OCCASIONAL PAPER

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About the research

The effectiveness of the traineeship model

Tom Karmel, Davinia Blomberg and Monika Vnuk, NCVER

Over 20 years ago, during a period of high youth unemployment, Peter Kirby recommended that a system of traineeships be adopted for disadvantaged 16- and 17-year-olds. Growth in traineeships was initially slow until the mid-1990s, when rapid growth followed a series of reforms to traineeships. The reforms included the introduction of employer incentives and the widening of traineeships to existing workers, part-time workers, and older workers.

This paper builds on work commissioned by the Victorian Interdepartmental Policy Unit on Youth Transitions into the effectiveness of traineeships for the youth cohort. Our findings suggest that traineeships are an important pathway for female early school leavers. However, if the target group for traineeships is disadvantaged young people, then they are poorly targeted. The employment outcomes from traineeships are good, particularly for young early school leavers, but we find little evidence that traineeships have had a significant impact on skills acquisition.

Overall, we conclude that the traineeship model is a good one, as the mixture of formal education and experience in the workplace is educationally very attractive. Our suggestions for improvement relate to better targeting of government support. In particular, we suggest that government support be targeted towards disadvantaged job seekers, such as early school leavers.

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Introduction

We wish to clarify the terminology used in this report. With the move to 'New Apprenticeships' and subsequently to 'Australian Apprenticeships', the distinction between apprenticeships and traineeships was no longer reflected in the contract of training.

For the purposes of this report, we use the label 'traineeship' to define a contract of training between a trainee, an employer and a training provider in a non-trade occupation (defined by ANZSCO as all major occupation groups, excluding group 3 – Technicians and trades workers). The label 'apprenticeship' defines a contract of training between an apprentice, an employer and a training provider in a trade occupation (defined by ANZSCO major occupation group 3 – Technicians and trades workers).

Over 20 years ago the Committee of Inquiry into Labour Market Programs (otherwise known as the Kirby Inquiry) proposed that the Australian Government adopt a system of traineeships that combines work and formal education and training for disadvantaged 16- and 17-year-olds (Committee of Enquiry into Labour Market Programs 1985). Over the years, the traineeship model adopted at this time has virtually remained the same. However, there have been a number of significant policy and incentive changes. These changes include widening traineeships to existing, part-time and older workers, and the introduction of employer incentives.

This report builds on work commissioned by the Victorian Interdepartmental Policy Unit on Youth Transitions into the effectiveness of traineeships for the youth cohort. In particular, the report aims to assess the effectiveness of the traineeship model for young people 'at risk', and to make recommendations on how the model could be improved.

The first task of any assessment of effectiveness is to be clear about the objectives of the traineeship model. The original objectives of the traineeship model, proposed at a time of very high youth unemployment, were job creation for young people, equity—addressing the needs of young disadvantaged people—and skills development. The epithet of 'disadvantaged' we associate particularly with those young people who leave school without completing Year 12; we know from many authors (Ryan, forthcoming, being the most recent) that early school leaving is associated with poor transition into the labour market. Thus in this study we concentrate on early school leavers in particular. With these objectives in mind we look at the efficiency and effectiveness of traineeships in terms of:

- whether traineeships are making a significant impact on early school leavers
- whether traineeships are well targeted at early school leavers
- the efficiency of traineeships—measured by completion rates
- the employment outcomes of traineeships
- the skills outcomes of traineeships.

In assessing the efficiency and effectiveness of traineeships we also consider the extent to which the model can withstand the vicissitudes of an economic downturn. This is a consideration because the whole notion of a traineeship is dependent upon employers offering them, and we know from historical experience that apprenticeships, at least, are badly affected by a downturn in the labour market.

In addition, we consider the 'quality' of traineeships. Here we are talking about the substance of the training and trainees' satisfaction with traineeships. This is different from effectiveness in the sense that it is possible to have a very high-quality traineeship—a great experience for the trainee—but it could be ineffective because the numbers are low or the outcomes unconvincing.

In the report we make extensive use of relevant literature, recent statistics on trainees, and consultations with stakeholders.[1]

The report is structured as follows. In the first section we outline the history of traineeships. The following section considers the role of incentives and government policies, while the next presents a statistical profile of traineeships. In the fourth section we examine the efficiency and effectiveness of the traineeship system; this is followed by what we know about its quality. Finally, we discuss our findings and suggest some possible reforms.

The following are our broad conclusions.

- ✧ Traineeships are making an impact on early school leavers, particularly women. We estimate that some 20% of young women who have not completed Year 12 have commenced a traineeship, while for young men it is 7%.
- ✧ Traineeships are fairly poorly targeted if the target group is disadvantaged young people.
- ✧ Completion rates are poor—less than 50%, on average, for 15 to 24-year-old early school leavers.
- ✧ Employment outcomes are very good for trainees who are full-time, young, and have not completed school.
- ✧ The quality of traineeships is variable, with completers relatively satisfied with their traineeship, but non-completers less so.
- ✧ The evidence for increased skill levels is not, on average, convincing.

Finally, any thought of reforms must be contingent upon being very clear about what traineeships are trying to achieve. Our starting point is the original motivation of the traineeship model—a way of addressing the high levels of unemployment of disadvantaged young people. If the traineeship model is about assisting the transition of disadvantaged young people, especially early school leavers, to the labour market, then the following points may be worth consideration.

- ✧ Remove government support (incentives and user choice funding) across the board and instead have them linked to individuals.
- ✧ An appropriate target group for direct incentives would be disadvantaged job seekers (young early school leavers, young people with Year 12 who are having difficulty getting a job, and other disadvantaged job seekers).
- ✧ In relation to user choice funding, we suggest that it be restricted to full-time trainees and entry-level positions. The eligibility of enterprise registered training providers also needs careful scrutiny; it would not be a good use of public funds to subsidise training that would have occurred anyway.

[1] The consultations were 30–60 minute semi-structured interviews with stakeholders at the Victorian Department of Innovation, Industry and Regional Development (DIIRD), NCVER, a registered training organisation, and Group Training Australia. Appendix A provides the research questions that the interviews were structured around.

- ✧ For other groups, such as existing workers, the model would need to be self-sustaining and not reliant on government subsidy.

These points are very much concerned with the better targeting of government subsidies and resources toward disadvantaged groups. However, this does not necessarily mean that the number of traineeships would decline in aggregate. What happens to traineeships for other groups would depend largely on whether the traineeship model can survive without government subsidies. On this note, the combination of formal education and on-the-job training and work experience is attractive educationally. If employers and employees value the model for its own sake, then traineeships should prosper. On the other hand, if the expansion of traineeships has been largely driven by subsidies, then we might well see a significant contraction if those subsidies and other government funding are withdrawn.

History of traineeships

- ✧ Traineeships were created in 1985, making them a feature on the Australian employment and training landscape for over 20 years.
- ✧ Growth in traineeships was initially slow until the mid-1990s, when a series of policy initiatives and incentives resulted in an increase in participation.

The apprenticeship system has a long history in Australia, dating back to the early nineteenth century, and is grounded in traditional trades and dominated by young male apprentices. Traineeships are a comparatively recent feature on the Australian employment and training landscape.[2]

The Australian Traineeship System (ATS) was created in 1985 on the recommendation of the 1984 Committee of Inquiry into Labour Market Programs, known as the Kirby Inquiry, after its chair, Peter Kirby.

The Kirby Inquiry sought to address supply and demand issues for training and to highlight the problem of youth unemployment, which was hovering at nearly 20% for 15 to 19-year-olds in 1983, up from 3% in 1970. At the same time, school retention was low, with only 46% of young people finishing Year 12 in 1985. Changing technologies and skill requirements, coupled with high youth unemployment, a comparatively low school retention rate and low participation in post-compulsory vocational education programs led the Kirby Inquiry to look at ways of creating new education and training pathways for young people. Youth traineeships, by encouraging training in areas other than skilled trades, such as clerical and business occupations, and expanding opportunities for work-based training beyond traditional apprenticeships were seen as an alternative to the apprenticeship system.

While the employment subsidies paid to employers in the 1970s and 1980s to encourage them to employ long-term unemployed youth have been compared with the traineeship system, the training element was tokenistic. The Australian Traineeship System was intentionally not envisaged as a labour market program, but rather as a training system for youth, with a vision for skill acquisition.

The release of the 1987 Commonwealth Government policy statement *Skills for Australia* focused on improving training quality for both trainees and industry. A target of 75 000 traineeship commencements per year was initially set to combat youth unemployment, support new industries, encourage new skill sets and 'improve the quality of training in areas traditionally not involved with the apprenticeship system' (Dumbrell Consulting 2004).

In 1988, the Dusseldorp Skills Forum was established as an independent body seeking to improve the school-to-work transitions of young people through skill acquisition and network-building between government, industry and the education sector.

[2] We are grateful for the work done by Kirsty Woyzbun whose work was used in compiling this section, box 1 and appendix B.

Growth in traineeships was initially slow, estimated at just 11 800 in training by 30 June 1990, compared with 161 000 in training for apprenticeships, far below the target set by Kirby.

Box 1 summarises the milestones in the history of traineeships, with further information detailing the history of policies relating to the traineeship system provided in appendix B.

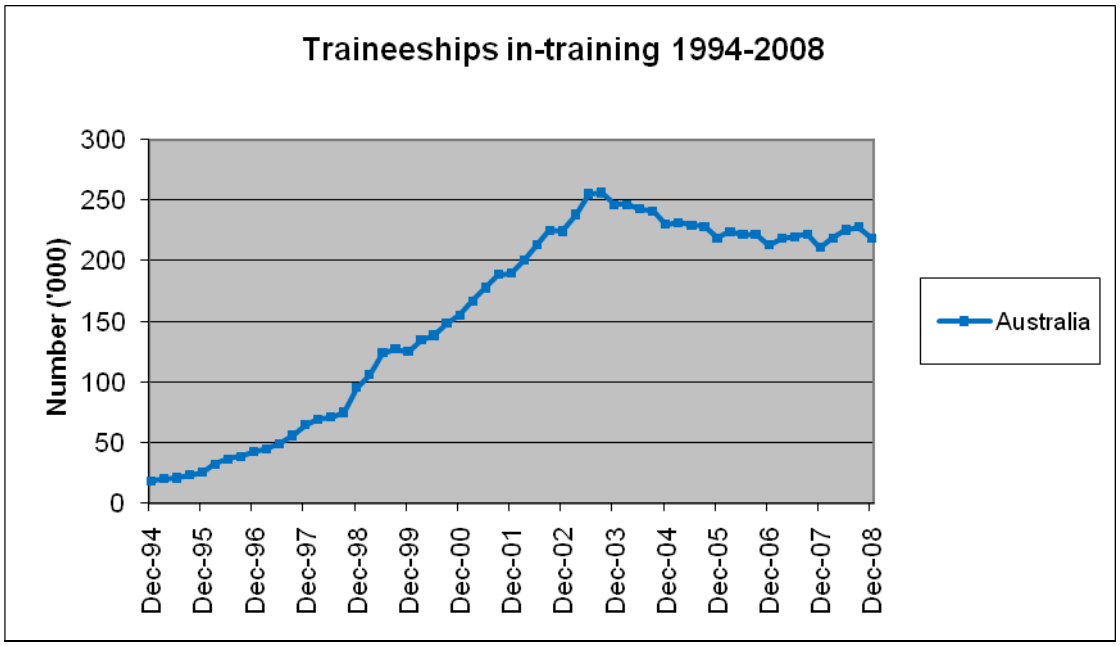
Box 1 The history of traineeships

1984–1990	
1984	The **Kirby Inquiry** held to address education and employment issues, resulting in the establishment of youth traineeships and other forms of work-based training.
1985	**Australian Traineeship System (ATS)** established.
1987	**Skills for Australia** policy introduced, focusing on improving training quality and youth employment opportunities.
1988	The **Dusseldorp Skills Forum (DSF)** established to address school-to-work transitions of young people.
1990–95	
1991	**Pre-vocational Places Program** introduced to provide preliminary skills prior to training in apprenticeships or traineeships.
1992	***Australian National Training Authority (ANTA) Act*** establishes an independent statutory body charged with formulating, developing and implementing vocational education and training policy.
	'One Nation Economic Statement' measures introduced to address decline in apprenticeship and traineeship commencements.
	Career Start Traineeships introduced, targeting early school leavers.
1994	New employer incentives and the introduction of **National Training Wage (NTW)** award rates introduced under the **Working Nation** policy.
	Age restrictions to traineeships removed, with adults able to access traineeships for the first time.
1995	**Australian Qualifications Framework (AQF)** established as an integrated national system for the recognition of VET qualifications.
1996–99	
1996	**Traineeship Employer Assistance Program** introduced to aid employers (particularly small business) in employing trainees.
	New Apprenticeships Through Group Training policy introduced to provide more flexible training and work arrangements.
1996–97	**Modern Apprenticeship and Traineeship System (MAATS)** policy introduced.
	Government agreement reached on **VET in Schools**, and **school-based apprenticeships.**
1998	**New Apprenticeships** system introduced, merging traditional (trades) apprenticeships and traineeships in other occupation areas and articulating apprenticeship and traineeship qualifications within the AQF.
	User choice principles introduced.
	Training packages expanded to provide 'full coverage' of apprenticeships and traineeships.
	Incentives paid to **existing worker traineeships** for the first time.
2000–08	
2003	**Industry skills councils** established to replace existing industry advisory bodies.
	Disabled Australian Apprentice Wage Support (DAAWS) extended to trainees.
2005	Announcement of changes to the **New Apprenticeships Incentives Program (AAIP)**, including:
	■ new policies addressing apprentice and trainee 'poaching' by employers
	■ eligibility for Youth Allowance, Austudy and Abstudy extended to apprentices and trainees.
2006	New Apprenticeships relaunched as **Australian Apprenticeships** (including **Australian School-based Apprenticeships**).
2006–08	**Australian Technical Colleges** scheduled to open across Australia.
Oct 2006	**Skills for the Future** policies announced, including incentives for higher technical skills; work skills vouchers; support for mid-career apprentices; and business skills vouchers for apprentices.
July 2008	State and territory government employers become ineligible to attract employer incentives.

