have human alternatives, correction rights and meaningful review pathways.

5.4 Use AI for continuous service sensing, not automated judgement about people

The highest-value analytic use case is continuous service sensing. The platform should monitor approved data for events that may justify attention and recommend a response. The design should favour observable circumstances over personal scoring. A delayed RTO start, unresolved claim, supervisor change or failed contact sequence is easier to explain and act on than a generic risk percentage.

Where predictive models are used, they should supplement rather than determine service. The system should be tested for false positives, false negatives and differential effects across cohorts. Provider staff should be able to override recommendations and record why. The customer should not lose access to support because a model judges them low risk.

The aim is earlier visibility. Provider research repeatedly points to apprentices who are struggling before the formal system can see it. AI can help close that visibility gap, but only if it routes timely human attention rather than replacing it.

5.5 Prepare apprenticeships for AI-enabled work

Future focus is not limited to the administration of ACA. The qualifications and pathways supported through the system also need to change. The Apprentice First Strategy argues that AI, digital work orders, sensors, automated compliance, data interpretation, remote expert support and cyber safety should be embedded across relevant qualifications. Practical workers are less exposed to direct substitution than many routine cognitive roles, but their work is becoming digitally mediated (NAAA, 2026a).

The training system should therefore create more workers who can combine occupational competence with digital judgement. The value of an electrician, mechanic, technician, care worker or construction worker will increasingly include the ability to use AI-supported tools while recognising when an output is unsafe, incomplete or inconsistent with the real environment. The AI Skills Opportunity Map reaches a similar conclusion: durable value comes from pairing applied AI skills with domain expertise, systems thinking, problem framing, social intelligence and accountable evaluation (Digital Education Council, 2026).

ACA can support this transition by improving career information, matching people to emerging occupations and helping adults move between sectors. NAAA's proposed six-month career transition traineeship for suitable AI-enabled roles should be developed alongside recognition of prior experience,

wage supplements, career counselling and employer matching. This extends the apprenticeship model into labour-market transitions that will affect adults as well as school leavers.

5.6 Connect ACA to housing, infrastructure and resilience policy

The future workforce need is place-based and project-based. Housing, clean energy, climate adaptation, defence, data centres, telecommunications, care and advanced industry all depend on applied technical and service workers. The Apprentice First Strategy argues that public procurement and major investments should create training pipelines, and that the Australian Skills Guarantee should be expanded so projects contribute to the workforce needed to operate, maintain and upgrade the assets they create (NAAA, 2026a).

Hyperscalers should be encouraged to join a Skills Compact to ensure that data centre projects contribute net additional apprentices and trainees to the system, rather than poaching them as is occurring at the moment.

ACA should be the national support infrastructure that helps convert those obligations into sustainable apprenticeships. Providers can recruit employers and candidates, support smaller subcontractors, coordinate group training where individual firms cannot carry the whole risk and maintain contact through project transitions. This creates a direct link between the future-focused economic strategy and the service delivery model.

6. Value for money: automate administration and reinvest in relationships

Value for money should be judged by the cost of achieving sustainable apprenticeship outcomes, not by how cheaply the system can process mandatory transactions or reduce the Commonwealth funding envelope.

ACA has historically delivered a broad national service at a low unit cost relative to the complexity of the system it supports. NAAA's market research submission showed that in the first year of the current ACA model 477,886 apprentices and trainees were supported against Commonwealth expenditure of about \$238 million, equating to \$498 per person. The point is not that every element of the current model should be preserved. It is that a national navigation and support service has significant economies of scale, and replacement models can easily become more expensive if functions are fragmented (NAAA, 2026b).

The Contract 9 value proposition should be to retain those economies while changing where labour is used. Providers currently spend substantial time on prescribed administration, evidence handling, repetitive data entry, file-note production and compliance reporting. NAAA has identified AI use cases across assessment, training-contract checking, meeting transcription, file-note generation, claims evidence, fraud validation and reporting. DEWR's ADMS research independently identifies the same underlying friction. These are precisely the structured tasks for which AI and rules-based automation are most suitable (NAAA, 2026b; DEWR, 2026; Digital Education Council, 2026).

