Vocational Voices: Season 2, Episode 2

**Apprenticeship rates: should you believe the hype?**

Ben Bardon: [00:04](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=4.7) I think there's an opportunity for us to take a fresh look at apprenticeships on a national basis and put the levers in place so that state and federal governments can collaborate in a way that drives the whole apprenticeship system forward. Because at the moment the operation of it is quite fractured.

Steve Davis: [00:27](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=27.62) Hello and welcome to Vocational Voices, the official podcast of the National Centre for Vocational Education Research or NCVER for short. I'm Steve Davis and today's topic is apprenticeships. Our vocational voices today are Simon Walker, managing director, NCVER. Simon, hello.

Simon Walker: [00:46](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=46.73) Hi Steve.

Steve Davis: [00:47](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=47.86) Also Ben Bardon, chief executive officer, the National Australian Apprenticeships Association. Hello Ben.

Ben Bardon: [00:54](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=54.47) Hi Steve. How are you going?

Steve Davis: [00:55](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=55.07) Good. Welcome you both to the podcast. Now, the topic of apprenticeships and traineeships featured strongly in the recent federal election and almost daily there are news stories about falling numbers of commencements and completions, but is the situation quite as dire as that?

Steve Davis: [01:13](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=73.51) Now I should note that this is going to be a broad discussion today, so we'll be surveying some major points. Later we'll come back. We'll drill down to some particular aspects in subsequent episodes, but to get the ball rolling, Ben, I'd like to turn to you first because given that some of our listeners will be from various parts of the vet sector, it'd be helpful to start with the definition of some terms. So what do we mean when we say apprenticeships and how are they different from traineeships?

Ben Bardon: [01:42](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=102.81) Well, sure. Thanks. Look, the apprenticeships broadly speaking, are trade qualifications that take three or four years to complete and they result in a licensed trade often. Traineeships are generally shorter qualifications, usually done in a year or sometimes two years. They were created to fill gaps in the training qualifications that were available in the late nineties and to provide opportunities outside of trade qualifications for young people to join the labor force.

Steve Davis: [02:19](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=139.13) I just want to pick up on that because the Mitchell Institute in Victoria University, they note that traineeships were created primarily to reduce youth unemployment. I'm just wondering, was there some sort of accounting trick there? Are they real? Are they needed, or have they been a bureaucratic trick Ben?

Ben Bardon: [02:26](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=146.92) No, no, not at all. They are real and they have been needed, and from about the year 2000 about 3.8% of the workforce were doing some form of apprenticeship or traineeship. Up until 2013 those traineeships included existing worker traineeships. So those were people who had already got a job, which in other countries in the world might be called graduate traineeships of graduate apprenticeships. So people who've already been in the workforce for a while. So they were less targeted towards young people. But the new entrant traineeship when you get a job for the first time, that was definitely there to try and encourage people to have qualifications in the school to work transition.

Steve Davis: [03:31](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=211.54) All right, now we're going to come back to them a little bit later, but Simon, before we get too far into this, I've seen lots of figures floating around about commencements and completions. Some saying dropping approximately 5% in the last year. Whereas participation rates dropping 45% since 2012. There's nuance in those numbers, isn't there? How would you break them down from a NCVER research perspective and the reports you see?

Simon Walker: [04:00](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=240.97) Well, I might pick it up where Ben described when traineeships were first introduced in the late nineties, and by the way, there were forerunners to traineeships prior to that. But where they really took off was in around 1998, and the distinction between apprenticeships and traineeships is key, but also Ben's other point that there's a difference between a new entrant, which I think most people would typically understand an apprenticeship or traineeship to be and someone who's already in the workforce now.

Simon Walker: [04:30](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=270.5) At that point there was around about a hundred thousand apprentices and trainees commencing in any given year, but a couple of very significant policy decisions were made at the time. So the Australian government runs employer incentives to encourage employers to take up apprentices and trainees. In 1998 they introduced or expanded the apprenticeship incentives scheme and traineeship incentives scheme to include these people called existing workers. At the same time also allowed part-time apprenticeships.

