



Brotherhood
of St Laurence

Working for an Australia free of poverty

Submission to the Department of
Employment and Workplace Relations

Australian apprenticeship services and supports

Brotherhood of St. Laurence

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The Brotherhood of St. Laurence and employment-based training

The Brotherhood of St. Laurence (BSL) is a social justice organisation working to prevent and alleviate poverty across Australia. Our mission is to pursue lasting change, to create a more compassionate and just society where everyone can thrive. Our approach is informed directly by the people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

This submission draws on our practical experience, along with our research and that of others. Our skills and training related work includes:

- **partnering with TAFEs** to support young people to access and sustain engagement with education and training. This includes establishment (with Launch Housing) of Education First Youth Foyers. This supportive accommodation, located on TAFE campuses, enables young people experiencing (or at risk of) homelessness to engage in education and training that helps alter their life trajectory.
- **delivering training** to a diverse range of learners – particularly those experiencing disadvantage – through our Group Training Organisation, Learn Local and our former Registered Training Organisation.
- **operating the David Scott School** – a high-support, independent school for young people who had fallen out of mainstream education. In 2022, over 110 senior secondary students are currently undertaking the Victorian Certificate in Applied Learning at the school.
- **innovative employment support models**, sustained by philanthropic, corporate, state and federal funding. This includes facilitating the National Youth Employment Body (NYEB).
- **major Australia-wide research** commissioned by the National Centre for Vocational Education Research, and others, as well as numerous evaluations of VET-related support services.
- **piloting innovative employment-based training** models in partnership with youth service providers, vocational education providers, and industry bodies. This includes the current AgFutures: Foundational Capabilities Pathway project in the southwest of Victoria, with the support of the Victorian Government's Workforce Training Innovation Fund.

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Overview

The Brotherhood of St. Laurence (BSL) shares the concerns of Department of Employment and Workplace Relations (DEWR) that Australian apprenticeships are not currently living up to their potential. While there exist a wide range of issues which are indicative of the apprenticeship system not delivering a full return on its substantial investment, BSL agrees with DEWR's assessment that three issues which must urgently be addressed are:

- the continuing decline of completion rates
- the limited participation of minority and equity groups, and
- the weakness of the apprenticeship system in meeting the current and future needs of apprentices and employers.

The causes of these issues are interconnected

The DEWR framing of problems across the life cycle of apprenticeships accurately reflects the complexity of the causes for the three key issues identified. It is important to focus not just on how the delivery of the training product is supported, but also on whether the product itself is meeting the needs of learners, employers and industry. Siloing solutions to specific points in the life cycle will not capture this complexity, and will not take account of weaknesses within the system. Key among the causes are:

- occupationally narrow and long-form employment-based training (EBT) offers which only cater to a small subsection of learners, and exacerbate issues with completion rates and the limited participation of minority and equity groups.
- disconnection between the training system, learners and employers. This negatively impacts completion, the participation of minority and equity groups, and the capacity of the apprenticeship system to meet the current and future needs of employers.
- a centralised system which is not adaptable to the needs of place. This weakens the system's capacity to support minority and ethnic groups, and meet the local needs of employers and apprentices.

A system lens is required to address them

Addressing complex, interconnected barriers and points of failure across the life cycle of apprenticeships requires solutions which address this complexity and connection. The weaknesses of previous attempts at siloed, independent solutions speaks to the need for joined-up, system-level solutions. Systemic solutions will also aid long-term improvements.

Recommendations

Our submission puts forward five key recommendations. These draw from the Brotherhood's existing expertise and experience developed through the research of the Social Policy Research Centre, our support of learners passing through the vocational education system, and our delivery of educational and employment programs to Australians experiencing disadvantage. These recommendations are:

- expanded employment-based training offers in the form of broader, shorter-form EBT offers, to address the weaknesses of occupationally narrow and long-form training
- institutional and systemic accountability for training outcomes and the employability of training graduates
- an expanded and formalised collaborative role for employers to be engaged in the design and delivery of training, to enhance on-the-job learning and bridge the gap between employers and the training system
- place-based adaptability and responsiveness to enable the above solution, and to address the weaknesses of centralised curriculum and training design
- widening access to and support for completion of apprenticeships for learners with a disability, through clearer eligibility and collaborative support models.