The issues relating to the uptake of traineeships in the early 1990s were in part due to the economic recession. Difficulties in establishing satisfactory industrial arrangements was also a factor. This was overcome by the establishment of the National Training Wage Award, which applied across industries and set wages according to educational achievement and age (Office of Training and Tertiary Education 2006). This award enables employers to pay a training wage that is less than the standard award wage, to offset the inexperience of the trainee.

While participation in traineeships fluctuated during the early 1990s, they showed considerable growth after 1996. Changes in economic conditions and labour force participation coincided with a series of significant policy initiatives and incentives implemented throughout the decade.

Figure 1 Trainees[1] in-training, Australia, 1994–2008



Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: National Apprentice and Trainee Collection, March 2009 estimates, unpublished.

Cully (2006) argues that four key changes to policy settings were the reason for the rapid growth in traineeships between 1995 and 2002. These were:

- the introduction of a national training wage
- the lifting of the age bar, which had limited traineeships to younger workers
- provisions for workers already employed (existing workers) to add the contract of training to their contract of employment
- changes to the structure of employer incentives provided by the Commonwealth Government associated with the hiring of trainees and apprentices.

To these we add a fifth—the introduction of part-time traineeships; that is, traineeships for those working part-time.

Incentives and policies

- ✧ Incentives and policies do matter.
- ✧ Incentives can act as a wage subsidy for employers—of up to 20% for trainees.
- ✧ The National Training Wage Award acts to reduce wages. This advantages employers and trainees in occupations in which the skill differential between trainees and other workers is small.
- ✧ The retail and hospitality sectors in particular have benefited from the current incentives, in terms of percentage of the total wage bill.

Current incentives

The current Commonwealth incentive program commenced in 1998 (as the New Apprenticeships Incentives Program). Box 2 contains the current suite of incentives targeted to trainees.

As can be seen, the main incentives to employers have been focused on commencement and completion of a traineeship, with limited incentives paid directly to the trainee.

As well as incentives offered by the Commonwealth Government, there is a range of incentives offered by individual states, the great majority of which are administered by Australian Apprenticeships Centres (AACs), with payments subsequently authorised and approved by the state. State payments vary considerably by jurisdiction but fall into a number of broad categories, with the majority targeted towards apprenticeships, rather than traineeships.

A summary of the current federal and state/territory incentives for traineeships is as follows.

Trainee incentives:

- ✧ caps, concessions or exemptions on registered training organisation (RTO) fees for off-the-job training
- ✧ subsidies to offset specific costs such as travel and accommodation and uniforms.

Employer incentives:

- ✧ exemption from payroll tax, workers' compensation premiums and the like
- ✧ payments for apprentices and trainees in specific occupations, regions or industries
- ✧ payments for additional apprentices and trainees
- ✧ payments to encourage school-based apprenticeships and traineeships
- ✧ payments or support services for apprentices and trainees in equity groups (Indigenous, disability, mature-age etc.)

- payments for higher technical skills in apprentices and trainees in specific skills areas (at diploma or advanced diploma level).

Box 2 Incentives for traineeships under the Australian Apprenticeship Incentives Program, July 2009

Description	Employer payments	Employee payments	Notes & exclusions
Commencement incentive	$1250 for cert. II, $1500 for cert. III+, extra $750 for mature-aged workers & for school-based apprentices, $4000 for higher technical skills (dip. or adv. dip. commencements)	na	Govt depts not eligible but statutory bodies are. Incentive is only paid after a 3-month waiting period has elapsed and any probationary periods have been completed
Completion incentive	$2500 for cert. III+, extra $750 for mature-aged workers; for GTOs the incentive is $1000	na	Govt depts are not eligible, statutory bodies are. Prior qual'n rules apply if not a skill shortage area
Indigenous apprentices	Wage subsidy (up to $4400 pa for full-time, $2200 for part-time) applies to Indigenous Australian apprentices, with additional retention bonuses	May be eligible for Abstudy (Centrelink administered), depending on income & other tests	Employer incentives are part of the Australian Govt's Indigenous Employment Program
Assistance for Australian apprentices with a disability	Funded workplace modifications, assessed on a case-by-case basis & Disabled Australian Apprentice Wage Support (DAAWS) – up to $104.30 for a full-time Australian apprentice	Assistance for tutorial, mentor & interpreter services (at $38.50 per hour to a maximum of $5500 pa)	Available for verified temporary or permanent disabilities at cert. II or higher. RTOs may also receive assistance for approved students.
Declared drought areas	$1500 commencement and $1500 completion; additional incentives for employers who have a current Exceptional Circumstances Drought Area certificate and take on an eligible cert. II Australian apprentice	na	na

Source: Department of Education, Employment and Workplace Relations (2009a).

The effect of incentives and policy

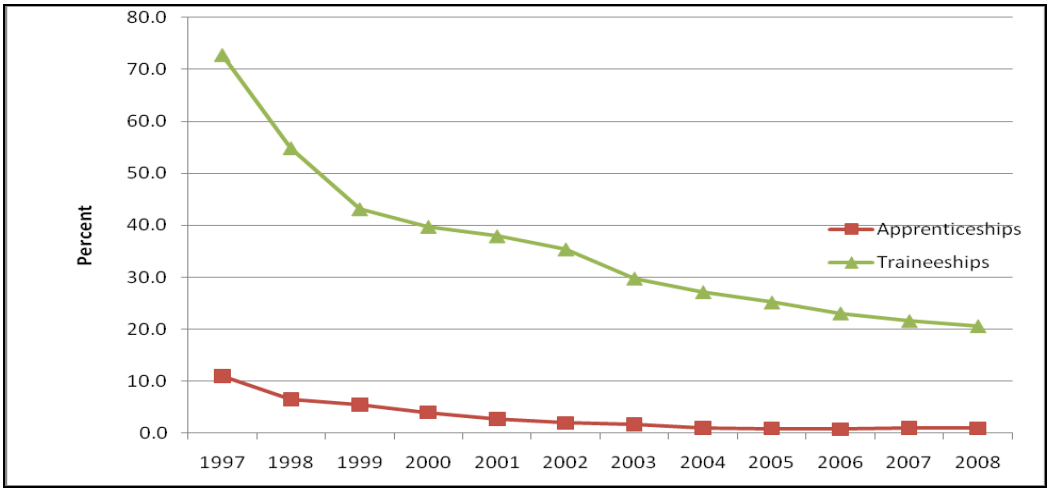
We argue that incentives do matter.

A simple example is that four in five traineeship completions in 1996 were at certificate I and II, whereas in 2005 three in four were at certificate III or higher (Cully 2006). By 2008, the figure from 1996 had done a complete about face, with four in five commencements at certificate III or higher.

From figure 2, we can see that commencements at certificate I and II for traineeships (and to a lesser extent apprenticeships) dropped off significantly after the incentive structure was changed in 1998 to reward certificate III or higher completion, with a $2500 completion incentive, in combination with the $1500 commencement incentive.

By comparison, a certificate II attracts a $1250 commencement incentive, with no associated completion incentive.

Figure 2 Percentage of apprenticeships and traineeships[1] commencements at certificate I–II, 1997–2008



Note: 1 Traineeships were defined as non-trade occupations and apprenticeships were defined as trade occupations, based on ANZSCO.

Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates, unpublished.

The rapid growth in trainees following the Australian Apprenticeships Initiatives (see figure 1) suggests that there is a causal relationship.

Cully (2008) argues that incentives have underpinned growth in traineeships through their role as an implicit wage subsidy and demonstrates that the wage subsidy from incentives could be as high as 20% for trainees. He notes that the structure of junior and training wages is complex. His work in this area showed that junior rates of pay can apply up to age 21 years, but in many instances a worker becomes eligible for the full adult rate of pay at 18 years. The span of junior rates is wide, and at age 16 years they may span from 40 to 80% of the adult rate.

Cully goes on to note that apprenticeship wages are relatively uniform in their structure, in that wage is tied to progression through the apprenticeship and rises each year until completion, when they become eligible for the full skilled rate. Apprentice wages therefore are independent of age.

By contrast, many trainee wages are set by reference to the National Training Wage (NTW) Award of 2001. Cully notes that this is important as the trainee wages in the award are dependent upon both age and the time elapsed since leaving school. Training wages for juniors are generally lower, and sometimes equal to, junior wages. Adults, 21 years and older, are paid at the highest training wage rate, regardless of the age or time elapsed since leaving school. However, an existing adult employee who takes up a traineeship with the same employer does not have their pay reduced.

The National Training Wage Award was originally implemented in 1994 after much industrial dispute and was intended to be an incentive to employ young and inexperienced workers over older and more experienced workers. The National Training Wage was based on the presumed lower productivity of new entrants. If in fact there is little difference in productivity between the trainees and other workers, the effect of the wage is to lower wage costs (assuming that there is a plentiful supply of potential trainees willing to work for the training wage). The key point in this argument is the difference in productivity between the trainees and other workers. In the trades it is clear that qualified tradespeople are more productive than apprentices (see Nechvoglod, Karmel & Saunders 2008) but the differential is less obvious in the lower-skilled occupations such as sales and hospitality.

Cully's approach to Australian Apprenticeship Incentives payments was to view them as a proportion of wages. These proportions are described as wage subsidies, on the basis that the incentive payments have the same effect as a reduction in the wage paid to the trainee. His key findings were:

- ✧ The wage subsidy to employers is greater for younger workers than it is for adult workers, and it is greater still if the apprenticeship or traineeship is commenced as a formal school-based apprenticeship. In some circumstances the wage subsidy can be more than 20%, a very considerable reduction in wage costs to the employer. This is because incentive payments are unrelated to age, whereas the training wage for young people is very low relative to adult wages.
- ✧ The wage subsidy to employers is, by definition, greater for higher skill levels—the standard incentive payment for a certificate II is $1250 (commencement incentive, with no associated completion incentive), compared with $4000 for a certificate III ($1500 commencement and $2500 completion incentive). A consequence of this is that the proportion of certificate II commencements has declined markedly and a certificate III apprenticeship has become the default qualification throughout the occupational structure—even in occupations where it would not appear to be merited (for example, cleaning). The exception to this is school-based trainees, the majority of whom commence at certificate II level, as they attract an additional $750 commencement bonus.
- ✧ Although $2500 of the standard incentive payment for certificate III qualifications is held over to completion, in most instances the implicit wage subsidy to the employer is greater if the apprentice quits (or is sacked) after one year than if they go on to complete. The only cases where this is not true relates to short-duration traineeships. In these instances only do employers have a genuine financial incentive for the trainee to complete the traineeship.
- ✧ The structure of wages in awards and enterprise agreements provides an incentive for employers to hire trainees at as young an age as possible, as wages are tied to age.
- ✧ Implicit wage subsidies are higher for trainees than apprentices. This is because traineeships are of a much shorter duration (typically two years) than apprenticeships (typically four years). As the incentive payment is an absolute sum unrelated to duration, the shorter the duration, the greater the subsidy.

To illustrate his findings, Cully (2008) presented a number of case studies to show the effect of the incentives as a wage subsidy. Box 3 shows an example from the retail industry and appendix C shows case studies covering a wide range of traineeship arrangements.

Further to this, Cully (2008) provides some insight into the industries which receive incentive payments. Table 1 demonstrates the estimated sum of incentive payments for which employers were eligible in 2007 and the contributions that these incentives provided to the total wage bill in each industry sector.

Retail claims the highest share of the eligible incentive payments, at $112.8 million. However, Cully also notes that the retail and accommodation, cafes and restaurant industries are eligible for the largest shares of the total wage bill, at 0.29 and 0.43%, respectively. He notes that these are also the two industry sectors with the highest youth employment and the industries which have high staff turnover or 'churn'.

It can thus be argued that the Australian Apprenticeship Incentives, in conjunction with the National Training Wage, act to reduce the cost of employing trainees and there is little doubt that this has been instrumental in the growth in the numbers of trainees.

Table 1 Estimated incentive payments by industry, 2007

Industry	Total incentive payments ($m)	Payments as % of total wage bill
Mining	4.0	0.03
Manufacturing	97.2	0.18
Electricity, gas and water supply	5.6	0.09
Construction	69.8	0.15
Wholesale trade	15.0	0.07
Retail trade	112.8	0.29
Accommodation, cafes and restaurants	50.5	0.43
Transport and storage	42.7	0.17
Communication services	16.7	0.16
Finance and insurance	15.1	0.06
Property and business services	95.2	0.17
Government administration and defence	30.9	0.13
Education	14.4	0.04
Health and community services	59.5	0.13
Cultural and recreation services	9.7	0.10
Personal and other services	36.0	0.22
Total	**684.9**	**0.15**

Source: Cully (2008).

It should be noted that apprentice and trainee payments are of some substance. In 2003–04, incentive payments comprised $510.0 million out of a total of $674.6 million spent on New Apprenticeships (Cully 2006). In 2004–05, the Australian Government spent $705.1 million administering New Apprenticeships (cited in Cully 2006), of which around three-quarters is likely to be incentive payments. State and territory governments also make available incentive payments; however, the full extent of these is not known.

While we have argued that incentive payments are important to employers, there appears to be a significant level of under-expenditure on payments under the Australian Apprenticeships Incentives Program (Toner, Cully & Ong unpublished). Toner and his colleagues estimate that employers were eligible for $630.7 million in incentive payments in 2004–05, compared with actual expenditure of $522.0 million.

Although they could not determine where the under-payment was occurring, they noted that this was consistent with survey evidence that the apprenticeship and traineeship system is complex, particularly for individual employers.