Simon Walker: [05:02](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=302.52) Now that had a dramatic effect on the demand for apprentices and trainees overall, and that grew to a peak in 2012 of about 377,000 commencing apprentices and trainees in that year. Now I'll say today and right now the change in demand for apprenticeships is relatively minor compared to the change in demand for traineeships. So apprenticeships are a bit more resilient, they are less subject to some of those policy changes and more associated with just economic demand and labour demand.

Simon Walker: [05:36](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=336.5) Whereas the traineeships had a significant correlation with the changes to policy. In 2012 at the peak, the changes to the Australian government's apprenticeships scheme, which reduced incentives for existing workers to almost nothing and also part time. That was where the big change downwards in a number of commencements from 2012 onwards occurred.

Simon Walker: [06:03](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=363.54) So now you have a situation where we're running at almost half that for this current last couple of years.

Steve Davis: [06:10](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=370.11) For apprenticeships?

Simon Walker: [06:11](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=371.22) For apprenticeships and traineeships in total, the majority of that decline was in existing worker traineeships because of the change to incentives. They withdrew incentives for existing worker trainees.

Steve Davis: [06:23](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=383) Whenever I hear about apprenticeships declining, I do get nervous because there must be ramifications or consequences for just normal laypeople mustn't there? If there are less people coming through or is that again a nuance, if it's new start versus people already in the workforce?

Simon Walker: [06:40](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=400.77) Well now you're getting into another nuance and that is, and Ben did allude to this, if you want to become a trades person, typically the only way you can do that is through an apprenticeship. So you have to do a contract training, find an employer, and in most jurisdictions and states and territories that regulate apprenticeships and traineeships, you will not be able to become a plumber or a carpenter unless you do an apprenticeship.

Simon Walker: [07:07](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=427.88) With the traineeships you can do it either through a traineeship or you could just go to a TAFE or a private training provider and get that qualification that way. So there is a difference.

Steve Davis: [07:18](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=438.72) Ben, what is life like for an apprentice these days?

Ben Bardon: [07:27](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=447.21) Well, you know, there are a spectrum of experiences I suspect from young people who are having a really excellent time studying the trade that they've always wanted to do, that they ended up perhaps they've had friends or family do, and that they understand really well what's involved, through to people who didn't really know what they want to do and they're trying something out and maybe it's not going quite so well.

Ben Bardon: [07:49](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=469.62) So in the operation, you know, we've got 160,000 young people primarily commencing training each year, you're going to have a whole spectrum of different experiences, but the fundamentals remain pretty much the same. If you're doing a traditional trade apprenticeship, you'd expect to go and work for your employer for four days a week, typically, attend a training provider one day a week, you're generally earning about 65 to 70% of the minimum wage in your first year doing an apprenticeship.

Ben Bardon: [08:28](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=508.14) Some of that is offset by the fact that you're actually only working four days a week. You're studying formal study one day a week equivalent. So that kind of experience hasn't changed much over the years. What has changed is who your training provider might be. In the past that would've been a public training provider. More and more the training is provided through a contestable training market, and so you may have a choice of the training provider. In some instances the training provider may come to your workplace and help you formalise some the skills you're developing on the job.

Steve Davis: [09:06](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=546.27) If that's the case, which does sound like a system that seems to be working, why am I seeing some reports about the completion rates dropping? If that is in fact the case, what are we hearing about why apprentices aren't all going through and finishing their apprenticeships? I know you mentioned some are just trying something out, but is there anything that was systemic at play here?

Ben Bardon: [09:32](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=572.19) Yeah. It's a big area of discussion, and again, it's a nuanced discussion because first and foremost you have to determine what you're looking at when you're looking at non-completion. Sometimes it's an apprentice who moves from one employer to another. So their contractor training may change, but individually they may then rejoin with another employer and finish that qualification later.