6.1 Establish a productivity compact

Contract 9 should explicitly convert administrative productivity into service capacity. Providers should be required to use common digital standards and accept stronger automated assurance. In return, the service and payment model should recognise the reduced cost of routine administration and redirect capacity toward first-year human contact, employer recruitment, supervisor development, issue resolution and flexible mentoring.

This is preferable to simply reducing contract funding in proportion to estimated automation. AI adoption often produces an initial productivity dip while workflows and skills adjust. The AI Skills Opportunity Map warns that productivity can decline when output grows faster than review capacity, when AI is applied to the wrong tasks or when users lack the expertise to evaluate outputs. Contract 9 should therefore phase automation, measure realised savings and reinvest against agreed service enhancements rather than banking speculative savings before the system works (Digital Education Council, 2026).

6.2 Preserve generalist scale and specialist expertise

The contracting architecture should also reflect the economics of service delivery. NAAA's market research submission argues that small standalone specialist contracts have struggled financially because they cover relatively small cohorts, sometimes across large geographic areas. The system should preserve specialist expertise but connect it to generalist infrastructure with sufficient scale.

A practical model is for generalist providers to retain the accountable customer relationship and national coverage obligations, while specialist organisations deliver approved services through subcontracting, or structured referral arrangements. This allows an apprentice to access cultural, disability, gender-specific or other specialist capability without being required to navigate a second disconnected provider relationship.

DEWR should maintain safeguards around specialist quality, access and independence. The point is not to homogenise services. It is to ensure specialist expertise remains available when needed.

6.3 Replace activity-heavy assurance with data-enabled assurance

The current model places considerable weight on demonstrating that contacts and mentoring records meet detailed specifications. Those controls protect public money and service consistency, but they can also drive administrative effort and a compliance culture. Contract 9 should use the digital record to automate more assurance.

Where consent permits, transcription and structured file-note tools can test whether required topics were covered. System data can verify whether contacts occurred within expected windows, whether referrals were completed, whether an RTO start is recorded and whether a claim was resolved. Automated checks can identify records requiring human audit rather than relying on broad manual sampling.

Human audit remains important for qualitative service, sensitive decisions and AI assurance. But the audit effort should be targeted toward material risk and outcomes. This would allow the performance framework to place more weight on customer-confirmed service quality, issue resolution and completion instead of document production.

6.4 Purchase outcomes and capability, not automated activity volume

The payment model should avoid creating incentives to generate automated contacts simply because they are cheap. An unanswered email or automated notification is not equivalent to a completed service intervention. Digital activity should be reported separately from human service.

A future provider payment model should combine the capacity required to maintain universal national service with payments or performance incentives tied to meaningful delivery and outcomes. The Department should recognise the cost of being available across regions and cohorts through a minimum floor price, while rewarding timely first-year service, issue resolution, successful transfer and recommencement, employer engagement, customer experience and completion.

The precise weighting requires financial modelling. The principle is that the contract should reward the outcomes it wants while maintaining enough base capacity for providers to act before contract viability is threatened.

6.5 Make administrative burden a formal performance measure

Employer and apprentice administrative effort should be measured as a program outcome. If a process remains legally compliant but requires repeated calls, duplicated evidence and hours of effort, the system is imposing a cost that can reduce participation. DEWR's ADMS research and provider employer research make this cost visible.

Contract 9 and the adjacent digital program should therefore track time to complete common transactions, abandonment, repeat contacts, claim returns, evidence requests and customer-reported effort. A reduction in administrative burden is not a cosmetic digital metric. It is part of the employer participation strategy and therefore part of value for money.

7. Companion reforms outside the ACA contract

The ACA contract cannot compensate for weak or conflicting settings elsewhere in the apprenticeship system. The following artefacts should be redesigned as a coordinated package so that Contract 9 operates inside a system that supports its objectives.

7.1 Australian Apprenticeship Incentive System Guidelines

The Incentive System Guidelines should be redesigned to implement the Employer Participation and Quality Compact described in this paper: a stable broad foundation, early support reflecting supervision cost, a first-year quality element, continuation and completion recognition, transparent strategic loadings and counter-cyclical stabilisers. Settings should be published with sufficient duration and certainty for employers to make workforce decisions.

The claims architecture should be redesigned at the same time so that eligibility is identified proactively, data is pre-filled and routine verification uses information already held by government. ACA should support exceptions and complex cases, not act as a permanent workaround for avoidable portal complexity.

