

Let's lift Australia's national apprenticeships

Key points

1. TAFE Directors Australia (TDA) calls on the Commonwealth government to pledge support for an increase in the number of apprentices and trainees in training by 20% by 2020.
2. This will require a modernisation of the apprenticeship system in order to better attract and retain young people in apprenticed occupations and support mobility across jurisdictions and into professional careers.
3. It also needs greater advocacy, involvement and support to industry, and linking this advocacy on apprenticeships as a viable career to schools and communities to ensure sustainability of apprenticeships into the future.

Australia's apprenticeship system is in trouble

Between September 2014 and September 2015, Australia saw a 13.7% decrease of apprentices and trainees, with 6% fewer commencements and 21.5% fewer completions (Figure 1).

Figure 1: Apprentices and trainees – in training, commencements and completions for 12 months to June 2011 and 12 months to June 2015.[†]

Year	Trade apprentices			Trainees		
	In training	Commencements	Completions	In training	Commencements	Completions
2011	214,000	94,100	53,300	245,200	226,900	119,800
2015	186,500	85,400	51,800	122,300	99,800	77,800

[†] **Source:** Extracted from NCVET, 2015, Historical time series of apprenticeships and traineeships in Australia from 1963, Adelaide.

This decline is a recipe for skills shortages into the future in industries as varied as advanced manufacturing, construction, agriculture, graphic design and ICT.

The 2016 Federal Budget announced \$50 billion to be spent on infrastructure, yet with little commensurate investment in the skills and vocational education and apprenticeships needed to support it. We already face skills shortages in these industries and, with declining apprenticeship commencements expected to continue, these shortages will become more acute.

Improved participation is achievable. But reinvigorating the system will require an ambitious target for improved participation supported by sustained policy work and concerted collaboration between governments, employers, schools, unions, group training companies, career advisors and TAFE. With a collaborative effort, and a firm government commitment to reinvigorate apprenticeships, the decline is reversible.

TAFE Directors Australia recommends that:

The federal government aims for an increase of 20% in apprentices and trainees in training by 2020.

A contemporary apprenticeship system

Australia can draw on numerous international examples to design a high functioning, contemporary apprenticeship system to meet the needs of the innovation economy.

The UK Government for example, has a target of 3 million new apprenticeships by 2020. To make this a reality, the Government funds the full costs of training for apprentices aged 16–18, and 50% of costs for apprentices aged 19 and over. Small businesses access targeted grants for employing apprentices. Minimum standards determine the length of apprenticeships, hours of off-the-job learning in the first year, and hours of employment.¹ Employers are involved in apprenticeship assessment decisions.

Innovative apprenticeship models also include higher and degree-level apprenticeships in a range of industries (such as computing science) developed with enterprises.^{2,3} Pathways into higher qualifications and professional careers attract high achieving students that might otherwise choose a university pathway.

Support for apprenticeships is not limited to the UK. Germany, Austria and Switzerland integrate apprenticeships across education sectors with the result that over half of all young people choose apprenticeships in upper secondary schools.⁴

A truly contemporary Australian apprenticeship system would feature such characteristics. It would support mobility of apprentices and trainees across jurisdictional borders and pathways into higher qualifications and professional careers. This is clearly not the case in the current environment. Variations in apprenticeship systems across jurisdictions torpedo national consistency and are at odds with the needs of a contemporary, agile and skilled Australian workforce.

A truly contemporary apprenticeship system would also feature robust pre-apprenticeship programs that serve to not only attract young people into apprenticeships, but provide alternative pathways for young people at risk of exiting school with low level qualification or no qualifications at all.

TAFE Directors Australia recommends that:

The federal government works with employers, group training companies, TAFE and other social partners to develop innovative, contemporary apprenticeship models and promoting their value through long term, collaborative campaigns.

All state and territory governments agree on a consistent national policy framework for apprenticeship qualifications, administration and funding to support greater clarity and mobility for employers, apprentices and training providers.

Apprenticeships that meet the needs of employers

Success in modernising Australia's apprenticeship system relies on influential employer engagement and participation. Employer involvement clearly drives successful systems in many countries which is stimulated by government incentives and contributions by business.

France for example, has an apprenticeship tax. Denmark has a hypothecated apprenticeship tax all companies pay. Austria has a fund which supports apprentices when supply falls short of demand and the UK is soon to introduce an Apprenticeship Levy on employers to fund new apprenticeships.

Control of apprenticeship funding will be put in the hands of employers in England where a levy will be charged however, each employer will receive £15,000 to offset their payment.

Ultimately, the health of the apprenticeship system is in the hands of those who sign on and complete. They have many choices, including other VET and higher education qualifications, and entry level jobs with good conditions, fair pay and on-the-job training. It is up to government, industry and stakeholders to ensure a contemporary apprenticeship system accounts for the interests and expectations of prospective apprentices and the industries they work in.

TAFE Directors Australia recommends that:

The federal government establishes employer incentives which secure greater support for, commitment to, and ownership of the apprenticeship system, and which stimulate higher participation in apprenticeships, particularly in skill shortage areas.

1 House of Commons Library, 2015, *Apprenticeships Policy, England 2015*, Briefing Paper Number 03052, London.

2 CFE Research, 2016, *The future growth of degree apprenticeships*, Universities UK: London.

3 Aston University, 19 January 2016, 'Aston spearheads drive to tackle UK computing skills gap', media release.

4 Steedman H, 2010, *The State of Apprenticeship in 2010 – International comparisons: Australia, Austria, Germany, Ireland, Sweden and Switzerland*, London School of Economics and Political Science: London.