

WHY
APPRENTICESHIPS
AND TRAINEESHIPS
ARE **THE WAY OF
THE FUTURE**

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The Class of 2020 can be rightfully proud of themselves for successfully navigating their final exams after this gruelling year. As our young people get ready for the next step in their lives, we look at why Vocational Education and Training (VET) is an attractive option for school leavers focused on becoming resilient and flexible in the face of future challenges.



EMPLOYERS ARE ON BOARD WITH CREATING PRACTICAL OPPORTUNITIES

CHALLENGE: Industries traditionally employing mostly Gen Z or younger millennial employees are hardest hit by COVID, leading to a serious rise in youth unemployment and concerning developments regarding future financial and social security. Skillsroad’s research consistently shows that Australian youth are worried about if there will be jobs available for them in the future, and whether they will enjoy what they do. This is a valid concern, given the recession-impacted post-Year 12 landscape they are entering.

OPPORTUNITY: However, since the Government’s introduction of the \$1.2 billion Boosting Apprenticeship Commencements (BAC) subsidy on the 5th of November, reimbursing employers with up to 50% of their apprentices/trainees’ wages,

EMPLOYERS HAVE RAMPED UP THEIR RECRUITMENT OF APPRENTICES AND TRAINEES, WITH 6,049 NEW APPRENTICES SIGNED UP IN JUST ONE WEEK BETWEEN 6 AND 12 NOVEMBER.

This is the highest number of commencements for any week this year so far, and over double the number for the same period last year (when, arguably, the economy was in better shape). Numbers like these are usually only seen in the peak apprenticeship/traineeship commencements season of February to April; the fact that the spike came early indicates that

employers are ready to take on young talent, making it the perfect time for school leavers to start their job search and secure a stable job for 2021.

CHANGES IN THE EDUCATIONAL LANDSCAPE

CHALLENGE: Data from the Australian Bureau of Statistics shows that HECS/HELP liability is the main form of debt for younger age groups, beaten only by mortgages on the home, which is the main form of debt for all age groups. At the end of 2019, younger households had higher student debt than their predecessors because of higher fees and participation rates. This trend is likely to continue: the Government’s recent changes to the fee structures for university degrees (putting a cap on what students can borrow from the Government to cover the costs of tertiary tuition fees) may saddle future graduates with an even bigger study debt to pay off, and fewer opportunities to do so productively in a field they enjoy.

An independent Parliamentary Library modelling commissioned by the Greens showed that certain university degrees could take up to 20 years to pay off under the Government’s proposed HECS-HELP plan, with humanities and communications degrees taking the biggest hit.

ARTS, HUMANITIES, COMMUNICATIONS AND SOCIAL SCIENCE DEGREES COULD TAKE TWICE AS LONG TO PAY OFF AS IT DOES UNDER THE CURRENT SYSTEM.

Under the changes, fees for humanities and communications courses will more than double, and law and commerce students will be paying around 28 per cent [more](#).

WHILE STUDYING AT UNIVERSITY IS OFTEN AN OPTION FOR STUDENTS WHO ARE UNSURE ABOUT THEIR WORKING FUTURES, EARNING A DEGREE DOES NOT NECESSARILY LEAD TO BETTER OR MORE JOB OPPORTUNITIES ONCE THEY'VE GRADUATED.

According to research report "Generation Gap: ensuring a fair go for younger Australians", released by the Grattan Institute¹ at the end of 2019, choosing to study at University didn't necessarily guarantee a job or better pay for graduates, even before COVID hit: "More young people are choosing to study – which may help them earn more in future – but for now, a growing share of those studying are unsuccessfully seeking work."

Also, keep in mind that people who are devoting time to studying will typically be working less – and earning less – than people who aren't studying. This extra time spent in education by today's young people may be a factor driving relatively lower income growth and wealth accumulation for younger cohorts, and this effect may last after completion of studies, suggests the Grattan Report: "People who spend three or more years completing a university degree may not expect to earn significantly more in the early years after graduation than people who spent the same time gaining work experience. More education typically means a premium in earnings later – so the trend towards study could improve incomes in future. But the earnings

premium for university graduates aged 25-34 was lower in 2016 than a decade earlier. More early-career graduates are taking jobs that don't require a university degree (such as sales and service positions), so a lower proportion of graduates are enjoying an earnings premium than in the past. This is yet another sign of the challenging job market for young people."