7.2 A nationally harmonised Training Contract

The Training Contract should become more than an administrative registration artefact. A nationally harmonised core should establish the parties and the support relationship at commencement. At minimum, the record should identify the apprentice, employer, qualification, RTO, ACA provider, named workplace coach or supervisor, expected training commencement and the agreed channel for support and escalation.

The Training Contract should set clear first-year expectations in plain language: what the apprentice can expect from the employer, what the employer can expect from the apprentice, how formal training will interact with work, the role of the workplace coach, how the ACA provider will maintain contact and what happens when the relationship is at risk. State-specific legal requirements must remain, but the national service should not depend on materially different lodgment rules in each jurisdiction.

7.3 A national apprenticeship employer registration and quality standard

First-time employers should complete a light registration that confirms they can employ and train safely, provide appropriate work, nominate a coach, engage with the RTO and participate in early support. This should be administered through the ACA Gateway and designed to reduce later sign-up burden.

The standard should be proportionate. The aim is not to license employers through a new bureaucracy. It is to establish a minimum national quality floor and give first-time employers practical help before a poor match becomes an expensive cancellation.

7.4 ADMS, Digital ID and payment architecture

ADMS should evolve from a transaction portal into the authoritative back end of a simpler user journey. The design priorities from DEWR's own research are clear: reduce interpretation, improve help and error recovery, make notifications trusted and actionable, provide multiple channels, pre-fill information, reduce documentary requirements and simplify navigation (DEWR, 2026).

Contract 9 should be built against APIs and shared data standards rather than requiring providers to replicate manual portal handling. Identity should be established once through approved government mechanisms. Customers should be able to see the information held about them, understand how it is used and correct errors. Provider and customer views should be generated from the same authoritative record.

7.5 RTO and state training authority data standards

The national system needs timely machine-readable signals from RTOs and state training authorities. The objective is not to centralise state authority, but to make key service events visible: Training

Contract approval, RTO enrolment, formal training commencement, material progression issues, suspension, cancellation, recommencement and completion.

Without these signals, the ACA provider is often asked to coordinate a relationship using incomplete information. With them, the system can identify delayed training or administrative blockage early and route the problem to the party able to resolve it.

7.6 Apprentice and employer digital accounts

The Apprentice App should be established as a national digital account rather than a provider-specific product. It should carry the named ACA navigator, workplace coach, RTO, training milestones, incentive and support information, actions due and a prominent help function. An employer account should provide the same clarity for businesses, particularly those managing multiple apprentices.

These accounts should support push notification, SMS and other channels rather than relying primarily on email. Preferences should be recorded, and critical messages should be escalated where a customer does not respond.

7.7 The Australian Apprenticeships Priority List and workforce planning

The Priority List should evolve from a relatively static shortage instrument toward a broader national capability framework. Shortage remains relevant, but the Apprentice First Strategy identifies additional reasons to build pipelines: housing delivery, climate adaptation, energy, care, defence, digital infrastructure, cyber-physical maintenance, regional resilience and occupations that are relatively resistant to direct AI substitution.

The list and associated loadings should be informed by the national skills and risk dashboard and reviewed on a predictable cycle. Employers should be able to understand the strategic rationale and the expected duration of settings.

7.8 Australian Skills Guarantee and procurement-connected policy

Major Commonwealth investments should create apprenticeship and traineeship pipelines as part of their capability requirement. The Australian Skills Guarantee and related procurement settings should focus not only on nominal starts but on sustained participation, supervision and completion.

ACA providers can support implementation by helping principal contractors and supply chains source candidates, engage smaller employers, establish group training arrangements and monitor the apprentice experience across projects. This turns procurement obligations into real workforce formation rather than a reporting exercise.

7.9 Group training, shared employer and public placement mechanisms

A resilient system needs mechanisms that separate the apprentice's pathway from the fortunes of one employer. Group Training Organisations, shared employer models and public-sector placements should be able to expand when small employers cannot carry the whole risk or when economic disruption causes host employers to withdraw.

These mechanisms should be pre-designed rather than improvised after a wave of cancellations. ACA providers should have clear referral and recovery pathways, and the incentive system should recognise the additional coordination cost.