Ben Bardon: [09:58](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=598.27) When you have a look at a lot of the trades and the individual completion rates, they're up around 60% with a couple of notable exceptions. There are very poor completion rates in hospitality, particularly those food trades where people are required to do split shifts or work late into the night. In hairdressing, hairdressing is a very low completion area. So there are some trades where you're getting completion levels which are reasonably good. If you think about, for example, an employer who had 10% staff turnover each year, you'd think that they were probably a pretty good employer.

Ben Bardon: [10:43](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=643.06) Well, if you're doing a four year trade, there's four lots of 10% opportunities to think that you might want to go and do something different. So by comparison to the historical past where there was an indenture arrangement that made it very difficult for either party to get out of an apprenticeship, now that there's been sort of labour mobility and it's much easier for either the employer to say they don't have enough work or for the apprentice to want to go and do something different.

Ben Bardon: [11:13](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=673.06) I think 60% completion rates, individual completion rates is probably okay. Typically when it doesn't work out, it's usually an issue with the employment relationships, something's gone wrong with the relationship with the boss or colleagues or it isn't exactly what they expect. So rarely is it associated with the quality of training much. This is primarily an employment pathway where you learn on the job. So usually if it doesn't work out it's some employment related issue.

Simon Walker: [11:51](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=711.39) Picking up again on what Ben just said, there is a bit of nuance here and I will explain the data a bit. So there is a bit of a lag between the starting and finishing of an apprenticeship and the amount of people who might be in training at one time. If we go back to some of the demand drivers for both the apprenticeships and traineeships, particularly apprenticeships, it is very much about the economic conditions.

Simon Walker: [12:16](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=736.15) We've got to be clear here, an apprenticeship and a traineeship is just a form of employment, so despite the contract of training having more binding arrangements that makes it a bit more difficult to separate the employer and the employee, if during a period of economic downturn conditions deteriorate, then you are more likely to see separation between the employer and the apprentice or the trainee anyway, and I think we're seeing that effect now over the last few years.

Simon Walker: [12:44](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=764.93) The other issue been raised was around the difference between a contract and an individual. We are moving from a reporting point of view, more towards representing the individual's outcome because people do change contracts and employers throughout their apprenticeship and traineeship. In some areas more than others, and we have data that can demonstrate that, but I would suggest it's primarily just a general employment condition, not necessarily a systemic issue with the nature of apprentices and trainees.

Steve Davis: [13:13](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=793.72) Something that's piqued my curiosity with the two areas where we have the higher drop in completion, being hospitality and hairdressing, it occurs to me that they're the two areas where you could set up your own hairdressing salon from home and maybe not need to or not be asked to prove that you've got your ticket. Is that perhaps an area of-

Simon Walker: [13:39](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=819.28) Yeah, we've got to be careful to distinguish between what we call the licensed trades in particular. So they vary a little bit across jurisdictions, but if there's two that are consistent across every jurisdiction, and that's plumbing and electrical. So the only way you can operate as an electrician is if you're a licensed electrician.

Simon Walker: [13:57](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=837.38) Being a chef or working in the hospitality trade or the hairdressing trade doesn't require you to have that so-called trade certificates. So there is a difference between the two. It is interesting to observe the recent change in commencements in particular for hairdressing because it doesn't seem to correlate with the demand for employment. We don't know the answer to that and we need to do a bit more research into that because that is operating against the sort of normal demand drivers you might expect.

Ben Bardon: [14:28](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=868.13) Yeah, I saw that too Simon. When you have a look at in 2014 there were 8,700 apprentices doing a hairdressing qualification and then by 2018 it's down by about 1200 I think to 7,500, but at the same time the workforce has actually increased by 1% by about a thousand people. So yeah, you would expect, but the numbers of people studying hairdressing as an apprentice would stay stable in that kind of stable employment pattern.

Ben Bardon: [15:05](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=905.01) Maybe there are other related issues about the way in which apprentices are trained because there seem to be two channels. With any of these trades it's worth scratching down, digging down a bit deeper to see what else is going on other than just the labour demand.