Comparing data from the National Centre for Vocational Education Research (NCVER) National Apprentice and Trainee Collection with data showing the number of employers receiving an incentive payment, we estimate that the claim rate for certificate II apprenticeship and traineeship vary between 71.5% (2001) and 76.1% (2004). The claim rates for certificate III was 67.6% in 2001 but reached a high of 76.0% in 2005. Certificate IV incentive uptake ranged from 60.7% in 2002 to 66.2% in 2004. This estimate takes into account that apprentices and trainees who withdraw during their waiting period are ineligible for the incentive payments.

Using the same methods, we estimate that the uptake of completion incentives for certificate III and IV is between 90.1% and 92.4% of eligible employers.

However, it should be noted that these calculations do not separate apprenticeship and traineeship data, and we would argue that the uptake of incentives for traineeships would be significantly higher than the average for apprenticeships. This is likely as the traineeship incentives are substantial when comparing the total costs of taking on a trainee with apprenticeships, where incentives only represent a small proportion of the total costs (Nechvoglod, Karmel & Saunders 2009).

In the 2009–10 federal budget, a $3.8 billion investment in Australian Apprenticeships (apprenticeships and traineeships) over four years was announced. The government is also investing around $2 billion for the Productivity Places Program (PPP), with 85 000 places in this program identified for apprentices and trainees (Department of Education, Employment and Workplace Relations 2009b).

Box 3 Wage subsidy case—at the video store

A nationwide chain hires out videos, DVDs and games to customers.

Its employees are retail workers and the employer may consider having them complete an apprenticeship qualification in retail operations. These are of either 12 months (certificate II) or 24 months (certificate III) duration. There is nothing in the enterprise agreement which indicates any grading in seniority of sales assistants.

The wages paid to shop workers are strongly associated with age—a 16-year-old (whether a trainee or not) earns 44% of an adult wage. The average annual wage bill of the shop worker undertaking the certificate III is higher than that for a worker undertaking the certificate II because the wage rises in the second year of the apprenticeship.

	Average annual wage bill of apprentice aged 16 on commencing	Average annual wage bill of unqualified junior	Average annual wage bill of qualified adult
Sales assistant (cert. II)	$13 100	$13 100	$29 600
Sales assistant (cert. III)	$13 780	$13 780	$29 600

When incentive payments are taken into account, the reduction in the wage bill ranges from 4.8% to 14.5%, depending upon the particular scenario. In each scenario the subsidy is greater for the trainee undertaking the certificate III qualification, whether a junior or an adult, and whether the trainee completes or not. This reflects the impact of the higher standard incentive payments for certificate III compared with certificate II, so that the completion payment represents a $2500 wage subsidy in the second year of employment, greater than the $1500 paid in the first, upon commencement. In this example, it is clearly in the employer's interests to register the trainee for a certificate III qualification and to have that trainee complete.

The other factor illustrated in this case study is that it is clearly in the employer's interests to hire junior staff.

	Reduction in wage bill if apprentice exits after one year	Reduction in wage bill if apprentice commences as an adult and exits after one year	Reduction in wage bill if apprentice completes
Sales assistant (cert. II)	9.5%	4.8%	9.5%
Sales assistant (cert. III)	11.4%	7.6%	14.5%

Source: Cully (2008).

User choice funding and state and territory policies

A further element underpinning the take-up of traineeships is user choice funding, which allows an employer to choose the training provider, including their own enterprise registered training organisation. Only large enterprises tend to have their own registered training organisations, but we do observe that large enterprises do account for a large number of trainees. For example, the top ten employers of trainees in New South Wales accounted for 5200 trainees or 7% of all trainees in that state in 2005, and similarly the top ten employers of trainees in Victoria accounted for 4000 trainees, or 5% of all trainees in the state (see table 2). Cully (2006) also points out that the majority of these employers are also enterprise registered training organisations, which benefit from the user choice funding for training organisations.

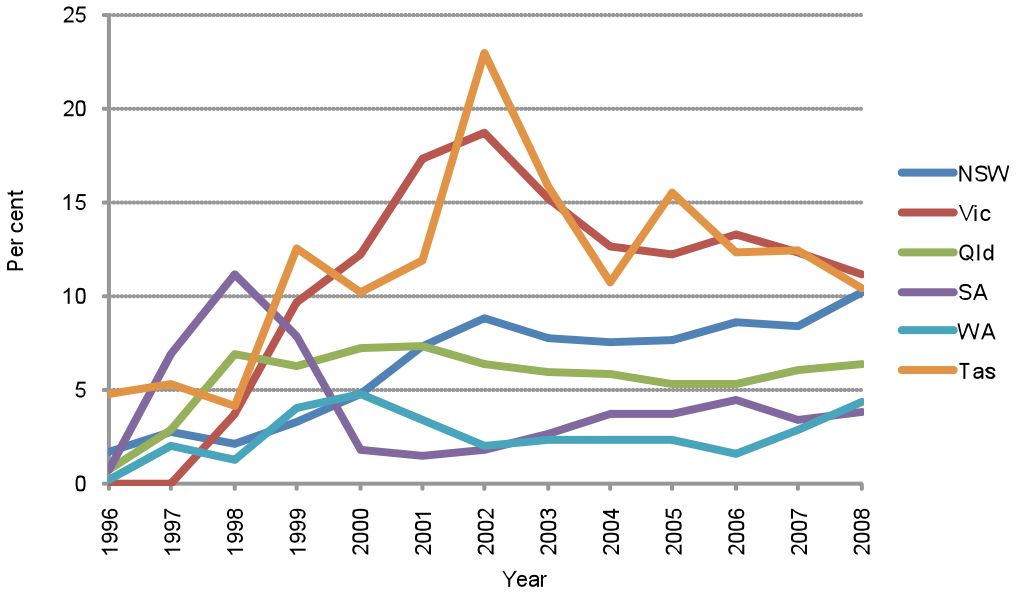
Table 2 Top ten employers of trainees, by state and territory, 2005

	No. of trainees	Proportion of total trainees
	('000s)	(%)
New South Wales	5.2	6.8
Victoria	4.0	5.2
Queensland	6.0	13.4
Western Australia	3.7	15.6
South Australia	2.4	16.8
Tasmania	1.4	16.5
Northern Territory	0.7	38.9
Australian Capital Territory	0.7	17.5

Source: Cully (2006).

In 2004, state and territory governments collectively spent $610.3 million in user choice funding, of which around half is likely to have gone to private registered training organisations (cited in Cully 2006). Further, there is some evidence that state policies and practices matter for the number of trainees. We calculated training rates (the numbers of trainees expressed as a proportion of employment) for various occupational groups and observe quite different rates across states. Figure 3 shows the data for hospitality.

Figure 3 Training rates for hospitality worker occupations (ANZSCO 43), by state (1996–2008)



Source: NCVER National Apprentice and Trainee Collection no. 59; ABS (2009a).

In 2008, the training rates for hospitality range from around 11% in Victoria, down to 4% in South Australia. The other point to emerge is that in a number of cases we see a burst of enthusiasm that evaporates as a sustainable level of training is reached. For example, the training rates reached around 19% in 2002 for Victoria, but have dropped to around 12% in 2005. While there is no firm evidence on what is driving these differences, it is difficult to see that labour markets could produce such different rates, and therefore we conclude that it is state policies and practices which largely determine these outcomes.

Profile of trainees

- ✧ The profile of trainees has changed in response to policy. For 2008 commencements, roughly 50% of trainees were aged 25 and over, 33% were existing workers, and almost 60% of 15 to 19-year-old trainees were part-time.
- ✧ We know that many of the 15 to 19-year-olds in part-time traineeships are still at school. While some are in school-based traineeships, many are in part-time employment to support their study.
- ✧ We suspect that most 20 to 24-year-olds in part-time traineeships are tertiary education students.

The traineeship system was introduced at a time when youth unemployment was high, at 20%, and Year 12 completion was below 50%. Currently, the youth unemployment rate for those 15 to 24 years of age is at 12.3%, but anticipated to rise due to the economic downturn (Australian Associated Press 2009). Further, the unemployment rate for 15 to 19-year-olds is 16.3% nationally (ABS 2009b). Year 12 completion rates have improved, with 71% of 19-year-olds having completed Year 12 in 2006, although this is less for those students from low socioeconomic backgrounds, at 58% (Lamb & Mason 2008). Due to these changing circumstances, as well as the introduction of key policies and incentives into the traineeship system, the profile of young people accessing traineeships today differs significantly from the profile of 16 to 17-year-olds who commenced traineeships under the Kirby model.

We first look at the statistical profile of trainees who commenced during 2008 and then examine how the profile of trainees has changed over time.

Trainees in 2008

Table 3 suggests that trainees aged 19 years and under are quite different from older trainees. A few points stand out:

- ✧ The clear majority (92.4%) of the group aged 19 years and under were not existing workers. By comparison, over a quarter of 20 to 24-year-old trainees and around 50% of trainees aged 25 years and over were existing workers.
- ✧ Trainees aged 19 years and under comprised a mixture of school students, early school leavers and Year 12 completers.
- ✧ Part-time traineeships were more common for trainees aged 19 years and under (57.4%) compared with trainees aged 20 to 24 years (28.4%) and 25 years and over (28.2%).

Table 3 Traineeship[1] commencements by age and selected characteristics, Australia, 12 months ending December 2008

	19 years and under		20–24 years		25 years and older	
	Number	%	Number	%	Number	%
Sex						
Male	23 473	37.6	15 548	45.1	54 180	51.3
Female	39 022	62.4	18 911	54.9	51 335	48.7
Existing worker						
Existing worker	4 765	7.6	9 066	26.3	52 998	50.2
Not existing worker	57 739	92.4	25 393	73.7	52 517	49.8
Not known	4	0.0	0	0.0	1	0.0
School status						
Still attending school	22 191	35.5	190	0.6	25	0.0
Not attending school – Year 12 completers	22 825	36.5	23 181	67.3	45 422	43.0
Not attending school – early school leavers[2]	17 328	27.7	10 971	31.8	58 927	55.8
Not attending school – highest school level not known	131	0.2	97	0.3	861	0.8
School status not known	33	0.1	20	0.1	280	0.3
Prior education[3]						
Prior education	12 340	19.7	12 781	37.1	32 606	30.9
No prior education	50 160	80.3	21 678	62.9	72 909	69.1
Not known	7	0.0	0	0.0	0	0.0
Full-time status						
Full-time	26 661	42.7	24 671	71.6	75 737	71.8
Part-time	35 846	57.4	9 787	28.4	29 777	28.2
Total	**62 507**	**100.0**	**34 459**	**100.0**	**105 515**	**100.0**

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
2 Early school leaver includes Year 11 and below and those who did not attend school.
3 Prior education refers to whether trainees have previously completed an Australian Qualifications Framework (AQF) qualification, which includes a certificate I to a bachelor degree or higher degree qualification.

Source: NCVER, National Apprentice and Trainee Collection, March 2009 estimates, unpublished.

Table 4 provides the national commencement data for the 2008 year by full-time status of traineeships. The table suggests that the majority of part-time and full-time traineeships are at certificate III level. However, for the young trainees, there is also a significant proportion (51.0%) of part-time traineeships undertaken at certificate II level. It is likely that these are school-based apprenticeships and traineeships[3], as NCVER (2009a) notes that most school-based apprenticeships and traineeships are at certificate II level.

The three most popular occupational areas were community and personal service workers, clerical and administrative workers, and sales workers. The spread of these occupations varied, according to the age group and full-time status. The most popular occupational area for full-time commencements for all age groups was clerical and administrative workers. The most popular occupational area for part-time commencements for the group aged 19 years and under was sales workers. By comparison, the most popular occupational area for part-time trainees aged 20 to 24 years and 25 years and over was community and personal service workers.

Retail is the most popular part-time training package for trainees 19 years and under (see appendix D).

[3] School-based apprenticeships and traineeships are apprenticeships and traineeships undertaken as part of a student's senior secondary certificate and provide credit towards a nationally recognised qualification.

Table 4 Traineeship[1] commencements by age, full-time status and selected training characteristics, Australia, 12 months ending December 2008

	19 years and under		20–24 years		25 years and older	
	Number	%	Number	%	Number	%
Full-time						
AQF qualification						
Diploma or higher	394	1.5	771	3.1	890	1.2
Certificate IV	2 040	7.7	4 933	20.0	25 469	33.6
Certificate III	16 837	63.2	15 196	61.6	42 597	56.2
Certificate II	7 389	27.7	3 765	15.3	6 754	8.9
Certificate I	0	0.0	4	0.0	25	0.0
Not known	2	0.0	1	0.0	3	0.0
Occupational group (ANZSCO)						
Managers	815	3.1	1 142	4.6	2 180	2.9
Professionals	222	0.8	419	1.7	4 130	5.5
Community and personal service workers	4 868	18.3	3 802	15.4	8 940	11.8
Clerical and administrative workers	9 576	35.9	8 700	35.3	24 905	32.9
Sales workers	5 654	21.2	4 551	18.4	7 001	9.2
Machinery operators and drivers	1 449	5.4	3 004	12.2	19 157	25.3
Labourers	4 078	15.3	3 053	12.4	9 424	12.4
Accreditation type						
Training package	26 363	98.9	24 325	98.6	74 896	98.9
Non-training package	298	1.1	347	1.4	841	1.1
Full-time total	26 661	100.0	24 671	100.0	75 737	100.0
Part-time						
AQF qualification						
Diploma or higher	187	0.5	396	4.0	813	2.7
Certificate IV	807	2.3	940	9.6	5 649	19.0
Certificate III	16 324	45.5	6 634	67.8	19 794	66.5
Certificate II	18 279	51.0	1 814	18.5	3 307	11.1
Certificate I	248	0.7	3	0.0	213	0.7
Not known	1	0.0	0	0.0	0	0.0
Occupational group (ANZSCO)						
Managers	395	1.1	485	5.0	1 047	3.5
Professionals	101	0.3	38	0.4	396	1.3
Community and personal service workers	10 344	28.9	4 136	42.3	12 213	41.0
Clerical and administrative workers	3 751	10.5	1 628	16.6	5 764	19.4
Sales workers	17 652	49.2	2 578	26.3	4 043	13.6
Machinery operators and drivers	545	1.5	197	2.0	1 389	4.7
Labourers	3 058	8.5	726	7.4	4 925	16.5
Accreditation type						
Training package	35 283	98.4	9 493	97.0	28 910	97.1
Non-training package	563	1.6	295	3.0	867	2.9
Part-time total	35 846	100.0	9 787	100.0	29 777	100.0

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.

Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates, unpublished.

The changing profile of trainees

We have considered the current profile of young trainees and how they differ for other age groups. To provide some perspective on how the profile of trainees has changed over time, we undertake some specific cuts of the data. These also illustrate the wide range of the Australian population who accesses the traineeship system and how this varies from the original target groups envisaged by Kirby.

The age of trainees

The age barrier for commencing trainees, previously set at 24 years of age, was lifted in 1994 to allow all age groups to access the traineeship system. While there was initially a slow uptake of older trainees at the Australian level, at just 17.5% of commencements in 1995, this jumped significantly to 45.2% in 1998, when existing workers became eligible for traineeships. From table 5, we can see that the numbers of commencements for trainees who were 25 years or older has been consistently above 50% since 2002.

Table 5 Traineeship[1] commencements by age group, 12 months ending December 1995–2008, Australia

Year	19 years and under	20–24 years	25–44 years	45 years and over	% of trainees 25 years and older
1995	13 900	5 065	3 505	506	17.5
1996	23 050	11 977	10 815	1 778	26.4
1997	28 324	16 413	21 625	5 831	38.0
1998	35 371	23 278	37 017	11 363	45.2
1999	44 924	29 622	51 461	17 772	48.2
2000	49 340	30 628	58 485	19 637	49.4
2001	55 893	32 158	63 605	22 209	49.4
2002	61 814	38 591	75 998	27 834	50.8
2003	62 291	37 356	80 660	32 495	53.2
2004	58 505	32 645	67 161	28 045	51.1
2005	59 095	32 923	66 867	29 405	51.1
2006	58 364	33 156	67 463	30 735	51.8
2007	59 850	33 947	67 331	30 551	51.1
2008	62 507	34 459	71 755	33 761	52.1

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Existing workers

In 1998, existing workers (those who were already employed by their current employer) became eligible to add a contract of training to their contract of employment.

As we can see from table 6, existing workers have accounted for over 30% of traineeship commencements since 2002 Australia-wide, when reporting on this information became available through the NCVER National Apprentice and Trainee Collection.

Table 6 Traineeship[1] commencements by existing worker status, 12 months ending December 2002–08, Australia

Year	Existing worker	Not existing worker + not known	% of existing workers
2002	61 432	142 805	30.1
2003	71 076	141 726	33.4
2004	59 485	126 871	31.9
2005	59 977	128 313	31.9
2006	61 967	127 751	32.7
2007	61 945	129 734	32.3
2008	66 828	135 653	33.0

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

However, linking this with the data we have available on the commencement age of trainees (see table 7), we have a clearer picture of the cause-and-effect nature of the policies associated with traineeships, with the majority of existing workers 25 years and older.

Table 7 Traineeship[1] commencements, percentage of existing workers by age group, 12 months ending December, 2002–08, Australia

Year	19 years and under	20–24 years	25–44 years	45 years and over
2002	8.6	22.2	42.1	55.8
2003	8.1	24.0	45.9	61.6
2004	6.6	23.1	45.9	61.7
2005	6.6	23.8	45.7	60.2
2006	6.6	25.0	46.5	60.1
2007	7.3	26.0	45.6	59.0
2008	7.6	26.3	45.7	59.8

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Part-time traineeships

Part-time traineeships have become increasingly dominant over the years, particularly in the 19 years and under age group.

As can be seen from tables 8 and 9, 57.3% of commencements for traineeships in 2008 for those 19 years and under were part-time.

Table 8 Traineeship[1] commencements, percentage of part-time workers and age group, 12 months ending December 1995–2008, Australia

Year	19 years and under	20–24 years	25–44 years	45 years and over	Total part-time commencements
1995	2.1	5.0	5.6	5.9	3.4
1996	1.7	3.9	4.5	3.9	3.0
1997	5.9	5.5	12.6	20.7	9.0
1998	15.3	13.2	18.8	26.7	17.3
1999	22.5	20.2	25.8	32.6	24.5
2000	30.7	24.3	26.0	30.2	27.7
2001	39.4	28.1	29.7	34.6	33.1
2002	43.6	30.2	29.7	34.3	34.6
2003	47.2	28.9	28.3	33.5	34.7
2004	49.2	26.3	24.8	32.0	33.8
2005	50.6	27.2	25.0	30.9	34.3
2006	52.1	26.3	24.3	30.9	34.3
2007	53.3	25.1	24.3	31.9	34.7
2008	57.3	28.4	26.5	31.9	37.2

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

When we further cut data for the part-time trainees aged under 19 years, it shows that for 2008 commencements in Australia, around 45% were school-based trainees (see table 9).

Table 9 Traineeship[1] commencements, percentage of school-based traineeships for part-time workers aged under 19 years, 12 months ending December 2002–08

Year	Australia
2002	20.5
2003	28.1
2004	39.4
2005	45.6
2006	47.4
2007	47.4
2008	44.5

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

We hypothesise that most of the part-time traineeships for young people are students (school and tertiary) undertaking part-time work to support their study, where many would have no intention of making the traineeship occupation a career.

Equity groups

Trainees are also eligible for a number of specialist incentives, targeting equity groups.

Two groups of particular interest are Indigenous trainees and trainees with a disability.

Table 10 shows the number of commencing trainees in 2008 for Australia who reported that they were Indigenous or had a disability.

Table 10 Numbers of commencements for trainees[1] by Indigenous and disability status and occupation (ANZSCO) group, Australia, 2008

Occupation (ANZSCO) group	Indigenous status		Disability status	
	Indigenous	Not Indigenous or not known	With a disability	Without a disability or not known
Managers	150	5 914	59	6 005
Professionals	183	5 124	67	5 239
Community and personal service workers	1 800	42 502	682	43 620
Clerical and administrative workers	2 400	51 924	800	53 525
Sales workers	953	40 526	458	41 021
Machinery operators and drivers	744	24 997	422	25 319
Labourers	1 993	23 272	650	24 615
Total	**8 223**	**194 258**	**3 137**	**199 344**

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

This table shows that 4.1% of commencing trainees in Australia in 2008 identified themselves as Indigenous Australians. In addition, 1.5% of commencing trainees in Australia in 2008 identified themselves as having a disability.

We note that the incentives available for Indigenous apprentices and trainees are particularly generous. Wage assistance up to $4400 per annum applies to Indigenous apprentices and trainees and they may also be eligible for Abstudy. NCVER (2005) estimated that the participation of Indigenous apprentices and trainees was around 10% higher than would be expected, given the size of the Indigenous population, although for traditional apprentices the figure was around 10% lower than expected. However, around one-quarter of Indigenous people employed in the trades occupations were in an apprenticeship or traineeship, which is twice the rate for non-Indigenous people. Therefore, irrespective of any argument about the effectiveness of the apprenticeship and traineeship model in providing work skills, there would be little argument about the effectiveness of the model in obtaining worthwhile employment for Indigenous people.

We also note that the numbers of apprentices and trainees reporting a disability is of some substance, although we have no real estimate of the proportion this represents of the relevant population. Special assistance is available (funded workplace modifications, access to the Disabled Australian Apprentice wage support and assistance for tutorial support), but it would be expected that few prospective apprentices or trainees would disclose their disability to their potential employer unless it were some kind of brokered arrangement.

Effectiveness and efficiency

- ✧ Traineeships are an important pathway for early school leaver young women (around 20% of them), more so than young men (around 7%).
- ✧ If the target group is early school leavers, traineeships are very poorly targeted. Only 8.6% of traineeship commencements in Australia went to 15 to 19-year-old early school leavers.
- ✧ Traineeships are more effective as a pathway into employment (particularly for 'at risk' groups) rather than as a model to improve productivity in the workplace.
- ✧ Completion rates for young people in traineeships are relatively low in most occupations, well less than 50%.
- ✧ Traineeships lead to good full-time employment outcomes in the longer-term compared with those who do not go onto post-school education or who undertake VET that is not an apprenticeship or traineeship. However, traineeships tend not to promote further study.
- ✧ Full-time traineeships provide particularly good employment outcomes for early school leavers and thus may be beneficial for 'at risk' groups.
- ✧ Traineeships on average have a modest effect on skills levels for women, but not for men.

When examining the effectiveness of traineeships, it is important to consider their original intent and the circumstances of the time in which they were introduced, as well as how this differs in the current environment. As this project is focused on traineeships for young people, it is also necessary to define what constitutes a successful outcome from traineeships for young people today. From the perspective of an effective youth transitions system, all learning and training programs for the youth cohort should lead to the completion of a qualification and to either further education and training or eventually to full-time employment. With these in mind, we consider:

- ✧ whether traineeships are having a significant impact on early school leavers
- ✧ whether traineeships are well targeted at early school leavers
- ✧ the efficiency of traineeships—measured by completion rates
- ✧ the employment outcomes of traineeships
- ✧ the skills outcomes of traineeships.

Finally, in assessing the effectiveness and efficiency of traineeships, we consider the extent to which the model can withstand the vicissitudes of an economic downturn.

The impact of traineeships on early school leavers

Data from the 2008 Victorian On-track Survey suggest that 10.8% of female and 5.3% of male early school leavers from the 2007 school year went onto a traineeship by May 2008 (Department of Education and Early Childhood Development 2009). This would suggest that traineeships are having a very limited impact on early school leavers.

An alternative estimate based on administrative data is provided in table 11. First we look at the cohort of early school leavers who left school in 2007. The data suggest that 14.6% of females who left school in 2007 without completing Year 12 had commenced a traineeship by the end of 2008. For the male early school leavers who left school in 2007, 7.0% had commenced a traineeship by the end of 2008. These estimates are greater than the percentages derived from the On-track Survey. As noted in the literature (for example, Hillman 2005), early school leavers can take some time to find their feet in the labour market. Therefore, the differences may be partly due to the fact that the administrative data make it possible to look at participation in traineeships further down the track.[4]

Table 11 Percentage of early school leavers who left school in 2006 or 2007 who commenced a traineeship[1] from the year they left school to 2008 by sex and year left school, 15 to 19-year-olds, Australia

	Year left school	
	2006	2007
Male early school leavers		
Traineeship[1] commencements in 2006[2] ('000)	1.1	not applicable
Traineeship[1] commencements in 2007[2] ('000)	2.8	0.8
Traineeship[1] commencements in 2008[2] ('000)	1.8	2.6
Total traineeship[1] commencements in the year trainees left school until 2008[2] ('000)	5.8	3.4
Total early school leavers at 2008 ('000)	51.4	48.8
% of early school leavers in a traineeship[1]	**11.2**	**7.0**
Female early school leavers		
Traineeship[1] commencements in 2006[2] ('000)	0.8	not applicable
Traineeship[1] commencements in 2007[2] ('000)	3.7	0.7
Traineeship[1] commencements in 2008[2] ('000)	3.1	3.8
Total traineeship[1] commencements in the year trainees left school until 2008[2] ('000)	7.6	4.5
Total early school leavers at 2008 ('000)	30.5	30.7
% of early school leavers in a traineeship[1]	**24.8**	**14.6**

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
2 Based on traineeship commencements over 12 months ending December for 15 to 19-year-olds.

Sources: NCVER National Apprentice and Trainee Collection, March 2009 estimates, unpublished; ABS Survey of Education and Work May 2008, unpublished.

The impact of traineeships is even greater if we widen the window and look at the 2006 cohort of early school leavers, who have been out of school for at least two years. The table shows that 24.8% of female and 11.2% of male early school leavers from the 2006 school year had commenced a traineeship by the end of 2008. However, these figures include double-counting, as we know that a number of them commence a traineeship more than once. In fact, data from the Apprentice and Trainee Destinations Survey suggest that 27.9% of male and 18.4% of female early school leavers aged 15 to 19 years commenced another apprenticeship or traineeship nine months after their

4 The On-track Survey looked at participation in traineeships up to May 2008, while the administrative data are able to provide data up to the end of 2008.

original traineeship. So we adjust our figures for the 2006 early school leavers.[5] Our best estimate is that 19.4% of female and 7.2% of male early school leavers commenced a traineeship within two or three years after leaving school.

Overall, we conclude that the impact is very significant for females, but not for males. The low figure for boys can be partly explained by the importance of apprenticeships for boys (see table 12).

Table 12 Percentage of early school leavers who left school in 2006 or 2007 who commenced an apprenticeship[1] from the year they left school to 2008 by sex and year left school, 15 to 19-year olds, Australia

	Year left school	
	2006	2007
Male early school leavers		
Apprenticeship[1] commencements in 2006[2]	2.7	not applicable
Apprenticeship[1] commencements in 2007[2]	14.2	2.6
Apprenticeship[1] commencements in 2008[2]	5.8	14.8
Total apprenticeship[1] commencements in the year apprentices left school until 2008[2]	22.7	17.4
Total early school leavers at 2008	51.4	48.8
% of early school leavers in an apprenticeship[1]	**44.2**	**35.6**
Re-adjusted percentage[3]	**28.4**	**25.6**
Female early school leavers		
Apprenticeship[1] commencements in 2006[2]	0.6	not applicable
Apprenticeship[1] commencements in 2007[2]	2.2	0.6
Apprenticeship[1`] commencements in 2008[2]	0.8	2.2
Total apprenticeship[1] commencements in the year apprentices left school until 2008[2]	3.6	2.7
Total early school leavers at 2008	30.5	30.7
% of early school leavers in an apprenticeship[1]	**11.8**	**8.9**
Re-adjusted percentage[3]	**9.3**	**7.3**

Notes: 1 Apprenticeships were defined as trade occupations, based on ANZSCO.