7.10 Direct apprentice financial support

Employer incentives cannot solve apprentice financial stress. Provider research finds that early-year financial pressure can become a structural choice between staying in training and meeting living costs. ASA similarly reports significant cost-of-living impacts. The Apprentice First Strategy proposes wage supplements for mature-age transitions and a restored financial support envelope (ASA, 2026; NAAA, 2026a).

In addition to the tax free proposal outlined above direct apprentice supports for tools, travel, living costs and mature-age transitions should be designed for specific cohorts and priority groups. ACA's role is to identify need early, ensure eligible support is received and coordinate assistance, not to substitute mentoring for an income problem.

7.11 Qualifications and training product reform

Jobs and Skills Councils and training product developers should embed AI, digital and cyber-physical capability into relevant qualifications while protecting the occupational judgement and practical learning that make apprenticeships valuable. Business and administration traineeships should be redesigned around higher-value coordination, assurance, service and human escalation tasks rather than declining bundles of routine clerical work.

The objective is to ensure that the occupational pathway supported by ACA remains credible in 2031 and beyond. A future-focused support service cannot compensate for a qualification whose task content has been overtaken by technology.

7.12 National skills and apprenticeship risk dashboard

DEWR, Jobs and Skills Australia and relevant agencies should establish the scenario-based dashboard proposed in the Apprentice First Strategy. It should track commencements, in-training levels, cancellations, completions, employer participation, mature-age uptake, employer completion performance, vacancies and shortage indicators, insolvencies, key infrastructure demand and other leading economic and resilience signals.

The dashboard should drive decisions. It should inform incentive loadings, counter-cyclical triggers, regional service capacity, group training expansion and the priority occupations in which additional places are required. This would make the system more responsive without requiring a full policy redesign each time conditions change.

8. Proposed Contract 9 architecture and procurement settings

The reforms above imply a different procurement architecture for Contract 9. The Department should procure a national service with state and territory based contracts that combines universal relationship coverage with differentiated support, delivered through providers that have sufficient scale to maintain local employer networks and national consistency. Digital and AI infrastructure should be common where consistency, assurance and data portability matter, while providers should retain flexibility in how they organise staff and local service delivery.

The contract should define an explicit universal service guarantee. Every apprentice and employer should have a named provider navigator. Every first-year apprentice should receive meaningful human contact at agreed early milestones. Every apprentice should have a visible route to independent support. Every first-time employer should be offered Gateway recruitment, induction and supervisor support. Every customer who cannot use the digital channel should be able to obtain assisted service without starting again.

The contract should also define the differentiated service layer. Providers should have authority and funding to respond when events or professional judgement indicate additional need. Mentoring should be purchased flexibly enough to match the cadence of the issue. Specialist capability should be accessible through integrated arrangements without fragmenting the customer relationship. Regional and remote loadings should continue to reflect higher service costs where appropriate.

DEWR should specify data and interoperability standards rather than prescribing separate provider technology stacks. Providers should be required to use the national identity, record, rules, consent and AI assurance layers for relevant transactions. They should be able to innovate around workflow and customer engagement where this does not create inconsistent advice or undermine portability.

The performance framework should distinguish digital interactions from service interventions. Automated reminders, chatbot sessions and system-generated prompts are useful operational data but should not be counted as equivalent to a progress contact conversation. Provider KPIs should place increasing weight on first-year service coverage, customer-confirmed support, timeliness, issue resolution, employer administrative effort, training commencement, successful transfer and recommencement, continuation and completion.

A strengthened governance mechanism should sit above the contract. DEWR should maintain a provider and stakeholder forum that reviews operational evidence, digital incidents, AI performance, emerging customer friction and policy interactions. Changes to service requirements should be tested against the five principles in this paper: does the change improve the user journey, respond to evidence, support employer participation, prepare the system for future conditions and improve value for money?

8.1 A practical division of responsibility

DEWR's role should centre on national infrastructure and stewardship: authoritative records, common rules, identity, consent, transactions, digital companions, event detection, AI assurance, national monitoring and integration with other government data. This is where consistency and public authority matter most.

ACA providers should own human navigation and intervention: local employer engagement, recruitment assistance, onboarding, first-year reviews, supervisor capability, mentoring, specialist escalation, RTO coordination, transfer recovery and assisted digital service. This is where local context, trust, professional judgement and relationships matter most.