1 Australian apprenticeships

The problems with Australian apprenticeships

The Brotherhood of St. Laurence (BSL) shares the concerns of the Department of Employment and Workplace Relations (DEWR) that Australian apprenticeships are not living up to their potential. This weakness in current systemic approaches to apprenticeships means that those who undertake apprenticeships are not reaping the full benefit of employment-based training. Many potential apprentices are also locked out of the apprenticeship system by its narrowness and inaccessibility.

Employment-based training (EBT), through models such as apprenticeships, is well established across the world as a feature of well-functioning education systems. Strong and effective EBT models benefit a wide range of stakeholders, from learners and jobseekers, through to employers, industry and national governments. However, the Australian apprenticeship system is not currently living up to its potential. Though there exist a wide range of issues which are indicative of the apprenticeship system not living up to its potential, BSL agrees with DEWR's assessment that three issues which must urgently be addressed are the continuing decline of completion rates, the limited participation of minority and equity groups, and the weakness of the apprenticeship system in meeting the current and future needs of apprentices and employers.

The first problem with apprenticeships is that completion rates are low, and in decline. As noted in the recent *Australian apprenticeship services and supports* discussion paper, completion rates for the 2017 apprenticeship cohort have fallen as low as 55.7%. These rates of completion have been in steady decline since the cohort of 2012. For learners and governments, low rates of completion represent a waste of investment, both of resources and of effort. For employers and industry, low completion rates engender a lack of faith in the apprenticeship system, hindering uptake.

The second problem with apprenticeships in their current form is that they cater only to a narrow section of Australian jobseekers and labour market entrants. As the discussion paper notes, women, First Nations people, people with a disability, and those from culturally and linguistically diverse (CALD) backgrounds are all underrepresented in one or both of enrolment and completion statistics. But also unrepresented in Australian apprenticeship offers is a diversity of industries and occupations. Roughly two in three apprentices enrolled are training for traditional trade occupations. Emerging industries in need of quality employment-based training solutions, such as those in the technology and IT industries, are not yet represented in apprenticeship enrolments in anywhere near the proportions they are in vocational systems internationally.

The final problem is the increasing gap between the skills developed through apprenticeships, and the current and future needs of employers and learners. The centralised development of training packages and training models, undertaken in conjunction with industry bodies, means that place-specific needs of employers are often not addressed. Additionally, the reactive, incentive-based and just-in-time policy responses to workforce development of the last decade have eroded the capacity of government and tertiary institutions to forecast needs and future-proof qualifications. For learners, career mobility and growth are often hindered by the occupationally specific content of entry-level qualifications and the dominant single workplace delivery model of apprenticeships.

BSL shares DEWR's ambition that a strong apprenticeship system is one which will meet not only the immediate needs of employers, industry and learners, but also set learners up for long-term careers by allowing for the changes within industries over time.

A systemic approach is required

Despite the accuracy of the three problems prioritised by the *Australian Apprenticeship Services and Supports* discussion paper, it would be a mistake to see them as independent. In many cases, one weakness or point of failure may exacerbate more than one of the problems. For example, the isolation of a training provider from the local community makes it more difficult for the minority and equity groups within that community to commence and continue training. It also exacerbates the misalignment between skill development and the needs of the local labour market. In other cases, the problems themselves directly relate to each other. The underrepresentation of people from diverse backgrounds – for example, only 8.7% of those who completed an apprenticeship or traineeship in 2021 spoke a language other than English at home (NCVER 2022) – leads to feelings of isolation and disconnection from on-the-job learning and workplace cultures, negatively impacting their completion rates. Completion rates may also be negatively impacted by an apprentice's experience of misalignment between their training and the needs of employers.

