



Brotherhood  
of St Laurence

Working for an Australia free of poverty

This is one of a series of briefing papers produced by the Brotherhood of St Laurence Research and Policy Centre to provide an overview of the key aspects of Australia's vocational training and education system, from the 1970s to early 2019.

Others in the series include: *Australia's VET sector since the mid-1970s*; *Participation and transitions*; *The architecture of Australia's VET sector*; *Funding regimes in Australia's VET sector*; *Emerging skills and competencies*, and *VET's response*; *The Victorian VET context*.

All papers can be accessed at [www.bsl.org.au](http://www.bsl.org.au)

## 7. Apprenticeships and traineeships

### Key points

- **Participation** in (trade-based) apprenticeships is static, while in (non-trade) traineeships it is in sharp decline, impacting negatively on females.
- **The effectiveness of the main policy levers has been limited:** these include financial incentives for employers and the introduction of 'accelerated apprenticeships'. Both have resulted in very modest improvements to commencements or completions.
- The reasons for declining numbers are myriad, including:
  - employers' aversion to assuming risk and financial imposts
  - poor conditions and levels of pay
  - uneven quality of training
  - the low status of apprenticeships and traineeships in the eyes of employers and general public
  - cuts in funding to group training organisations.
- Promotion of apprenticeships featured in the 2019 Commonwealth Government budget.

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### Key statistics and current trends

A steady decline in the *combined* numbers of apprentices and trainees is evident. The latest combined enrolments of 269,720 (2018) represents a small fall from 2017, but a 22% fall since 2014. Similarly, combined commencements have also declined by 26% since 2014. Combined completions have declined by 47% over the past 4 years (NCVER 2018). The number of commencements are at their lowest since 1998, and completions the lowest since 2001 (NCVER 2018). Approximately one-third of new apprentices fail to complete.

However, as Noonan (2017) makes clear, conflating apprentice and trainee data distorts the analysis. While the fall in 'non-trade' traineeships since 2012 has been severe, 'trade-based' apprenticeships remain relatively stable, in spite of falls in some industries. The falls in traineeships were largely due to policies that reduced incentives to employers, created loopholes that employers exploited, and cut the list of qualifications attracting subsidies (e.g. removing retail and hospitality courses).

### Development of the apprenticeships and traineeships systems

In line with the evolution of vocational training in general, Australia's apprenticeship system was fragmented and state-based prior to the 1970s. The Commonwealth then took on a more active role through a myriad of incentive schemes, making available in 1998 apprenticeships to part-time workers, school students and existing workers, and ensuring national recognition of qualifications (Knight 2012).

Traineeships, introduced in 1985, differ significantly from apprenticeships: they are more common in 'non-trade' service industries, are of a relatively short duration (around 1 year) and entail training at a certificate II or III level. Apprenticeships are linked mainly to traditional trades, take up to three years to complete, and entail training at levels of certificate III and above.

The apprentice and traineeship regime has seen a number of shifts, notably the increases in age range (no longer 19 years and under), the participation of females and use in non-trade sectors associated with care and personal services. These can be attributed mainly to the introduction of traineeships.

## Main policy levers

### Incentives

A feature of Australian governments' apprenticeship and trainee policies has been financial incentives for employers. Those incentives have applied for differing stages of the apprentice and traineeship experience: commencement, progression and completion. There has been a trend towards incentives for sectors or regions where there is particular demand. Assessments of the efficacy of incentives have, on balance, shown that they have helped to increase participation, especially in the non-trades traineeships. However, the effect of financial incentives on completion rates seems to be negligible (Atkinson & Stanwick 2016). Increasingly, the use of incentives has fluctuated and, particularly for traineeships, been in decline.