2 Based on apprenticeship commencements over 12 months ending December for 15 to 19-year-olds.

3 The percentage was re-adjusted to account for 18.4% of female and 27.9% of male early school leavers who undertake another apprenticeship or traineeship nine months later.
The formula for 2006 female school leavers = 11.8% * (1-x-x^2), where x is the percentage who commence more than one traineeship in a year. The formula for 2006 male school leavers = 44.2% * (1-x-x^2), where x is the percentage who commence more than one traineeship in a year.
The formula for 2007 female school leavers = 8.9% * (1-x), where x is the percentage who commence more than one traineeship in a year. The formula for 2007 male school leavers = 35.6% * (1-x), where x is the percentage who commence more than one traineeship in a year.

Sources: NCVER National Apprentice and Trainee Collection, March 2009 estimates, unpublished; ABS Survey of Education and Work May 2008, unpublished.

Whether traineeships are well targeted at early school leavers

Data in table 13 suggest that traineeships are very poorly targeted at early school leavers. Less than 10% of the total commencements in 2008 involved early school leavers. In fact school students (11.0%) and Year 12 completers (11.3%) accounted for a greater percentage of the total commencements than did early school leavers (8.6%).

[5] The formula for 2006 female school leavers = 24.8 %* (1-x-x^2), where x is the percentage who commence more than one traineeship in a year. The formula for 2006 male school leavers = 11.2% * (1-x-x^2), where x is the percentage who commence more than one traineeship in a year.

Table 13 Traineeship[1] commencements by age, Australia, 12 months ending December 2008 (%)

	Number	%
19 years and under		
Still attending school	22 190	11.0
Not attending school, Year 12 completed – full-time traineeship	14 498	7.2
Not attending school, Year 12 completed – part-time traineeship	8 326	4.1
Early school leaver – full-time traineeship	11 721	5.8
Early school leaver – part-time traineeship	5 607	2.8
Not attending school – highest school level not known	130	0.1
Schools status not known	32	0.0
20–24 years	34 459	17.0
25 years and over	105 515	52.1
Total	**202 478**	**100.0**

Note: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates, unpublished.

The data raise several issues relevant to targeting. The most obvious issue is the high proportion of traineeships being accessed by people aged over 25 years (noted previously in the profiles section). Also noted previously and in table 13 is the high uptake of part-time traineeships by school students, particularly in sales worker occupations.[6] The Australian Chamber of Commerce and Industry (2003) notes that part-time employment in areas such as retail and hospitality is mainly undertaken by school students as a mark of independence or for pocket money. Such students may have little interest in pursuing a career in the same field after leaving school. Therefore, the Australian Chamber of Commerce and Industry considers it timely to review the part-time traineeship model, as such traineeships place increased pressure on school students. Some stakeholders consulted for this project also questioned the purpose of traineeships for school students who are not intending to pursue a career in the same industry.

Finally, we note that a greater proportion of Year 12 completers are accessing traineeships compared with early school leavers. The longitudinal report of the Victorian On-track project (Walstab & Lamb 2007) and anecdotal evidence from our consultations suggest that traineeships are assisting university students by providing a source of income while studying and or during a gap year. Data from the Apprentice and Trainee Destinations Survey provide further evidence that 18.9% of 15 to 19-year-olds who completed a traineeship enrolled at university nine months after training (see table E1 in appendix E). Given the current level of youth unemployment (12.3% nationally at July 2009, see Australian Associated Press 2009), and the original intent of the traineeship system, we argue that it is more important that traineeships focus on providing jobs to young people who are genuinely trying to secure full-time employment.

The efficiency of traineeships—completion rates

Based on contract completions for 2003 commencements, NCVER reports completion rates of 48.5% for Australia (NCVER 2009b). These figures include all occupations (apprentices and trainees), as well as all age groups.

Of more interest are the traineeship completion rates for young early school leavers. Table 14 shows the rates for 15 to 24-year-old early school leavers by occupation and whether the traineeship is full-time or part-time. Completion rates for full-time contracts ranged from 42.0% for

[6] In table 4 (see profile section), it was noted that 49.2% of part-time traineeships undertaken by persons aged 19 years and under in 2008 were in sales worker occupations.

machinery operators and drivers, to 63.6% for professionals. Traineeship completion rates for part-time contracts ranged from 31.1% for labourers to 42.1% for clerical and administrative workers.

Table 14 Trainee completion rates by occupation (sub-major groups) and full-time status for contracts[1], 2003 commencing cohort 15 to 24-year-old early school leavers[2], Australia (%)

Occupation (ANZSCO) group	Full-time	Part-time
Traineeships[3]		
Managers	49.5	41.6
Professionals	63.6	39.6
Community and personal service workers	43.7	38.1
Clerical and administrative workers	52.4	42.1
Sales workers	42.4	34.8
Machinery operators and drivers	42.0	32.0
Labourers	42.9	31.1

Notes: 1 Completion rates are derived for contracts of training for apprentices and trainees. If an individual commenced two or more contracts in the same year, each is counted separately. Completion rates do not take into account expired contracts.
2 Early school leavers were defined as not attending school and highest school level less than Year 12.
3 Traineeships were defined as non-trade occupations, based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

While the completion rates for traineeships are relatively low for young people, some argue this is not a huge concern because some traineeships serve as a 'taster' (Smith & Green 2005). Indeed the most popular reasons for non-completion indicate that young people are often failing to complete traineeships because they are finding better options.

Cully and Curtain (2001) conducted a national survey of apprentices and trainees and found that the top reason for non-completion cited by former trainees was to get a better job (20%). This is in contrast to former apprentices, where this reason was ranked sixth (6%). Karmel and Mlotkowski (forthcoming) also found that the main reason for the non-completion of a traineeship was related to doing something different or better (for example, got offered a better job or the pay was too low). This factor does not seem to vary by how far trainees are into their traineeship.

Table 15 provides the main reason for non-completion amongst young people. Following the approach of Karmel and Mlotkowski (forthcoming), we grouped the reasons into categories to make sense of the main factors. The main reason for the non-completion of traineeships amongst young people was clearly related to finding a different or better option.

Table 15 Main reason for not completing a traineeship[1], 15–24 years, Australia, 2008[2] (%)

	15–19 years	20–24 years
Doing something different/better	34.2	44.3
Poor working conditions/didn't like boss	8.9	5.9
Didn't like work or industry/transferred	10.9	4.7
Wasn't happy with training or study	7.3	10.9
Personal reasons	13.3	13.9
Lost job or made redundant	9.8	3.5
Other	15.6	16.8
Total	**100.0**	**100.0**

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
2 Excludes trainees who did not give a reason.
Source: NCVER National Apprentice and Trainee Destinations Survey, 2008.

Particular characteristics of apprentices and trainees are also associated with non-completion. Non-completers are more likely to be young, less educated (including lower levels of secondary education, and lower levels of English), existing workers and those from small business (Cully & Curtain 2001; Bowman, Stanwick & Blyth 2005).

The employment outcomes

First, we point out that the employment outcomes are better for young people who complete a traineeship, compared with those who commence and later withdraw from a traineeship (see tables 16 and 17). Such findings provide evidence that traineeships are effective in promoting subsequent employment and also highlight the importance of completion.

As noted, traineeships currently target early school leavers as well as Year 12 completers. The data in table 17 suggest that early school leavers who complete a full-time traineeship receive positive full-time employment prospects approximately nine months later. In fact, for the 15 to 19-year-olds, the percentage employed full-time was 86.6%. Traineeships are also providing full-time employment shortly after completion for 66.1% of 15 to 19-year-olds who completed part-time traineeships.

The full-time employment prospects for Year 12 completers who complete full-time traineeships appear to be less favourable compared with the early school leavers who complete full-time traineeships (see table 17). However, as around a fifth of the Year 12 completers are later employed part-time, it is possible that these are school leavers who undertook a full-time traineeship during a 'gap year' and later sought the option of part-time work combined with university study.

Table 16 Employment outcomes of 15 to 24-year-old traineeship[1] non-completers by full-time status for early school leavers and Year 12 completers, Australia 2008 (%)

	Full-time trainees[1]		Part-time trainees[1]	
After traineeship[1] (at 26 September 2008)	15–19 years	20–24 years	15–19 years	20–24 years
Early school leavers				
Employed	75.7	79.0	73.5	68.2
Full-time	50.3	71.2	46.7	29.6*
Part-time	25.4*	7.8*	26.7*	38.6*
Not employed[2]	24.3	21.0*	26.5*	31.8*
Unemployed	15.9*	**	20.5*	**
Not in labour force	8.4*	14.3*	**	**
Year 12 completers				
Employed	78.9	74.9	85.0	77.8
Full-time	46.5	59.9	47.8	59.4
Part-time	32.4	14.9*	37.2*	18.4*
Not employed[2]	21.1*	25.1*	15.0*	22.2*
Unemployed	12.9*	12.1*	**	**
Not in labour force	8.2*	13.0*	10.7*	**

Notes: 1 Trainees were defined as those within non-trade occupations, based on ANZSCO.
2 'Not employed' was defined as unemployed (looking for full-time or part-time work), not in the labour force, or not employed (no further information).
* The estimate has a relative standard error greater than 25% and therefore should be used with caution.
** The estimate is not shown as it was based on fewer than five respondents.

Source: NCVER Apprentice and Trainee Destinations Survey, 2008.

Table 17 Employment outcomes of 15 to 24-year-old traineeship[1] completers by full-time status for early school leavers and Year 12 completers, Australia, 2008 (%)

	Full-time trainees[1]		Part-time trainees[1]	
After traineeship[1] (at 26 September 2008)	15–19 years	20–24 years	15–19 years	20–24 years
Early school leavers				
Employed	97.3	93.5	84.9	69.5*
Full-time	86.6	78.4	66.1	**
Part-time	10.7*	15.1*	18.8*	58.6*
Not employed[2]	**	6.5*	15.1*	**
Unemployed	**	**	**	**
Not in labour force	**	**	**	**
Year 12 completers				
Employed	83.2	90.9	91.9	88.9
Full-time	62.8	78.4	42.1	47.6
Part-time	20.5	12.5	49.9	41.3
Not employed[2]	16.8*	9.1*	8.1*	**
Unemployed	8.7*	6.0*	**	**
Not in labour force	8.1*	3.1*	7.8*	**

Notes: 1 Trainees were defined as those within non-trade occupations, based on ANZSCO.
2 'Not employed' was defined as unemployed (looking for full-time or part-time work), not in the labour force, or not employed (no further information).
* The estimate has a relative standard error greater than 25% and therefore should be used with caution.
** The estimate is not shown as it was based on fewer than five respondents.

Source: NCVER Apprentice and Trainee Destinations Survey, 2008.

Data from the Apprentice and Trainee Destinations Survey in table 17 suggest that the employment outcomes from traineeships are good, particularly for early school leavers. In terms of further study, we note that most of those who enrol in further study are enrolled at university or are undertaking another apprenticeship or traineeship (see table E1 in appendix E).

Several reports based on the Longitudinal Surveys of Australian Youth (LSAY) compare the longer-term outcomes from traineeships with other VET options and no post-school study.[7]

Curtis (2008) examined the outcomes from various VET options for the LSAY cohort of young people who completed Year 9 in 1995 (Y95 cohort). Findings suggest that traineeships are associated with the most successful full-time employment outcomes amongst females who do not go onto university. By around 23 years of age, 76% of females who participated in traineeships were employed full-time. By comparison, 70% of females who participated in VET that is not an apprenticeship or traineeship and 60% of females who did not participate in post-school education and training were employed full-time by around 23 years of age. Young males who participated in traineeships also reported better full-time employment outcomes compared with those who undertook VET that is not an apprenticeship or traineeship and those who did not undertake post-school study. However, for males, apprenticeships were associated with the most successful full-time employment outcomes.

Gørgens and Ryan (2006) and Marks (2006) analysed the longer-term outcomes from VET. They found that traineeships lead to good employment outcomes but tend not to promote further study. It was noted that participation in apprenticeships and traineeships was associated with the highest full-time employment rates among young people who do not go onto university. However, Marks

7 LSAY is advantageous as it can track individuals throughout their various pathways into work. The major disadvantage is that longitudinal surveys tend to suffer from higher attrition for highly marginalised people (Rothman & McKenzie 2006).

(2006) adds that apprenticeships are more effective than traineeships in promoting full-time employment in the longer term.

Ryan (forthcoming) examined the transitions for early school leavers compared with young people who completed Year 12 without immediately going onto post-school study.[8] The results suggest that, compared with Year 12 completers, the completion of an apprenticeship or traineeship by early school leavers is associated with better full-time employment outcomes for females, but not males. The analysis did not separate apprenticeships from traineeships, but Ryan notes that traineeships are dominated by females and apprenticeships are dominated by males. In contrast to traineeships and apprenticeships, there was little impact on full-time employment for early school leavers who participated in VET that was not part of an apprenticeship or traineeship. However, the apparent good showing of apprenticeships and traineeships is at least in part driven by the fact that apprentices and trainees are, by definition, in employment.

Given the good full-time employment outcomes for early school leavers, traineeships may also be an effective pathway for Indigenous Australians. However, we have little empirical evidence for this. Davis and O'Moore (2004) suggest that Indigenous traineeships at the Sydney Opera House typically led to further study at a higher level or employment (although mostly casual employment). These findings were based on qualitative research and may not be representative of all Indigenous traineeships.

The skills outcomes

Kirby articulated that the primary purpose of the original traineeship system was to provide employment to disadvantaged young people struggling to find employment, with a secondary purpose of expanding the skills available to industry (Committee of Enquiry into Labour Market Programs 1985). However, in recent years greater emphasis has been placed on the acquisition of skills.