BSL welcomes the Department's framing of potential solutions as aligned with the life cycle of an apprenticeship. This approach recognises the variety of moments and transition points in the apprenticeship journey at which barriers can occur. However, the framing adopted in the discussion paper that locates the causes of the three problems separately across the life cycle of the apprenticeship runs the risk of the compartmentalisation of solutions. Addressing the problems at each point across the life span of an apprenticeship as individual, distinct issues will lead to solutions which overlook the linkages between the causes, and thus limiting their success. For instance, lack of line of sight to employment outcomes may be a barrier to completion at one or more stages of an apprenticeship. In cases such as these, a strong solution is one which addresses the continuity of this cause across the life cycle.

The interconnectedness of the causes of problems across the life cycle of an apprenticeship therefore necessitate solutions which recognise this interconnectedness. Services and supports are often targeted at a specific demographic group (e.g. Disabled Apprenticeship Wage Support Program), a specific perceived weakness with the apprenticeship model (e.g. direct payment to apprentices in priority occupations), or a single point in the learner's journey (e.g. 'fee-free TAFE' to incentivise commencements). Such fragmented responses are often limited in their impact. While targeted supports can benefit members of minority, disadvantaged and equity groups, their implementation is often narrow, and insufficient to provide long-term solutions to the underlying systemic issues. Several years of government investment in promoting apprenticeships and removing financial barriers with targeted support, either through fee-free courses or financial incentives for employers, has not seen any success in addressing the multifaceted issue of declining completion rates.

The scale, duration and complexity of the issues highlighted in the *Australian Apprenticeship services and supports* discussion paper are therefore best addressed by solutions which do not

just offer short-term and narrow responses which are subject to funding cycles, but address the elements of the current apprenticeship system which render it no longer fit for purpose.

BSL's work already has a strong focus on the three key issues outlined in the discussion paper. BSL have also adopted a similar approach in seeing the need for solutions that take account of the life cycle of apprenticeships. However, rather than aligning solutions specifically to single moments in the life cycle, our approach sets out broad ambitions for the improvement of systemic weaknesses of apprenticeships as they currently exist. This is summarised in the 'Five Cs' of our ambition:

Commencements in training more closely aligned with need and opportunity in labour markets

Connection to training, particularly for disadvantaged and marginalised learners/equity groups, enabled and sustained through learner-centred provision and support

Completion rates increasing to be on par with rates in comparable international systems

Conversion of education into employment strengthened, particularly for those entering training who are unemployed or underemployed

Career continuity enabled through stronger government stewardship of training on and off ramps that foster ongoing training access to support up/re-skilling.

Rather than solutions which are siloed to any one point, the Five Cs intersect across the key transitions of the life cycle. This approach allows us to address problems as connected. Through this we seek to avoid the compartmentalisation which has plagued previous attempts at reform.

Recommendations

BSL recommends a set of system-level solutions for Australian apprenticeships which address the three key issues identified in the *Australian Apprenticeship Services and Supports* discussion paper. These recommendations aim to address not just each problem separately, but the interconnected causes and implications of the three problems. These recommendations stem from the breadth of BSL research, service delivery and employment work. This includes but is not limited to, the National Youth Employment Body, the Inclusive Pathways to Employment program, and the Ticket to Work initiative.

Expanded employment-based training offerings

While the current structure of apprenticeships meets the needs of some learners, the long form and occupationally narrow approach limits their utility for others. Recent NCVER statistics show that only 41.5% of learners who undertake an apprenticeship in a trade occupation do so because they want to work in that specific occupation; for those in non-trade occupations the number is even lower, at 26.1% (NCVER 2022). This suggests that the current structure of apprenticeships, which are focused on a narrow occupation rather than broad industry entry, are only catering to a small minority of learners. This narrowness is not designed to take account for those learners who enter workplace learning without prior industry exposure and without clear commitment to a specific occupation. Furthermore, OECD research has shown that two of the biggest barriers to worker mobility are low skill levels, and highly specific training (Bechichi et al. 2019). The impact of narrow training is exacerbated by the length of current apprenticeships, where learners –

particularly young learners – are asked to sign up for multiyear courses in industries and occupations with which they have limited exposure and experience.