### Accelerated apprenticeships

In contrast to the traditional model of apprenticeship—using *time* (3–4 years) as the principal indicator of progression—accelerated apprenticeships shift the focus to competencies, and competency-based training. This approach has many benefits, not least that it enables already qualified, older and experienced workers to confirm their competency and bypass the extended apprenticeship contract. When allied to 'recognition of prior learning' assessment process, this offers an attractive means of retaining and reskilling workers. Accelerated apprenticeships are also used to respond more quickly to labour market demands and industry needs in certain regions or sectors. The impact of accelerated apprenticeships has also been mixed, with barriers including employers' reluctance to break from the traditional time-based culture of apprenticeships. Another barrier has been the varying readiness and capacity of training providers to adjust their training and administration to align with regulatory requirements of accelerated apprenticeships (Atkinson & Stanwick 2016).

### Attrition

The perennial problem of non-completion has prompted a focus on the different stages of the student/worker experience. Some research shows how that young, early stage apprentices place high value on working conditions and relationships with supervisors and co-workers. The most important factors impacting their withdrawal are poor work conditions, bullying and unsympathetic employers and workmates. Later stage apprentices are more likely to withdraw because of dissatisfaction with the VET component of their apprenticeship (Karmel & Mlotkowski 2010; Bednarz 2014). Many apprentice and trainee positions are poorly paid, short-term, vulnerable to exploitation and not linked to large, committed or stable employers. The type of employer matters, with apprentices in government instrumentalities more likely to complete. 'Place' also matters: proximity to employment affects likelihood of completion (Karmel & Roberts 2012).

The economic downturn has hit manufacturing and construction, and this has created a chilling effect on employers' attitudes to apprentices and trainees. 'Older' young people, and those with year 12, increasingly take up positions previously open to those without year 12. Larger employers are now more reticent given the greater reliance on subcontractors; and fewer employers that have reach across sectors (public or private) are able to provide opportunities consistently for apprentices and trainees.

In addition, significant cuts in 2015 to the funding for group training organisations (GTOs)—which employed, placed (with employers and training providers), and supported apprentices and trainees—impacted severely on take-up and completions (Atkinson & Stanwick 2016).

## Institutions

Up to 2014 the Australian Apprenticeship Centres (AAC) registered all apprentices, and worked with GTOs to cater for the needs of the young employees. Importantly, the GTOs provide a buffer when contracts end or are disrupted. Their field officers also visit workplaces regularly. The support of apprentices and trainees is a responsibility shared between AASN (see below), TAFEs, GTOs and other RTOs; and this sometimes creates confusion.

Observations of the apprentice and trainee regime from participants in the Australia-wide VET Reform workshops (February 2014) include:

- Australia's system is fragmented, and there is too much duplication in services.
- The system is provider-led and not industry-led.
- The supply of apprentices and trainees is not always tailored to the needs of the economy.
- Nationally consistent data on apprentices and trainees is lacking.
- Standards are questionable (e.g. uneven quality in workplace assessment).
- Employer contributions to sustaining the system should be increased (to matching government contribution).
- The status of apprenticeships and traineeships is low relative to other educational options.
- The transition links between schools, AACs/GTCs and employers are not strong enough.

## Recent developments

Apprentices are a key focus of the Commonwealth Government's Skilling Australia Fund, and of its Australian Apprenticeship Support Network (AASN) and Apprentice Network Providers (in around 400 locations), with these taking the place of AACs and under review at time of writing.

The Skilling Australia Fund (due to be replaced in late 2019) and the AASN are attempts to boost numbers of apprentices in both metropolitan and regional areas, and to provide more support to A&Ts in their navigating the worlds of training and employment.

As part of the 2019 Delivering Skills for Today and Tomorrow package of reforms (DESSFB 2019), the Commonwealth Government established an Additional Identified Skills Shortage Payment to employers and apprentices for up to 80,000 new apprenticeships in occupations experiencing national skill shortages; and revised arrangements for the Australian Apprenticeship Incentives Program.

Recently, there have been calls for the introduction of 'higher level' apprenticeships that can be linked to emerging industries including IT, trades and services (Loveder 2017; ACTU 2018; AIG 2018).

The trade union movement has also called for reforms that improve security and continuity of employment, and increase support. It has also pointed to the need to improve the status of apprenticeships, with one suggestion being the recognition of competency linked to a given trade, rather than solely to a qualification (ACTU 2018).

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