Steve Davis: [15:24](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=924.87) If I flip our point of context here to the actual substance of what is in the teaching framework for an apprenticeship or a traineeship, are we as a whole keeping pace with what is being demanded and in what is useful for industry? Do we think? Who wants to start on that one for?

Simon Walker: [15:47](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=947.85) Well I can probably give you a bit of background, and this relates as much as anything to my previous roles in government and seeing a number of national reviews and number of state post reviews of the apprenticeship and traineeship system. What is common, and by the way, South Australia has just released their review of their apprenticeship and traineeship system.

Simon Walker: [16:08](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=968.75) There are some very common themes that go to the heart of exactly the question you're asking. So the main thing, as I say is economic conditions that generally drives demand for employment. Of course employment and apprenticeships are one and the same thing. The other one is the cost of training for employers. That's in fact why there is an apprenticeship incentive scheme in place to assist at defraying some of the costs, particularly in the early years of their apprenticeship where they're not very productive and there's more training and less outputs if you like.

Simon Walker: [16:41](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1001.07) Flexibility. That I think is going to the heart of your question, is a constant refrain. So the more traditional model of having to release an apprenticeship or apprentice sorry for one day a week or potentially for blocks of two weeks of training if they're in a regional area, is something that I think employers are finding harder and harder to manage.

Simon Walker: [17:00](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1020.91) So Ben mentioned on the job training, that's one possible way of doing it. So rather than having to release them, the trainer comes to them. That's a cost issue for the training organization because you're then dealing with individuals. So there is sort of a trend and an inhibition that goes with the flexibility of the model, which I think is more manifest now than it was perhaps 20 or 30 years ago.

Steve Davis: [17:24](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1044.53) Ben?

Ben Bardon: [17:25](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1045.42) Yeah, I'd agree with that. But in addition, I'd say that one of the key things, the change, there are multiple things that change, but from an employer's perspective a couple of the key things were that there was no change to the incentive level since 1998 for the core incentives to take somebody on. But the costs have risen significantly. So there were reasonable pay rises for modern awards a few years ago. We saw a dip immediately after that.

Ben Bardon: [17:57](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1077.07) Then over the last four or five years, both state and federal governments have reduced their overall funding to the VAT system, which flows through to training providers. So training providers have been required to gather more of the funds from employers. So in some instances the upfront costs to an employer of paying for the enrolment fee were greater than the incentives that they could get in that first period. So it was more costly wages and greater costs of actually enrolling the student. There used to be sort of nominal enrolment fees of a few hundred dollars, but in recent years they've gone up to as high as three or $4,000 that an employer has to pay.

Steve Davis: [18:43](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1123.76) If I'm not wrong, you are arguing that employer incentives are not necessarily the best mechanisms to use to boost numbers, participation numbers, is that right? If so, what would be a better approach if in fact increasing the pool of apprentices and trainees is important?

Ben Bardon: [19:06](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1146.58) I support them in the Australian context. I mean I've looked at different systems around the world and there are some systems that operate without employer incentives. But the way that we've built ours makes the particularly small businesses very alert to small changes. So when we had the global financial crisis for a period the incentives were doubled because there was concern of looming skill shortages if employers just stopped employing young people.

Ben Bardon: [19:41](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1181.69) So that worked. I mean it really worked. It kept enrolment numbers up during the global financial crisis when other sectors of the economy weren't putting workers on. It works in the Australian context and certainly some of the incentive programs that the federal government introduced last year were extremely popular, that got snapped up very, very quickly. The range in the pipeline that are welcome too. So yes, in Germany you may not need them because you've got a kind of long cultural history of employers seeing it as their obligation. But over here it's more transactional.

Steve Davis: [20:30](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1230.43) The structural changes to the labour market that have occurred over the last, well, arguably 50 years. So you now have a situation where you've got a significant rise in part time employment. There's a lot of reasons for that and some complexities associated with that as well. Not the least that people are staying in education longer. So if you consider that or as I think most people do you conceive of an apprentice or a trainee being a young person entering employment for the first time, well they are actually going into universities in a way that's never happened before. They have a lot of other options and because the jobs themselves, the growth in jobs have been part time, part time arrangements don't lend themselves to apprentices and traineeships the way a full-time employment does, and that is having an impact as well.