The solution to this is the provision of alternative, shorter form and broader models of employment-based training to complement existing apprenticeships and strengthen learner readiness for existing pathways. These broader entry points should be designed to equip learners with the skills required for entry-level employment in a specific industry, but remain broad enough to allow future occupational specialisation to be built upon them without waste or the need for foundational re-training. Shorter form and broad EBT models will allow for greater career exploration and choice, increase flexibility in educational pathways, and cater to a variety of learner types and ambitions.

Institutional and systemic accountability for training outcomes and the employability of training graduates

The inclusion of career continuity within the Five Cs of BSL's approach recognises that the misalignment between training and the future needs of employers and learners must in-part be addressed within foundational training, and does not sit outside the scope of apprenticeships. Often the causes of non-completions, and decisions not to enrol, are tied to learners' perception of their prospects post completion. While the current education system has clear funding accountabilities for the delivery of training and successful completion by learners, there is limited accountability for the outcomes of learners on departure from the education system, and in the years immediately following it. This has exacerbated the disconnection between education and early career employment, limiting the conversion of training into sustained employment outcomes. This failure to convert diminishes the appeal of training, training institutions and the training system to learners. Focusing too heavily on driving learners to complete instead of focusing on how their training will be relevant to the labour market can have a net-negative effect on completion rates.

This can be solved through institutional and systemic accountability for both training outcomes and the employability of training graduates, through public reporting of institutional completion and employment rates. National VET graduate tracking is already undertaken in varying degrees by 19 out of 24 EU member states, to inform policy, improve labour market matching and monitor provider performance (European Commission 2018). This data can drive a renewed, intersectional focus on equity in the skills system to ensure it is inclusive and safe for all learners, including by tracking and reporting on the access, completion and outcomes of marginalised groups (e.g. First Nations learners, learners with disabilities, rural/remote learners, early school leavers, older learners with low educational attainment) and enabling intentional, evidence informed wrap-around support for learners at points of need.

An expanded role for employers to enhance on-the-job learning, enabled through formalised collaboration with the vocational education and training system

The disconnection between employers, industry and the education system has further eroded the role and expertise of employers when it comes to training and development of their entry-level workers. As noted in the *Australian Apprenticeship Services and Supports* discussion paper, one key point of failure of the current apprenticeship system is employer readiness to enable and

support off-the-job training. At the same time, around three-quarters of traditional trade apprentices who did not complete in 2019 cited employment-based reasons for their choice to discontinue (Misko, Gu & Circelli 2020). Employers' line of sight to the design and delivery of training has been blurred due to their own arm's length relationship with the process of training itself. The result is that employers undervalue off-the-job training, while they are not being supported to provide the on-the-job training and learning environments which learners require.

The solution to these problems will come through engaging employers more closely in the design and delivery of on-the-job learning. This will help bridge the gap between employers and the vocational education and training system, and between employers and off-the-job learning. Bringing employers and the training system closer together will enable the sharing of expertise and ambition, including closer alignment between the on-the-job and off-the-job dimensions of apprentices' learning. This will ensure that the training accurately reflects the broad and specific needs of employers, while building the pedagogical capabilities of employers and supervisors to deliver on-the-job training that aligns with industry standards and qualification outcomes and improves apprentice retention and completion. These changes should be intentionally supported through formalised structures of collaboration between employers and the training system. Establishing strategic governance mechanisms rather than relying on one off and ad hoc instances of collaboration will lead to cultural change and mindset shift. This cultural change will ensure that benefits are lasting and systemic.

Place-based adaptability and responsiveness

The centralised nature of the current system, particularly with respect to training package and qualification design, has largely erased local voices and considerations of place from current EBT offerings. Already articulated as a problem with Australian vocational education in the Joyce Review of 2019, this problem persists. Sidelining the voices of local communities, employers and learner cohorts means that training products, delivery and curriculum are not adequately aligned with the beneficiaries of EBT. Key vocational education and training research organisations and governing bodies have argued that training which does not align with the needs of local learners and employers can negatively impact completion rates, disincentivise enrolment for place-specific equity cohorts, and prove ultimately unsuitable for employers with local work practices and skill needs (Cameron & Rexe 2002; Huddleston & Branch-Haddow 2022; OECD 2014; OECD & ILO 2017).