The Office of Training and Tertiary Education (2006) suggests that traineeships have not had a significant impact on the supply of skills. There is significant churn in trainees in occupations where the skills base has not grown and is particularly the case in sales worker and hospitality occupations, where completion and retention rates are low, but the commencement rates are high.

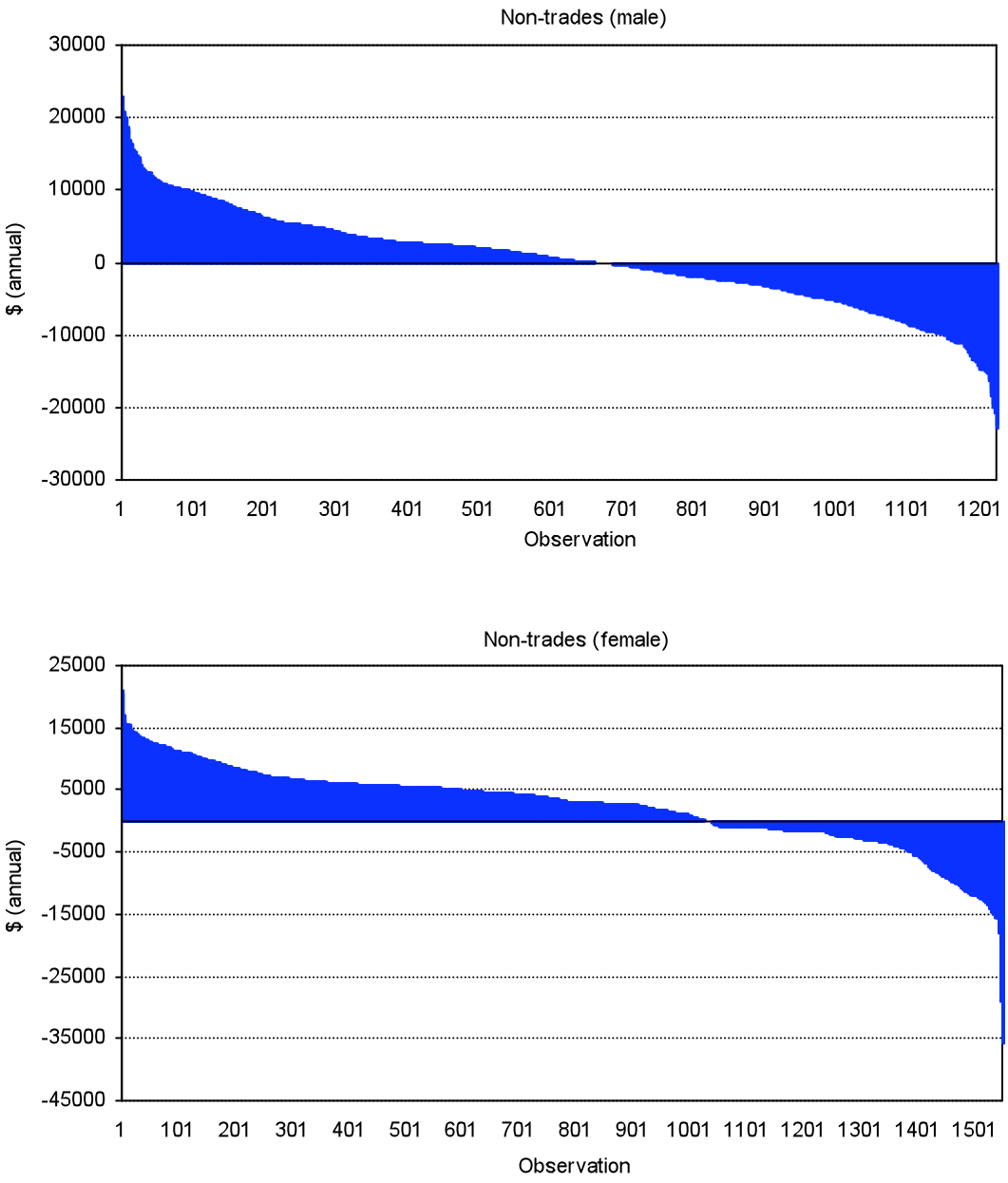
Even if high levels of training had significantly improved the skills base in particular occupations (seen through increased workers with qualifications), this does not indicate that the workforce has become more skilled in the occupations. What counts are increases in productivity (measured through wages) as a consequence of completion of a traineeship. Karmel (forthcoming) modelled the relationship between wages and qualifications to determine whether there is a positive return to obtaining a qualification at the certificate level within non-trade occupations. He found, based on ABS data, that the possession of a vocational certificate does not lead to higher wages. It seems that the skills obtained through a traineeship can also be learned on the job through experience. Therefore, traineeships should be conceptualised as a pathway into employment, not as a model to produce higher levels of productivity.

Karmel and Mlotkowski (forthcoming) further examined this issue using data from the Apprentice and Trainee Destinations Survey. The initial findings suggest that the completion of a traineeship has only a small impact on wages relative to wages in alternative employment. Figure 4 shows that the expected wage in alternative employment exceeds the wage on completion of a traineeship for at least half of the male trainees. The picture is more positive for female trainees, as the expected

[8] 'Early school leavers' mostly comprised early school leavers but also included Year 12 completers who went onto part-time VET after school or who went onto full-time VET two years after leaving school. 'Year 12 completers' excluded those who went onto study at university and excluded those who went onto post-school VET within two years of leaving school.

wage on completion of a traineeship is greater than in alternative employment for the majority of females involved in traineeships.

Figure 4 Wedge between expected wage on completion and expected wage in alternative employment, non-trades (male/female)



Source: Derived from the National Apprentice and Trainee Destinations Survey, 2008.

Research based on LSAY also assessed the impact of traineeships on later wages. Dockery, Koshy and Stromback (2005) assessed the impact of traineeships on wages for young people who participated in a traineeship up to around age 18 years. They concluded that trainees earn higher hourly wages compared with young people who did not participate in non-school study after leaving school. The gains in wages for trainees were not present initially at age 19 years, but became more obvious by age 21, several years after they commenced the traineeship.

More recent LSAY research suggests that there are minimal wage gains from traineeships. This research is based on more recent LSAY data and is therefore able to analyse wage gains further

down the track. This contrasts with the analysis by Dockery, Koshy and Stromback (2005). Curtis (2008) compared weekly earnings for young people who participated in a traineeship by around 20 years of age with those who did not participate in post-school study by this age. Around three years later (when participants were around 23 years of age) male and female trainees reported similar earnings compared with those who hadn't participated in post-school education and training. Marks (2008) assessed the benefit of participating in a traineeship on weekly earnings up until around 24 years of age. The results suggest that traineeships are associated with increased earnings initially, which supports the findings from Dockery, Koshy and Stromback (2005). However, the gains in earnings are not sustained.

Overall, there are minimal wage gains from completing a traineeship, particularly for males.

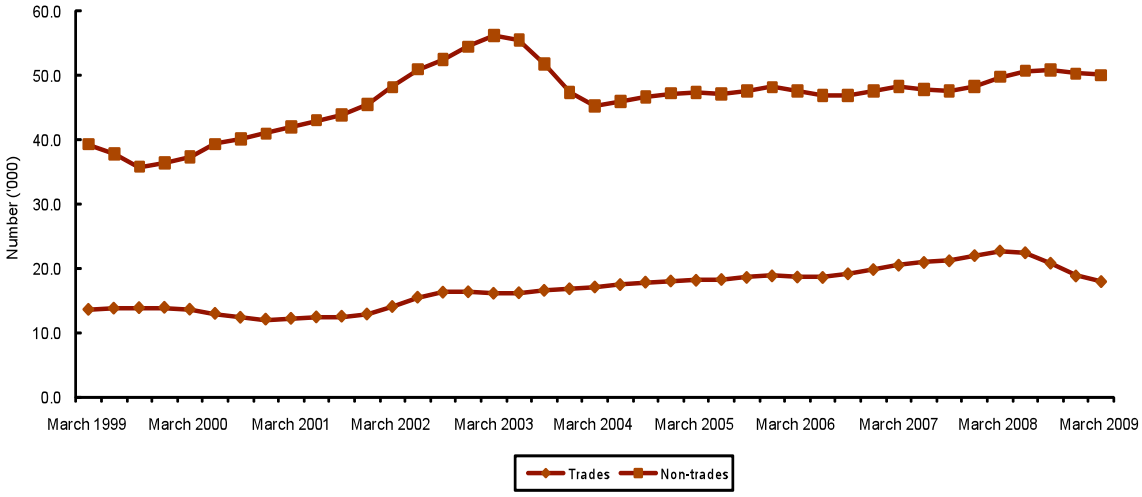
Trainees in a downturn

One of the issues for traineeships (and apprenticeships) is that they require an employer to offer them a contract of training. Thus it is possible that an economic downturn will result in fewer traineeships being offered at the very time that young disadvantaged unemployed people need a path out of unemployment.

Karmel and Misko (2009) argue on the basis of recent data and historical experience that in fact the uptake of traineeships by comparison with apprenticeships is likely to be less seriously affected by the economic downturn. This is because traineeship occupations tend to be less cyclical than those associated with apprenticeships. Traineeships are also not likely to decline significantly because traineeships enable employers to contain wage costs, as the skill differential between trainees and other workers is often small.

The latest apprentice and trainee data from the March quarter 2009 support this view. Figure 5 shows that, while seasonally adjusted commencements for trades occupations have been affected by the economic climate, showing a downturn in the last three consecutive quarters, non-trades commencements seemed to have been relatively stable over the same time period.

Figure 5 Trade and non-trade[1] commencements, seasonally adjusted[2], 1999–2009 ('000)



Notes: 1 Non-trades were defined as those within non-trade occupations, based on ANZSCO (all major groups, except major group 3). Trades were defined as those in ANZSCO major group 3 'Technicians and trades workers'.

2 The data have been seasonally adjusted and smoothed.

Source: NCVER National Apprentice and Trainee Collection, June 2009 estimates, unpublished.

Quality

- ✧ Traineeship completers are satisfied with the overall quality of traineeships, but the same cannot be said for the non-completers, who comprise the majority of those undertaking a traineeship.
- ✧ The factors that are important for a quality traineeship include a combination of workplace experience and formal education and training, and flexibility of training. The factors that compromise the experience for trainees include poor quality training, a lack of employer commitment, confusion in roles and responsibilities and poor literacy and numeracy skills amongst trainees.

What trainees say about quality

Most young trainees who complete their traineeship are satisfied with the overall quality of training (see table 18). Almost 90% of 15 to 19-year-old and 20 to 24-year-old traineeship completers were satisfied with the overall traineeship. The area in which trainees were least satisfied was the level of pay—only around half of 15 to 19-year-old and 20 to 24-year-old traineeship completers were satisfied with the pay.

Table 18 Satisfaction with traineeships[1] for completers by age, 15 to 24-year-olds, Australia, 2008 (%)

	15–19 years			20–24 years		
Satisfaction	Satisfied	Neither	Dissatisfied	Satisfied	Neither	Dissatisfied
Overall	**87.5**	**8.8**	**3.7***	**87.1**	**8.5**	**4.4***
Quality of off-the-job training overall	**78.0**	**17.0**	**5.1***	**78.3**	**14.3**	**7.4***
Frequency of training	71.2	21.2	7.6	74.4	16.8	8.8
Relevance of skills to workplace	82.7	13.0	4.3*	82.0	12.4	5.6*
Fairness of the assessments of skills and knowledge	88.9	7.8	3.4*	89.6	7.7	2.8*
Relevance of the assessment tasks	80.2	16.8	3.0*	81.6	13.6	4.8*
Quality of the training facilities and equipment	78.3	14.2	7.5	75.5	13.6	10.9
Employment overall	**82.2**	**11.7**	**6.0**	**82.2**	**10.5**	**7.3***
Type of work	77.5	16.5	6.0	79.2	13.5	7.3*
Working conditions	80.3	10.9	8.8	79.6	10.9	9.5
Pay	49.8	25.3	24.9	51.3	24.6	24.0
Hours of work	75.2	15.7	9.1	77.3	16.8	5.9*
Supervision	78.0	15.7	6.3	79.5	10.9	9.6
Relationship with co-workers	90.6	4.4	5.1	90.5	5.8*	3.7*
Training provided by employer	73.3	16.0	10.7	73.0	16.2	10.9
Skills learned on the job	85.1	10.0	4.9	86.3	8.6	5.1*

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
* The estimate has a relative standard error greater than 25% and therefore should be used with caution.
Source: National Apprentice and Trainee Destinations Survey, 2008.

In contrast to the completers, the assessments of overall quality were less favourable for non-completers, particularly those aged 20 to 24 years. Table 19 suggests that 52.7% of 15 to 19-year old-traineeship non-completers and 39.2% of 20 to 24-year-old traineeship non-completers were satisfied with the overall traineeship.