Ben Bardon: [21:18](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1278.47) Well if there were some structural changes that explains some of the reduced numbers, there's some areas of the economy that are growing really quickly, health and welfare support workers grew by 28% over the last five years. Carers and aids grew by 24%, and yet in both of those areas, traineeship numbers have fallen quite significantly, you know, by roughly 3000 people a year. There are a range of other factors at play. Some of them are licensing related and some of them are if you become an aged care worker for example, doing a traineeship to become an aged care worker, a lot of employers are preferring to have that person trained up front. Not in a traineeship model of on the job learning.

Ben Bardon: [22:09](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1329.89) Maybe they do a cert three qualification in six months with a training provider before they come into that workforce. So I think it's worth considering what are the other pathways into some of these roles and would it be better to have traineeships rather than upfront training? I'd argue in most instances it would.

Simon Walker: [22:31](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1351.64) Yeah, I think that's a really good point Ben. If you look at the growth in the social services and allied health sector they are dominated by not for profits in many ways and some of them are relatively small scale, not all of them mind you.

Simon Walker: [22:47](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1367.67) Again, a fairly high level of part time workforce as well. So they find the construct that they find it difficult to manage efficiently a traineeship type model and would prefer to have some pre-trained and then pretty much do it on the job, but without the contract of training arrangements.

Simon Walker: [23:04](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1384.47) So when we're looking at overall numbers, the effect of that large growth in employment in those sectors does not appear proportionally in the traineeship and apprenticeship demand area. So that's a really good point Ben makes.

Steve Davis: [23:18](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1398.21) I also wonder, Ben mentioned before that in the global financial crisis, the government just upped the incentives and we saw a sugar hit of an increase of take up. The federal treasurer just recently announced 80,000 new apprenticeships in industries where there are shortages. Are we ever really going to break that need for needing the government to put the foot on the pedal?

Ben Bardon: [23:41](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1421.31) What I look at is what historically have we required as a percentage of the workforce to be in apprenticeships and traineeships, to both provide the level of skills that the economy needs, the mix of skills it needs and to provide pathways, school to work transition pathways there for young people primarily, and it's about 3.8%, I think I mentioned that before.

Ben Bardon: [24:09](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1449.06) Well over the last few years, since 2013 that's gone from 3.8% of the workforce down to just about 2% of the workforce now. So the workforce is growing strongly. There's been a reduction, there's been a removal of the existing worker traineeships and there's been a reduction in traineeship levels overall.

Ben Bardon: [24:32](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1472.47) So in terms of does it make sense to invest in this area? I'd argue yes, because when you have a look at the level that we've required for much of this century so far, it's around 3.8%. When you compare us to our near neighbours in New Zealand for example, they've got 5.5% of their workforce doing apprenticeships and traineeships in similar but not identical labour market conditions.

Ben Bardon: [25:04](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1504.47) Scotland's got 13%, so at the moment we've got a bit of a crisis with very low levels of the overall workforce being trained under contracts of training with the on the job learning formulae. So it is worth investing in to try and get those levels back up.

Steve Davis: [25:28](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1528.88) I've got a nephew who just got accepted into an apprenticeship in the refrigeration air conditioning field. So happiness for our family. Can we look at more broadly the signs of hope, there's some interesting and positive things out there that you're seeing Ben in particular?

Ben Bardon: [25:47](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1547.1) Well I think the 80,000 places where incentives are doubled and there is 2000 going to the apprentice in addition will be very welcome. There's a, you mentioned before, a sugar hit component. So that would be 20,000 a year out of 160,000 commencements roughly.

Ben Bardon: [26:11](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1571.68) So you'll have 20,000 people who are very positive about it, both the employers and the apprentices themselves. There'll be quite a few other employers and apprentices saying, "Well, what about us?" So I think it'll be interesting to see whether that results in net additional places and what else can be done to drive the growth of primarily small businesses returning to the apprenticeship system to be able to provide opportunities.