In order to overcome these problems caused by centralisation, training systems must transition from their current centralised and top-down structure to structures which enable place-based responsiveness. Vocational institutions must be enabled to innovate and adapt to meet the needs, barriers and long-term labour market outlooks for the regions which they serve. This capacity and capability to innovate can be enabled through less restrictive and competency-based approaches to training delivery, through closer alignment between local employers and industry and local education providers, and through building channels for communities to engage directly with education providers rather than with state or national representative bodies. These changes will require government investment in the building of local capabilities and governance mechanisms to facilitate these processes. Training and curriculum adapted to local and emerging labour markets will lead to higher completion rates. Closer connection to community and local support services will allow educational institutions to better meet the needs of the diverse,

minority and equity groups in their region. Finally, by narrowing the distance between local employers, industry and training providers, the content and delivery of training can better meet the current and future needs of learners and employers.

Widening access to and supporting completion of apprenticeships for learners with a disability through clearer eligibility and collaborative support models

As the Australian Government aims to build a pipeline of skilled workers to support sustained economic recovery (Department of Education, Skills and Employment 2022) there must be a focus on people with disability of working age, who continue to have low rates of employment (47.8% were employed in 2018). Rates of employment of people with disability who have completed an apprenticeship are consistently higher (at 71.6%) than those seeking employment not through an apprenticeship (Melbourne Apprenticeship Disability Network (MADN) 2022, unpublished data).

Jobseekers and learners with a disability face additional barriers, however, to accessing, sustaining and completing apprenticeship training. Despite the evidence of good outcomes for those who complete an apprenticeship, people with disability are less likely to undertake and complete apprenticeships than their peers without disability. People with disability make up about 12.7% of the working age population but only 2.8% of Australian apprentices in training (Department of Employment and Workplace Relations Australian Apprenticeship Services and Supports Discussion Paper 2022).

A longitudinal study of employment outcomes for Australian apprentices and trainees with and without disabilities (Lewis, Thoresen & Cocks 2013), found positive employment and related outcomes for apprenticeship graduates with disabilities. Indeed their economic outcomes achieved from participating in apprenticeships are comparable to similarly aged Australians without disability. This study observed sustained outcomes including improved workforce participation and employment rates and increased income levels.

Research has consistently shown that VET with an employment-based training component is more likely to convert to a job outcome, including for those with intellectual disabilities who are more likely to be disengaged from education, training and employment than others (Nugraha & Mumpuniarti 2018).

To solve these problems, and encourage commencements among Australians with disability, supports and services targeted to learners with a disability need to be better integrated into apprenticeship systems, and more accessible. For example, the Australian Government funds and administers the Disabled Australian Apprentice Wage Support (DAAWS) program. Data from BSL's program Ticket to Work has identified DAAWS as a lever to improve participation and successful completion of apprenticeships. However, the current complexity of DAAWS limits its effectiveness. Information from the Melbourne Apprenticeship Disability Network indicates that the lack of clear eligibility criteria and publicly available guidelines lead to an administrative burden which excludes people with disability, their families and employers from completing the process. On average the DAAWS application process requires 25 hours of administrative work; and it can take months for applications to be assessed by the department.

In addition to widening access to apprenticeships for jobseekers with a disability, additional support must be provided where necessary, to ensure that disabled apprentices complete their

training (MADN 2022). This will result in a greater return on investment for eligible apprentices, employers, the government and ultimately the community (McDowell et al. 2011). The Ticket to Work initiative offers an example, taking a collaborative approach to improve employment outcomes for young people with disability. Ticket to Work networks have supported over 1,600 young people with disability (a high proportion of these with an intellectual disability) to access early career activities and apprenticeships and traineeships. With a strong focus on evidence-based practice, Ticket to Work focuses on creating work-based learning opportunities. The completion rate of young apprentices and trainees with disability using the Ticket to Work approach is 87%, well above the average completion rates of other Australian apprentices.

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