Table 19 Satisfaction with traineeships[1] for non-completers by age, 15 to 24-year-olds, Australia, 2008 (%)

	15–19 years			20–24 years		
Satisfaction	Satisfied	Neither	Dissatisfied	Satisfied	Neither	Dissatisfied
Overall	**52.7**	**23.4**	**24.0**	**39.2**	**28.6**	**32.2**
Quality of off-the-job training overall	**56.8**	**20.1**	**23.0**	**50.7**	**22.7**	**26.6**
Frequency of training	51.4	25.0	23.6	49.4	20.2	30.4
Relevance of skills to workplace	63.5	24.6	11.8	66.7	21.7	11.6*
Fairness of the assessments of skills and knowledge	65.8	21.8	12.4	67.6	18.1	14.4*
Relevance of the assessment tasks	62.2	24.3	13.5	59.6	28.6	11.8*
Quality of the training facilities and equipment	57.0	22.7	20.3	51.1	25.4	23.5
Employment overall	**53.6**	**23.3**	**23.1**	**46.2**	**32.7**	**21.0**
Type of work	54.2	22.5	23.3	61.8	18.7	19.4
Working conditions	54.2	19.8	26.0	47.4	20.5	32.2
Pay	29.0	23.5	47.5	32.6	22.0	45.4
Hours of work	61.6	19.5	18.9	57.5	13.9	28.5
Supervision	55.7	19.9	24.4	49.3	18.1	32.5
Relationship with co-workers	65.4	13.8	20.8	74.2	10.0*	15.8
Training provided by employer	50.0	23.4	26.6	40.9	29.2	29.9
Skills learnt on the job	64.6	18.5	16.8	71.7	14.0*	14.3

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.
* The estimate has a relative standard error greater than 25% and therefore should be used with caution.
Source: National Apprentice and Trainee Destinations Survey, 2008.

The National Apprentice and Trainee Destinations Survey also asked former apprentices and trainees what improvements they would make to any aspect of their apprenticeship or traineeship. As part of this project, we examined their comments. Trainees aged 15 to 24 years commonly suggested improvements related to the teaching or training content.

> Make it more relevant to the workplace environment. (Business administration trainee)
>
> The swapping and changing of teachers. It was unprofessional as the class had four teachers in the year. (Children's services trainee)

What the research says about quality

The literature review identified many factors that lead to high- (and poor) quality outcomes for traineeships (see box 4). However, the main strength of the apprenticeship and traineeship model identified in the research and consultation is the combination of experience in the workplace backed up by formal education and training (for example, Choy et al. 2008). This combination provides learning advantages over non-apprenticeship or non-traineeship VET (Smith et al. 2009; Bowman, Stanwick & Blythe 2005[9]). As one trainer consulted in this research remarked:

[9] This research was based on shorter-duration apprenticeships and traineeships, which were defined as those of expected duration of two years or fewer.

> Traineeships are great because they supply practical experience with knowledge on how to do the job. If students don't apply their knowledge they tend to lose it, so great concept.
>
> (Trainer)

Box 4 The enablers and barriers to quality traineeships

Enablers	Barriers
Training-related	*Training-related*
There is structured training.	There is a lack of training plans.
Traineeships provide pathways to higher-level qualifications.	Training is fully on-the-job training.
There are highly skilled teachers and workplace trainers.	
Assessments are rigorous and relevant.	
The content of training is current, industry-relevant and with a high level of broad transferable skills.	
There is a balance between on-the-job and off-the-job training.	
Training is flexible and tailored to trainee an enterprise's needs.	
People-related	*People-related*
There is employer support and commitment.	Trainees have low levels of literacy and numeracy.
There is an awareness of roles and responsibilities.	Employers and trainees do not value the qualification.
There are allocated workplace mentors.	
There are close constructive relationships between training providers and employers and training providers and trainees.	
There is adequate information and support from intermediaries.	
Other	*Other*
The provision of incentives	Low wages

Sources: Cully & Curtain (2001); Bowman, Stanwick & Blyth (2005); Davis & O'Moore (2004); Smith et al. (2009); Australian Apprenticeships Roundtable (2009).

Flexibility to tailor training to suit the trainee and the workplace is another key factor that helps to promote a quality experience for trainers and trainees (Department of Education, Science and Training 2004; Dumbrell Consulting 2004; Smith et al. 2009). Training can be provided to trainees in a range of modes, ranging from on-the-job training combined with regular attendance at class, to on-the-job training with occasional visits from qualified trainers. Employers and trainees can customise training packages to suit the needs of the learner (such as to accommodate literacy and numeracy requirements) and to suit the employer's needs. Trainees and employers can also choose a training provider under user choice arrangements.[10] It is noted in the literature that there is sometimes little choice in training providers and a lack of awareness about user choice arrangements amongst employers. There is also a danger that employers can focus too much on the training needs of the workplace instead of on the trainee's broader learning needs.

The research and consultations suggested that the experience of traineeships is sometimes compromised by confusion about roles and responsibilities and a lack of awareness about what traineeships entail amongst trainees, employers and registered training organisations (Australian Apprenticeships Roundtable 2009; Bowman, Stanwick & Blythe 2005; Smith et al. 2009; Group Training Australia 2005).This ranged from a lack of awareness of the incentives available, to a lack of information about what the apprenticeship or traineeship involved. Close partnerships and collaboration between the training provider, the employer and the trainee can alleviate some of this confusion and lack of information.

[10] It is noted that some industries, for example, retail and hospitality, are excluded from user choice funding.

Related to this issue is the key finding from the Australian Apprenticeships Roundtable (2009)—there are too many points of contact and an overwhelming amount of information that is difficult to find, difficult to understand and not interesting. The large amount of information and multiple sources of information contribute to the confusion about roles and responsibilities and may contribute to the lack of awareness on the available incentives.

Our literature review also found evidence of poor-quality training in apprenticeships and traineeships. Three independent reviews of apprenticeships and traineeships were conducted in Queensland, Tasmania, and Victoria between 1999 and 2000. The reviews noted problems such as a lack of training plans, 'tick and flick' training, instances where training was not challenging young people, disregard for the individual needs of learners, and an inadequate usage of recognition of prior learning (Schofield 2000a, 2000b). These findings are echoed in more recent research (Bowman, Stanwick & Blyth 2005; Australian Apprenticeships Roundtable 2009; Office of Training and Tertiary Education 2006; Snell & Hart 2008). A stakeholder consulted as part of this project noted that most of this research on the quality of training does not separate apprentices from trainees. They also suggested that research that groups apprentices and trainees is heavily skewed by the views of apprentices.

Related to the quality of training is the level of employer commitment to training. Schofield (2000a) found that some employers displayed a low commitment to training. In particular, there were instances of a lack of a learning culture and of time for apprentices and trainees to undertake training. More recent research which is focused entirely on traineeships indicates that support and commitment from employers is a critical feature of a successful traineeship (Bowman, Stanwick & Blythe 2005; Smith et al. 2009).

Finally, Hauxwell and Wilcock (2009) hypothesised that the literacy and numeracy skills of trainees affect the traineeship experience, and thus the likelihood to complete.[11] Hauxwell and Wilcock (2009) measured the literacy and numeracy skills of around 500 apprentices and trainees at a Victorian TAFE institute in trade and non-trade occupations. They found that, on average, apprentices and trainees successfully completed basic tasks, such as simple subtraction and addition, but struggled with more complex tasks, such as division and fractions.

O'Neil and Gish (2001) interviewed employers and found that apprentices and trainees required improvement in computer skills, writing (including spelling, punctuation and the ability to write legibly), graphical interpretation, and interpersonal skills. It was noted that employers were more positive about the literacy levels of apprentices compared with trainee levels. Employer views on the adequacy of literacy skills amongst apprentices and trainees also varied, depending on the industry of the employer. Stakeholders consulted for this project and the Australian Chamber of Industry and Commerce (2009) suggest that prevocational programs can play a role in addressing literacy and numeracy skills and in determining whether young people, particularly those from disadvantaged backgrounds, are ready for a traineeship.

Perceptions in the literature on the quality of traineeships are often negative. By contrast, Smith et al. (2009) suggest that traineeships are typically of good quality, finding no evidence in their case studies that deficiencies in pedagogical or administrative processes were worse than any other area of the Australian VET system or the broader education system. Furthermore, stakeholders consulted for this project commented that traineeships operate more successfully in some industries and less successfully in others.

The literature suggests a variety of strategies to improve the quality of traineeships (Australian Chamber of Industry and Commerce 2009; Bowman, Stanwick & Blythe 2005; Smith et al. 2009;

[11] A key research question intended to be answered by this project was whether traineeships are designed to offer broad-based skills. There was little evidence on this topic, but the findings from Hauxwell and Wilcock (2009) and O'Neil and Gish (2001) highlight that some trainees require extra support in further developing basic skills such as literacy and numeracy.

Office of Training and Tertiary Education 2006; Cully 2006; Australian Apprenticeships Roundtable 2009; Davis & O'Moore 2004). These strategies are summarised.

- improved teaching and learning by requiring higher-level qualifications for trainers and allocating more funding to high-quality resources
- more rigorous application of audit functions, in combination with the provision of independent advice that is not linked to audits
- a third-party sign-off process to ensure apprentices/trainees are signed off as qualified and competent; this could be an additional role of Australian Apprenticeships Centres
- greater usage of pre-apprenticeships and other prevocational programs that incorporate employability skills, and literacy and numeracy skills
- increased support and information provided to trainees and employers:
  - Mentoring to trainees is important particularly during the first four months of a traineeship.
  - Australian Apprenticeships Centres should be utilised more effectively and their role extended to include more tailored advisory services. It was also suggested that Australian Apprenticeships Centres should become the one-stop shop for obtaining information on apprenticeships and traineeships.
  - A proper induction process should be developed.
  - More promotional activities and information should be given to trainees (and employers) regarding career prospects for trainees, the availability of incentives, and the availability of awards such as the Australian Training Awards.
  - A marketing campaign might be required to combat the negative image of traineeships.
- differential funding, where more challenging training (for example, rural trainees or trainees with poor literacy and numeracy skills) receives greater funding.

Potential reforms to the system

- ✧ The traineeship model is a good one and we have no structural suggestions for the improvement relating to the model. Our suggestions for improvement relate to the nature of government support (incentives and user choice funding). In particular, we would remove the across-the-board application of incentives and instead link them to individuals.
- ✧ In relation to user choice funding, we suggest that funding be restricted to full-time trainees and entry-level positions.
- ✧ An appropriate target group for direct incentives would be disadvantaged job seekers (young early school leavers, young people with Year 12 who are having difficulty getting a job, and other disadvantaged job seekers).
- ✧ For other groups, such as existing workers, the model needs to be self-sustaining and not reliant on government subsidy. It will survive if the training model benefits employers and employees.

Between mid-1994 and the end of 2008 over 2.1 million contracts of training for trainees commenced in Australia. The traineeship model has now evolved and is much more broadly based than the model proposed by Peter Kirby in the 1980s to assist young unemployed persons.

The focus of this report has been an assessment of the effectiveness of the traineeship model for the young 'at risk' population. The reforms we consider in this section therefore are based on this premise. Before proposing a number of suggestions for reform, we summarise our conclusions from our research contained in this report:

- ✧ Traineeships are making an impact on early school leavers, particularly women. We estimate that some 20% of young women who have not completed Year 12 have commenced a traineeship, while for young men it is 7%.
- ✧ Traineeships are fairly poorly targeted if the target group is disadvantaged young people.
- ✧ Completion rates are poor—less than 50% on average for 15 to 24-year-old early school leavers.
- ✧ Employment outcomes are very good for trainees who are full-time, young, and have not completed school.
- ✧ The quality of traineeships is variable, with completers relatively satisfied with their traineeship, but with non-completers less so.
- ✧ The evidence for increased skill levels is, on average, not convincing.

While the score card is mixed, we note that there are beneficiaries of the model including:

- ✧ those who would not get a job without the explicit and implicit incentives associated with traineeships
- ✧ employers who are able to get reduced wage costs

- students and others whose labour is more than competitive by accepting a training wage
- training providers who supply the off-the-job training.

Any changes to the structure of traineeships will affect the interests of the various stakeholders.

Finally, we need to state our aims before we can suggest reforms. Noting that the skills acquisition aspect of traineeships appears to be modest and the employment outcomes pretty good, we suggest that an appropriate target group for government assistance would be disadvantaged job seekers:

- young early school leavers
- young people with Year 12 who are having difficulty getting a job
- other disadvantaged job seekers, including Indigenous people and people with a disability.

The traineeship model is a good one and we have no structural suggestions for its improvement.[12] Our suggestions for reforms are concerned with the structure of government support, including financial incentives and user choice funding. In particular, we would remove these across the board and instead link them to individuals.

In relation to user choice funding, we suggest restricting it to full-time trainees and entry-position trainees. In addition, it would need to be consistent with any individual entitlement funding, such as that now operating in Victoria. The access of user choice by enterprise training providers also should be carefully scrutinised. It would not be a good use of public funds to subsidise internal training that would occur in any case.

Our view is that existing worker traineeships and part-time traineeships are more concerned with labour costs than either building human capital or providing a pathway to employment.

We would suggest narrowing direct incentives further to the target group listed earlier. Issues that would need to be resolved further include:

- whether differential rates should apply to different groups—the incentives act as a wage subsidy and economic logic would indicate that the more disadvantaged should receive higher incentives than the least disadvantaged
- the balance between commencement and completion incentives.

In relation to this last point, the low completion rates suggest that a greater proportion of the incentive payment should be attached to completion. Completion payments offer employers an incentive to improve completion rates (see Schofield 2000a). An alternative approach may also be considered for employers who consistently have very low completion rates—penalising them by not allowing them to offer traineeships. This sort of sanction is likely to reduce any tendency to churn trainees.

These suggestions are of a structural nature. We refer readers to the previous chapter for improvements to the implementation of the model.

While we have made some suggestions for structural reform, we see no reason to proscribe the model for particular applications such as part-time or existing workers. As we have said, for these groups the model needs to be able to stand on its own two feet and survive without government subsidy, and it will survive if the training model benefits employers and employees. The existence of a training wage may well continue to make it attractive to employers. Its attraction to employers may well continue if it provides transferable skills and employment opportunities.

[12] Education and training through a mixture of formal education and on-the-job training and work experience is educationally very attractive. We note that other work has been more specifically focused on the quality of competency-based training, particularly the VET products for the 21st century report (National Quality Council 2009). However analysis of this was beyond the scope of this report.

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Appendix A: Consultations methodology

This appendix describes the methodology of the consultations conducted as part of this project. The consultations involved 30 to 60-minute semi-structured interviews with stakeholders from the Department of Industry, Innovation and Regional Development, a retail industry registered training organisation, NCVER, and Group Training Australia.