Ben Bardon: [26:49](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1609.52) Certainly in the new contract for the apprenticeship support network, there are a range of other levers that are being envisaged there to try and encourage first time employers of apprentices to come into the system and become part of it. Many of those trade businesses have come through the system so they understand it. It's just trying to encourage them now that they run their business to participate in providing those opportunities.

Steve Davis: [27:19](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1639.42) For actors in the vocational education training sector. Simon, firstly, are there some obvious areas where you think we should be applying some focus or thinking about reacting to trends that we're starting to spot?

Simon Walker: [27:36](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1656.67) Well, I think, and this is a bit of a personal observation with a young son, but also what I know of other people and young families are doing. You have got this massive decline over time in full time employment for young people. I think that that will have some major implications for society. I think one of the best things you can do when you're young, and I know what it's like for me, was just getting into the workforce, and this is a good model. I mean no one disputes, despite all the issues that surround apprenticeships and traineeships, that the model of integrating employment and effectively full-time employment in the main with formal learning is a terrific way to develop the skills and the human capital.

Simon Walker: [28:20](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1700.56) So I'd just like to think if people could just consider that for the moment when government's doing its policy, when employers are considering what they need for their workforce, and employers are the first people that will say, "I can't get the skills." Well that's a shared responsibility. So between governments and employers, we have a model that could well do with some fine tuning and this flexibility issue may well be one of those issues, but overall it's sort of perverse that we have pretty much consensus around a model that everyone agrees is a great way to develop skills and human capital, but we're somehow not getting it together.

Steve Davis: [28:59](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1739.44) Ben, from your perspective, National Australian Apprenticeships Association?

Ben Bardon: [29:04](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1744.13) I kind of imagine myself, you know, imagine if I was still in the UK and looking into the Australian system, there'd be a few things that I would expect to see. I'd probably expect to see a national apprenticeship policy with bipartisan support like they have in Germany. I'd probably expect to see some secure funding arrangements, the public providers and the contestable training markets so that priorities could change and evolve over time and providers would be able to respond to that.

Ben Bardon: [29:34](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1774.27) I'd probably expect to see a funding envelope that would increase over time for the vocational system to be able to keep pace with rising costs. I'd probably expect to see a national campaign, and New Zealand is excellent at this, that there's full grants and benefits for young people taking vocational pathways. I'd probably expect to see a regulatory environment that supported the quality of the system and didn't sort of drive a kind of compliance-based pedagogy for want of a better approach.

Ben Bardon: [30:12](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1812.52) Unfortunately when we look into our system we've got none of those things. So I think there's an opportunity for us to take a fresh look at apprenticeships on a national basis and put the levers in place so that state and federal governments can collaborate in a way that drives the whole apprenticeship system forward. Because at the moment the operation of it is quite fractured. So there's plenty of opportunity for us to do better and return our system to the sort of pinnacle of global apprenticeship training systems that it had the reputation for probably five or six years ago.

Steve Davis: [30:54](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1854.15) Well, I think that's an optimistic note and one that's worth pondering to finish on, especially because as we promised, we've done a broad survey of the scenario at the moment. We'll come back with some more detailed and drilled down episodes in the future. Ben Bardon and Simon Walker, thank you both.

Simon Walker: [31:13](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1873.19) Thank you.

Ben Bardon: [31:13](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1873.39) Pleasure. Thanks.

Steve Davis: [31:14](https://www.rev.com/transcript-editor/shared/qTLfO1TRJyHiRHjf9lKwxkUiJPclNflUQTdU7qaKKOhx8_Exagju55g54c6O6eX0eL1-VqKGmCXDuGaIzadwQ7i55sM_HG-y04AL0KJvQAcbJJ-X?loadFrom=DocumentDeeplink&ts=1874.8) Vocational voices is produced by NCVER on behalf of the Australian Government and state and territory governments with funding provided through the Australian Government Department of Employment Skills, Small and Family Business. For more information, please visit NCVER.edu.au.