RTOs should remain responsible for training delivery and assessment while providing timely service signals needed for coordination. State and territory training authorities should retain their statutory roles while participating in harmonised data and Training Contract arrangements. Employers should provide the workplace, supervision and fair employment conditions, while the incentive system shares the cost

and rewards sustained quality. Apprentices should remain active participants with access to their information, clear choices and an independent route to help.

8.2 Procurement should protect continuity

The transition between ACA contracts can itself create risk. 120,000 apprentices, trainees and their employers were transferred between providers in the transition between contract 7 and 8. Employer's choice of provider, a foundational principle of the service was severely compromised as a result. Whilst apprentices and trainees often lost visibility of the provider that supported them through the sign-up process.

Whilst the new providers have performed well against KPIs there has been little visible uplift in national performance attributable to the contract 8 model. Retention rates are improving but participation by First Nations people has fallen as traineeship opportunities have declined. In addition, the transition itself becomes an overburden for the whole ecosystem to navigate and bed down.

Short contracting periods compound this effect, introducing unnecessary instability on a system that relies on the deep domain expertise of the staff who deliver the service.

9. Implementation pathway to June 2028

The period before Contract 9 commencement should be treated as a system design program rather than a procurement lead time. The changes proposed here cross policy, digital, data, incentive and contracting boundaries and will be suboptimal if sequenced as independent projects.

During 2026-27, DEWR should settle the target operating model and authority boundaries. This includes agreement on the universal first-year service guarantee, the employer Gateway, the workplace coach concept, the incentive architecture, the national digital account, data standards and the division between national AI infrastructure and provider functions. User research should continue with apprentices, employers, providers, RTOs and state authorities, with particular attention to people who currently do not engage successfully with ADMS.

The same period should be used to pilot high-confidence automation. Claims pre-fill, evidence extraction, status explanation, grounded knowledge assistance, consent-based transcription and provider file-note drafting are suitable candidates because their outputs are relatively easy to verify. Early pilots should measure time saved, error rates, customer effort and whether provider staff actually redeploy time to service.

During 2027, DEWR should pilot the universal first-year service pattern and the first-time employer Gateway in multiple regions and industries. The evaluation should test contact timing, channel preferences, employer uptake, apprentice recall of their navigator and coach, RTO commencement, administrative effort and early continuation. Different approaches can be tested without compromising the universal principle.

By early 2028, the national data and AI assurance architecture, provider specifications and companion policy settings should be sufficiently mature for transition. Providers should be able to integrate and train staff before go-live. The incentive rules and employer proposition should be public early enough for employers to plan. Transition arrangements should identify active complex cases and preserve named relationships wherever possible.

From June 2028, implementation should remain staged. High-risk AI functions should not be activated merely because the technology exists. New automated authority should move through defined release gates with testing, auditability and human fallback. There should be regular service and productivity reviews to test whether administrative savings are being realised and whether those savings are translating into more effective human engagement.

See **Annexure one** for a more detailed suggested roadmap to implement the complex mix of reforms recommended in this paper.

10. Consolidated recommendations

NAAA recommends that DEWR adopt the following integrated reform package. The recommendations are intentionally expressed as system settings rather than isolated program ideas.

System design and development

1. Adopt a universal first-year service guarantee for every apprentice and employer, with meaningful provider-led human contact at early milestones and differentiated support as needs emerge.
2. Assign a named ACA navigator to every apprenticeship and make that relationship visible in the national digital account from commencement to completion, transfer or exit.
3. Implement a light touch employer registration process for first time employers of apprentices. Streamline the sign-up process for established apprentice employers.
4. Restore and strengthen an ACA Gateway covering recruitment, realistic job and qualification matching, induction, supervisor readiness and early training planning.
5. Redesign ACA mentoring as flexible occasions or episodes of service rather than a rigid three-contact product, while preserving specialist capability and independent support.
6. Move incentive claiming toward a tell-government-once model using verified data, pre-fill, deterministic rules and human exception handling rather than repeated evidence submission.
7. Build a national apprentice and employer digital account linked to ADMS, with actionable notifications, conversational assistance, visible milestones and one-click access to the named ACA provider.
8. Establish a DEWR-owned national AI and orchestration layer covering authoritative knowledge, event detection, low-risk automation, claims preparation and service monitoring, with firm human authority boundaries.
9. Require providers to use AI primarily to automate structured administration and augment professional work, while retaining human accountability for sensitive, adverse, safety, contractual and relationship decisions.
10. Shift the Contract 9 performance framework from activity-heavy compliance toward customer-confirmed service quality, first-year coverage, issue resolution, administrative effort, training commencement, retention, recommencement where required and completion.