The key questions included:

- Are traineeships a successful pathway for young people at risk of failing in the labour market? What do trainees achieve in terms of employment or subsequent participation in education and training at higher qualification levels?
- Are contemporary traineeship courses generally designed to offer broad-based skills, as envisioned by Kirby?
- Are lower-level traineeships an appropriate base level for young people? Do they provide young people with sufficient preparation for work and life?
- What are the strengths and weaknesses of the existing traineeship model? In what areas should the traineeship model be available?
- What, if any, changes should be made to the incentive programs offered by the Commonwealth Government?
- Are there potential reforms to the traineeship model for young people undertaking an initial vocational qualification?

Appendix B: Detailed history of policies relating to the traineeship system

Further detail of the initiatives involving the Australian Traineeship System is provided below:

1992

- New economic and training initiatives for apprentices and trainees were announced in 1992, including the 'One Nation Economic Statement', to target the decline in apprenticeship and traineeship opportunities due to the recession.
- Youth unemployment and vocational education and training were targeted as key focus areas for future policy.
- 'Career Start Traineeships' were introduced under the existing Australian Vocational Certificate Training System to target early school leavers.
- A range of new incentives were also introduced after July 1992, including an increase in subsidies for traineeships, and the expansion of employer incentives to train and employ young people.

1994

- Further incentives for new employers and the introduction of National Training Wage (NTW) award rates were introduced under the 'Working Nation' policy of 1994, including:
  - the relaxation of requirements to attend off-the-job training at TAFE
  - the accreditation of training that is assessed fully on the job
  - the introduction of higher-level qualifications in traineeships, including higher-level certificate and diploma levels
  - the establishment of industry training companies in 24 specific industry sectors.
- While age barriers to participation in apprenticeships were removed in 1992, the age bar was lifted for traineeships two years later, in 1994. Trainees previously were required to be 23 years or younger at commencement to be eligible.
- The National Employment and Training Taskforce (NETTFORCE) was also established in 1994 to encourage industry involvement in training. Employers were encouraged to increase entry-level training places and to take on more young people through traineeships.

Mid-1990s

- School-based vocational education and training, including apprenticeship and traineeship pathways for secondary school students, were extended during the early-mid 1990s, following from the 'Carmichael' pilot projects.
- Links between industry and the training sector were further developed under the Traineeship Employer Assistance Program in 1996, which was administered by NETTFORCE to aid employers (particularly small businesses) employing trainees.

1998

- The New Apprenticeship system was introduced on 1 January 1998 and involved a comprehensive restructuring of apprenticeships and traineeships, including new training and funding policies.
- New Apprenticeships combined apprenticeships and traineeships into a single system, intentionally blurring the lines between apprenticeships in the traditional trades and work-based training programs in other occupation areas.
- New Apprenticeships initiatives included:
  - 'User choice' principles introduced, applying a market-based approach to the funding of off-the-job training for apprenticeships and traineeships. The competitive funding model of 'user choice' enabled a choice of registered training provider with the aim of increasing the responsiveness of training to industry by expanding the role of private providers.
  - Legal and administrative differences between apprenticeships and traineeships were removed as part of a national agreement.
  - Training packages were expanded to provide 'full coverage' for apprenticeships and traineeships. Most states and territories agreed to abolish 'declared vocations' in favour of training packages in defining apprenticeship and traineeship training areas.
- Conditions for payment of Commonwealth traineeship incentives likewise changed, with existing workers eligible for financial incentives for the first time, removing barriers to established workers participating in traineeships.

2005

- A further round of initiatives targeting apprenticeships and traineeships was launched in 2005, targeting incentives for both employers and apprentices and trainees.
- For employers of trainees, initiatives included: introducing the 'Opening Up New Apprenticeship Incentives' for employers who hire an apprentice or trainee who had already obtained a vocational qualification (certificate I to IV) at their own expense within two years of leaving school.
- For trainees, initiatives included extending entitlement to Youth Allowance, Austudy and Abstudy to New Apprenticeships.
- An additional 5000 places were created in 2005 within the New Apprenticeships Access Program to assist disadvantaged job seekers access apprenticeships and traineeships.

2006

- In 2006, New Apprenticeships (1998–2005) were rebranded by the Commonwealth Government as 'Australian Apprenticeships', including 'Australian School-based Apprenticeships'.

2007

- The 'Skills for the Future' policy package came into effect on 1 January 2007 and focused closely on the personal benefits for apprentices and trainees.
- Initiatives targeting trainees included:
  - higher technical skills employer incentives for workers gaining diploma and advanced diploma qualifications, particularly in engineering fields
  - work skills vouchers, aiming to encourage mature-aged Australians (25 years or older) to complete Year 12 or enrol in a vocational certificate II course.
- Other financial incentives included extending FEE-HELP (the university payment scheme) to full-fee-paying students in nationally accredited diploma and advanced diploma courses, where a credit pathway to university study is available.

- With the advent of a new Commonwealth Government in November 2007, the Department of Education, Science and Training merged with the department responsible for employment and workplace relations to form the Department of Education, Employment and Workplace Relations (DEEWR).
- Changes to the incentives program of Australian Apprentices relating to traineeships included making state and territory government employers ineligible to attract employer incentives.

Appendix C: Illustrative case studies of wage costs and implicit wage subsidies

Non-trade occupation examples

Case	Occupation	Apprentice qualification	Duration of apprenticeship (median)	Total standard incentive payment	Total wage cost over life of apprenticeship (in 2008 dollars), by commencement age			Total wage cost of qualified adult	Unqualified junior
					16	18	21 or over		
H	Sales assistant	Cert. II in Retail Operations	12 months	1250	13 117	17 734	26 274	29 543	13 117
I	Sales assistant	Cert. III in Retail Operations	24 months	4000	27 561	38 736	52 547	59 086	27 561
J	Truck driver	Cert. III in Tran. & Dist. (Road Tran.)	24 months	4000	25 915	35 144	50 370	86 035	
K	Kitchenhand	Cert. II in Hospitality (Kitchen Op.)	21 months	1250	22 526	29 317	42 431	54 752	38 326
L	Waiter	Cert. III in Hospitality	36 months	4000	42 184	57 149	75 555	98 437	65 702
M	Cook	Cert. III in Hospitality (Comm. cook)	36 months	4000	58 139	58 139	58 139	109 434	
N	Meat packer		15 months	1250	15 747	20 270	30 308	43 839	

Source: Cully (2008).

Scenario 1: Exit after 1 year

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	N/A	N/A	N/A
I	11.4	8.5	5.7
J	12.1	9.2	6.0
K	10.1	7.9	5.2
L	12.1	9.2	6.0
M	11.0	11.0	11.0
N	10.1	7.9	5.2

Total incentives: $1250 (cert. II), $1500 (cert. III).

Scenario 2: Exit after 2 years

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	N/A	N/A	N/A
I	N/A	N/A	N/A
J	N/A	N/A	N/A
K	N/A	N/A	N/A
L	5.8	4.3	3.0
M	4.6	4.6	4.6
N	N/A	N/A	N/A

Total incentives: $1250 (cert. II), $1500 (cert. III).

Scenario 3: Completion

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	9.5	7.0	4.8
I	14.5	10.3	7.6
J	15.4	11.4	7.9
K	5.5	4.3	2.9
L	9.5	7.0	5.3
M	6.9	6.9	6.9
N	7.9	6.2	4.1

Total incentives: $1250 (cert. II), $4000 (cert. III).

Scenario 4: Exit after 1 year starting as school-based

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	NA	NA	NA
I	21.0	NA	NA
J	22.3	NA	NA
K	16.2	NA	NA
L	22.3	NA	NA
M	20.1	NA	NA
N	16.2	NA	NA

Total incentives: $2000 (cert. II), $2750 (cert. III).

Scenario 5: Completion after starting as school-based

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	21.0	NA	NA
I	20.0	NA	NA
J	21.2	NA	NA
K	12.2	NA	NA
L	13.0	NA	NA
M	9.5	NA	NA
N	17.5	NA	NA

Total incentives: $2750 (cert. II), $5500 (cert. III).

Scenario 6: Completion for mature-aged disadvantaged

Case	Percentage reduction in total wage bill, by commencement age		
	16	18	21 or over
H	NA	NA	10.5
I	NA	NA	10.5
J	NA	NA	10.9
K	NA	NA	6.5
L	NA	NA	7.3
M	NA	NA	9.5
N	NA	NA	9.1

Total incentives: $2750 (cert. II), $5500 (cert. II).

Appendix D: Most popular training packages for Australia

Table D1 Traineeship[1] commencements in top ten training packages for age 19 years and under, by full-time status, 12 months ending December 2008, Australia

Training package	Full-time	Part-time	Total
Retail Services (SIR, WRW, WRP, WRR)	4,827	17,562	22,390
Business Services (BSA, BSB)	7,319	2,536	9,855
Tourism, Hospitality and Events (SIT, THT, THH)	1,513	6,633	8,146
Community Services (CHC)	1,962	2,023	3,985
Australian Meat Industry (MTM)	1,454	213	1,667
Telecommunications (ICT)	1,245	375	1,619
Transport and Logistics (TDT, TLI)	1,131	480	1,610
Automotive Industry Retail, Service and Repair (AUR)	802	759	1,561
Agriculture (RUA, RTE)	674	558	1,232
Outdoor Recreation Industry (SRO)	460	429	889
Other training packages	4,976	3,715	8,692
Total	**26,363**	**35,283**	**61,646**

Note: 1 Traineeships were defined as non-trade occupations based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Table D2 Traineeship[1] commencements in top ten training packages for ages 20–24 years, by full-time status, 12 months ending December 2008, Australia

Training package	Full-time	Part-time	Total
Retail Services (SIR, WRW, WRP, WRR)	4,011	2,569	6,580
Business Services (BSA, BSB)	4,732	883	5,616
Tourism, Hospitality and Events (SIT, THT, THH)	1,608	2,358	3,966
Telecommunications (ICT)	2,476	561	3,037
Community Services (CHC)	1,515	1,389	2,904
Transport and Logistics (TDT, TLI)	2,312	202	2,514
Australian Meat Industry (MTM)	1,100	216	1,315
Financial Services (FNA, FNB, FNS)	954	212	1,166
Property Services (CPP, PRS)	517	87	604
Food Processing Industry (FDF)	466	135	601
Other training packages	4,634	881	5,515
Total	**24,325**	**9,493**	**33,818**

Note: 1 Traineeships were defined as non-trade occupations based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Table D3 Traineeship[1] commencements in top ten training packages for ages 25–44 years, by full-time status, 12 months ending December 2008, Australia

Training package	Full-time	Part-time	Total
Business Services (BSA, BSB)	10,507	2,219	12,727
Transport and Logistics (TDT, TLI)	9,498	977	10,475
Retail Services (SIR, WRW, WRP, WRR)	5,241	2,900	8,140
Community Services (CHC)	2,418	4,435	6,853
Tourism, Hospitality and Events (SIT, THT, THH)	2,343	2,443	4,787
Telecommunications (ICT)	3,176	825	4,001
Manufacturing (MSA, MCM)	2,466	39	2,505
Australian Meat Industry (MTM)	1,980	357	2,337
Asset Maintenance (PRM)	804	1,377	2,181
Financial Services (FNA, FNB, FNS)	1,393	568	1,961
Other training packages	12,361	2,266	14,628
Total	**52,185**	**18,410**	**70,596**

Note: 1 Traineeships were defined as non-trade occupations based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Table D4 Traineeship[1] commencements in top ten training packages for age 45 years and over, by full-time status, 12 months ending December 2008, Australia

Training package	Full-time	Part-time	Total
Transport and Logistics (TDT, TLI)	5,272	716	5,988
Business Services (BSA, BSB)	4,282	1,025	5,307
Community Services (CHC)	1,358	3,034	4,392
Retail Services (SIR, WRW, WRP, WRR)	1,617	1,114	2,731
Asset Maintenance (PRM)	815	1,449	2,264
Tourism, Hospitality and Events (SIT, THT, THH)	916	1,333	2,250
Manufacturing (MSA, MCM)	1,519	22	1,541
Telecommunications (ICT)	871	224	1,095
Food Processing Industry (FDF)	714	252	967
Public Services (PSP)	726	125	851
Other training packages	4,621	1,206	5,825
Total	**22,711**	**10,500**	**33,211**

Note: 1 Traineeships were defined as non-trade occupations based on ANZSCO.
Source: NCVER National Apprentice and Trainee Collection, March 2009 estimates.

Appendix E: Further study

This appendix contains data on further study from the National Survey of Apprentice and Trainee Destinations 2008.

Table E1 Further study outcomes after leaving a traineeship[1], by age, 15 to 24-year-olds, Australia, 2008

	Completers			Non-completers		
After traineeship (at 26 September 2008)	15–19	20–24	Total 15–24	15–19	20–24	Total 15–24
	%	%	%	%	%	%
Enrolled in further study	**54.4**	**31.2**	**45.8**	**37.6**	**36.1**	**37.1**
Another apprenticeship or traineeship[2]	22.8	16.7	20.5	15.2	9.8*	13.3
Studying at university[2]	18.9	7.8	14.8	7.4*	6.8*	7.2
Studying at TAFE[2]	9.3	8.7	9.0	9.5	10.3*	9.8
Studying at other provider[2]	10.4	5.1*	8.5	9.0	11.5*	9.9

Notes: 1 Traineeships were defined as non-trade occupations, based on ANZSCO.

2 Studying at university, TAFE or other provider does not include study for another apprenticeship or traineeship. A respondent may have enrolled in another apprenticeship or traineeship and be studying at university, TAFE or other provider. For this reason, the percentages may not sum to the total enrolled in further study.

* The estimate has a relative standard error greater than 25% and therefore should be used with caution.

Source: NCVER Apprentice and Trainee Destinations Survey, 2008.

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