

# Australia: Alarming decline in apprenticeship training

Terry Cook  
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A study released earlier this year reveals the degree to which the free market agenda pursued by successive Australian governments has led to the elimination of apprenticeship-training programs, destroying opportunities for young people to find decent full-time jobs and decimating the skills base necessary for a modern industrial society.

Over the past 15 years, in line with the demands of business and financial investors, governments have carried through wholesale privatisations, resulting in the destruction of apprentice training facilities and programs. At the same time, major corporations, looking to slash costs and boost productivity in an increasingly competitive environment, have either abandoned comprehensive apprenticeship programs altogether, or adopted limited industry-specific training.

According to the study, *Declining Apprentice Training Rates: Causes, Consequences and Solutions* by Dr Phillip Toner of the Australian Expert Group in Industrial Studies at University of Western Sydney, the period from 1993 to 2001 saw a “large and sustained decline of 16 percent in the long-run aggregate apprentice training rate,” compared to 1974-1992. In some trades, the decline was as high as 25 percent.

The decline in the training rate—the ratio of apprentices in training to the number of tradesmen employed—was “highly significant” because it measured “the extent to which the trade occupations are reproducing themselves through the domestic training system”. Toner said the decline had led to an acute shortage of skilled personnel for “core vocational occupations necessary to production and maintenance in a modern knowledge-based economy”. It had also severely reduced “a source of full-time job opportunities offering good career paths for young people”. Toner estimated that had the training rate for 1987-1992 been maintained, there would have been an additional 21,700 apprentices training in 2001.

The sharpest declines in the training rate occurred in key industries that once employed and trained tens of thousands of apprentices, such as printing where the rate fell by 25.1 percent, electrical and electronics 23.5 percent, metal manufacturing 18.9 percent and construction 14.7 percent.

There was also an alarming 15 percent decline in the number of apprentices in training, comparing the same periods. Again, the key manufacturing areas registered the greatest falls, with metal manufacturing and electrical and electronics contributing 31.5 percent and 21.7 percent respectively to the total decline while construction accounted for 21.0 percent.

Despite claims by governments of all stripes that youth training and employment were priorities, the study shows that a major contributor to the reduction in apprenticeships was the “large scale withdrawal of all levels of government from apprentice training,” largely due to the “corporatisation or privatisation of state and Commonwealth government activities”. This accounted for one-third of the overall decline in the apprenticeship intake.

The study notes that in the mid-1980s, Government Business Enterprises (GBE) employed 21 percent of all electrical apprentices, 10 percent of building apprentices and 9 percent of metal apprentices in the state of New South Wales. By the late 1990s, their share of apprentice training had fallen by 80 percent.

While not mentioned in the study, a graphic example of this process was the gradual run down and eventual closure in the late 1990s of the state rail manufacturing and maintenance workshops in Sydney’s Chullora area. The elimination of the workshops, which once employed over 5,000 workers, was accompanied by the loss of the Chullora state-apprentice training centre that turned out hundreds of highly-trained apprentices annually. The state Labor government was largely responsible for Chullora’s

destruction.

At the federal level, Labor oversaw the sale of Melbourne's Williamstown Naval Dockyard in 1988 and assisted the closure in 1989 of the privately-run Cockatoo Island naval repair dockyard in Sydney, two major areas of apprentice training. Thousands of state-government apprenticeships were eliminated through the privatisation of public transport, gas and power in Victoria by the state Liberal government after 1992.

Toner's study points to the impact of industrial restructuring, which has resulted in the phasing out of large-scale industry and a rapid growth of small enterprises. Firms with more than 100 employees spent 3.4 times more on structured training than firms with less than 20 employees. Over the seven years to 1996-7, however, the level of employment in firms with 20 or more employees fell by over 50 percent.

This shift was produced by a combination of closures of large manufacturing centres and the contracting out of production, maintenance and other services to small suppliers and labour-hire companies.

Between 1990 and 1995, the proportion of firms using labour-hire employees rose from 14 percent to 23 percent, according to Australian Workplace Surveys. Toner's study notes that labour-hire companies and small employers "primarily rely upon the pool of skilled people in the labour market, and are not large providers of formalised training of the type involved in traditional apprenticeships".

Another factor was a sharp increase in tradesmen's workloads, "to the point where there was no surplus labour capacity to disengage experienced trades people from the production to train and mentor apprentices". This not only "adversely affected the quality of training for existing apprentices, it also made firms reluctant to engage apprentices".

The "New Apprenticeship" training schemes introduced by the Howard government have only added to the decline. For the most part, these schemes are structured toward short-term training designed to provide employers with a pool of cheap semi-skilled labour to fill mainly casual and part-time jobs.

Toner's study notes that financial incentives in the New Apprenticeship programs are "biased" against the employment of full-term apprentices, as opposed to short-term traineeships. The same level of payment for commencement (\$1,375) and for completion (\$2,750) applies to both apprenticeships and to traineeships, even though the latter can be completed in far less time.

Many traineeships can be completed in as little as one year, so that an "employer could get four cycles of commencement and completion payments for trainees in the same time it takes an employer of an apprentice to get one".

The government's New Apprenticeships web site encourages employers to take advantage of its cost-savings. Whereas traditional apprenticeships took three to four years to complete, New Apprenticeships are "competency based," meaning they can be completed once a trainee is deemed to have "reached the skill level required".

Its latest statistics show that of the 396,000 apprentices and trainees already in training in June 2003, only 31 percent were in the equivalent of "traditional" apprenticeships, whereas 42 percent were in programs that lasted two years or less. Moreover, 25 percent were part-time.

This trend is accelerating following adjustments to make the incentive scheme even more "flexible" for employers. Of the programs commencing in June 2003, only 10 percent were traditional apprenticeships, while 62 percent were for two years or less and 31 percent were part-time.

A typical example is the so-called "new approach" adopted by Qantas in its aircraft maintenance section in 1999. The airline introduced a "maintenance operator" classification requiring "a far shorter training period than an apprentice". A senior Qantas manager boasted that it gave the company "greater flexibility and does not require a four-year commitment".

This short-sighted approach, driven by the immediate profit imperatives of the market, will have increasingly serious long-term consequences for safety, health and skill levels. More than that, it is sentencing an entire generation of young workers to a life of low-skill, cheap labour.



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