System procurement

11. Preserve the economies of scale of generalist ACA infrastructure while integrating specialist expertise through approved subcontracting, placed based and professional referral arrangements that do not fragment the customer journey.
12. Treat provider automation savings as a productivity dividend to be reinvested in earlier human contact, employer engagement, supervisor capability and effective intervention rather than assuming technology can replace the human service layer.
13. Procure Contract 9 and its companion digital and incentive reforms as one coordinated implementation program, with staged pilots, evaluation, customer safeguards, and data portability. Conduct regular productivity and service reviews to ensure DEWR designed tools are meeting customer expectations and delivering administrative savings.
14. Contract transitions can be disruptive to system users, particularly where large number of apprentices and trainees are reassigned between providers by DEWR. Aim to minimise the number of clients that are moved between providers at the commencement of Contract 9.
15. Ensure Contract 9 pricing realistically reflects the complexity of the service mix being purchased. Consider reintroducing a floor price, a 5 year plus 2 possible extension year contracting cycle with annual CPI increments.

Harmonisation reforms

16. Require a named workplace coach or supervisor to be recorded through a nationally harmonised Training Contract and lodgment rules.
17. Harmonise jurisdiction based sign up pre-requisites by embedding current paper based forms for SRTO, TPP and TPO into ADMS and state based management systems. Use ADMS to validate other state based processes such as SA worksite registration.

18. Harmonise pre and school-based apprenticeships around the Queensland model.
19. Create timely RTO and state data standards so training commencement, material progression issues, cancellation, recommencement and completion are visible to the support system.

Companion reforms

20. Redesign apprentice and trainee supports through the tax system through broad based and generous tax free earnings caps. Keep additional supports targeted for those in highest need
21. Redesign employer incentives around a stable broad participation foundation, first-year quality, continuation and completion, with transparent strategic loadings and counter-cyclical stabilisers
22. Embed AI-enabled and cyber-aware capability into relevant apprenticeship and traineeship qualifications and develop new transition traineeships for workers displaced or exposed by changes in routine cognitive and service work.
23. Use a Skills Compact with hyperscalers, the Australian Skills Guarantee, public procurement, group training and shared-employer mechanisms to create and protect apprenticeship pipelines in housing, energy, climate adaptation, care, defence, digital infrastructure and other strategic sectors.
24. Establish a national apprenticeship skills and risk dashboard linked to annual participation targets, incentive loadings and automatic stabilisers, so temporary economic shocks do not become long-term skills shortages.

Conclusion

The central lesson from the evidence is not that Apprentice Connect Australia needs to be replaced. It is that the service should be made more visible, more responsive and more focused on the parts of the apprenticeship relationship that drive success. The current system contains national reach, deep technical knowledge and a provider network capable of guiding apprentices and employers through a complex federal system. Those capabilities become more valuable, not less, as the policy environment becomes more complex.

Contract 9 should therefore evolve ACA rather than digitise or diminish it. A universal first-year relationship should sit underneath targeted intensity. Employer engagement should be built on a better value proposition rather than more marketing. AI should simplify transactions and reveal emerging needs while leaving authority, trust and judgement with people. Incentives and surrounding policy artefacts should support the same objectives rather than create friction that ACA must compensate for.

The Apprentice First Strategy provides the wider purpose. Australia needs more people who can learn through work, operate safely in real environments, adapt technology to context and progress from competence to proficiency and mastery. The support system should be designed to make those pathways easier for apprentices to enter, easier for employers to provide and more likely to complete.

The test for Contract 9 is therefore straightforward. By the end of the next contract, apprentices should be more likely to know who supports them, employers should find the system easier and more worthwhile to participate in, problems should be visible earlier, training should be better aligned with work, administration should consume less human effort, and more apprentices should complete. If the model achieves those outcomes while maintaining national consistency and fiscal discipline, ACA will be delivering maximum effectiveness.

References

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Annexure 1 – Implementation roadmap

This matrix links the 24 recommendations to the implementation program. “Core go-live” means the service obligation or control should be operational on 1 July 2028. “MVP go-live” means a functional minimum viable product first release is required at commencement with agreed later enhancements. “Staged” means the reform begins before go-live but reaches full national maturity later.

#	Recommendation	Lead workstream	Delivery status	Major milestone
1	Universal first-year service guarantee	Service design	Core go-live	Service standard and contact schedule approved by June 2027; operational 1 July 2028.
2	Named ACA navigator visible to users	Service / digital	Core go-live	Navigator field and handover rules built into digital account and provider operations.
3	First-time employer registration; streamlined established-employer sign-up	Employer engagement	Core go-live	Registration standard piloted in 2027 and embedded in Gateway by July 2028.
4	Restore and strengthen ACA Gateway	Service / employer	Core go-live	Recruitment, matching, induction, supervisor readiness and early training planning included in Contract 9.
5	Flexible mentoring episodes with specialist capability	Service design	Core go-live	Replace rigid three-contact product with occasions/episodes of service and escalation pathways.
6	Tell-government-once incentive claiming	Digital / incentives	Staged	Pre-fill and reduced evidence at go-live; verified-data automation scaled through 2029-30.
7	National apprentice and employer digital account	Digital	MVP go-live	Named contact, milestones, notifications and support access live by July 2028; richer functions added later.
8	DEWR-owned AI and orchestration layer	Digital / AI	MVP go-live	Knowledge assistant, bounded automation and monitoring at go-live; event detection scaled in 2029.
9	Provider AI use focused on administration and professional augmentation	Commercial / assurance	Core go-live	Authority matrix, auditability, human alternatives and approval requirements in the Deed and Guidelines.
10	Outcome-oriented Contract 9 performance framework	Performance	Core go-live	Customer-confirmed quality, coverage, resolution, effort and continuation metrics shadow-tested before commencement.

#	Recommendation	Lead workstream	Delivery status	Major milestone
11	Generalist scale with integrated specialist expertise	Procurement	Core go-live	Tender design enables approved subcontracting, referral and place-based specialist capability without journey fragmentation.
12	Reinvest automation productivity dividend in human service	Commercial / benefits	Ongoing	Benefits-realisation mechanism protects reinvestment in contact, engagement and intervention.
13	Coordinated procurement, digital and incentive reform program	Program governance	Immediate	Single program board, integrated schedule and shared dependencies established January 2027.
14	Minimise client movement during transition	Transition	Core go-live	Continuity principle, transfer ceiling, communications and record-migration plan embedded in procurement.
15	Realistic pricing, floor price, 5+2 term and CPI	Commercial	Procurement	Cost model and market sustainability assessment completed before RFT; annual indexation included.
16	Named workplace coach/supervisor in national Training Contract	Harmonisation	Minimum field at go-live	Minimum national data field from July 2028; fuller harmonisation pursued to 2030.
17	Harmonise jurisdictional sign-up prerequisites and digitise forms	Harmonisation / digital	Staged	Prioritise high-volume forms for 2028; broader jurisdictional integration through 2029-30.
18	Harmonise pre- and school-based apprenticeships around Queensland model	Policy / states	Post go-live	Design and pilots in 2028-29; national adoption pathway considered in 2030.
19	Timely RTO and state data standards	Data / harmonisation	Staged	Standards agreed in 2027; pilot interfaces 2028; national coverage targeted by end-2029.
20	Broad tax-free apprentice and trainee earnings caps	Tax / incentives	Companion reform	Treasury/ATO design in 2027; legislation and payroll implementation targeted for July 2028 or earliest feasible date.
21	Stable employer incentives with quality, continuation and stabilisers	Incentives	Companion reform	Policy decision in 2027; systems and guidelines ready for July 2028.
22	AI-enabled, cyber-aware qualifications and transition traineeships	Qualifications	2028-31	Priority products identified in 2027; staged releases through Jobs and Skills Councils from 2028.

#	Recommendation	Lead workstream	Delivery status	Major milestone
23	Skills Compact, procurement, GTO and shared-employer pipelines	Strategic pathways	2028-31	Initial compacts and procurement conditions in 2028; scale in housing, energy, care and strategic sectors.
24	National skills and risk dashboard with targets and stabilisers	Data / policy	MVP 2028	Prototype in 2027, operational dashboard in 2028, stabiliser linkages tested in 2029 and mature by 2030.