■ OPPORTUNITY:

Apprenticeships and traineeships offer the benefit of an "earn while you learn" approach: immediate practical experience combined with an income that can help youth build towards a more secure future. They do not incur study debts, and employers are incentivised to make sure that they successfully complete their apprentice- or traineeship to earn an internationally recognised qualification. They are also left with a working network and clear understanding of their industry. This opens the doors to opportunities both local and abroad – and makes it easier to be flexible and pivot across roles and industries if needed.

It is also possible to do an apprenticeship or traineeship in the study areas hardest hit by the University fees overhaul. Apprenticeships and traineeships aren't just for "traditional trades". In fact, pursuing apprenticeship or traineeship opportunities in the Humanities, Social Sciences, Art, Communications, Law and Commerce areas could be a much more satisfying and affordable way of still pursuing your dream career.



Existing apprenticeships and traineeships that offer alternatives to University degrees include (but aren't limited to):

- Digital Media Artist
- Specialist Makeup Artist (Screen and Media)
- Television Director
- Screen Producer
- Community Radio Program Maker and Presenter
- Costume Assistant
- Assistant Music Manager
- Junior Sound Assistant
- Events Promotions Officer
- Photographers Assistant
- Museum Attendant
- Stage Production Assistant
- Jewellery Maker/Tradesperson
- Interactive Media Design
- Aboriginal Textile Artist
- Junior Design Assistant
- Library Officer
- Visitor Information Attendant
- Gallery Administrative Assistant
- Border Protection Officer
- Human Resources Officer
- Injury Rehabilitation Manager
- Taxation Client Engagement Officer
- WorkCover Inspector
- Local Government Administration Assistant
- Legal Receptionist
- Medical Records Officer
- Detention Centre Officer
- Bench Clerk
- Government Security Officer
- Sales Team Coordinator



¹ Wood, D., Griffiths, K., and Emslie, O. (2019). Generation gap: ensuring a fair go for younger Australians. Grattan Institute.

THINKING SKILLS, NOT ROLES

■ CHALLENGE:

The recent Skillsroad “Get Hands On With Your Future” campaign invited futurist and research expert Mark McCrindle to share the crucial elements youth need to thrive in the future. His emphasis on constant learning and adaptability in the face of current technological, educational and global trends and changes, and the important role transferable skills play in this process echoes the priorities of business owners, as identified in [Business Australia’s quarterly Business Conditions Survey Report](#), released in September this year. Businesses continue to transition, with an increasing number of businesses looking to hire people with the right skills and capabilities to help reduce business costs and grow revenue. These skills and capabilities that employees need don’t refer to just technical experience, either. McCrindle explains that “people skills are essential, particularly in a time of technological change, increasing automation and machine learning.” Young workers need to be able to:

- Communicate effectively,
- Manage people,
- Bridge generation gaps,
- Connect across diversity,
- Resolve conflict,
- Engage people,
- Connect communities,
- Solve problems, and
- Think innovatively.

■ OPPORTUNITY:

An apprentice- or traineeship provides crucial practical experience in the so-called “soft” or transferable skills space. Young workers learn teamwork, resilience, leadership and communication skills from the get-go, and apply these skills every day in a practical context. This leads them to be much more workplace-ready and resilient, but also improves their ability to become nimble, agile and better at learning in the face of rapid changes. This will make them an asset to the talent strategies of businesses looking to become more resilient and innovative in the future.

DIVERSE OPPORTUNITIES FOR MORE YOUTH

■ CHALLENGE:

Recent figures from the [Australian Bureau of Statistics](#) shows that COVID-19 has had a concerning impact on the numbers of new students enrolling for university: female student enrolments for 2020 dropped by 86,000, while male student enrolments dropped by 21,200, following the gendered impact of Covid-19 and the recession on Australia. According to Per Capita economist Shirley Jackson, a range of social and political factors are involved in the higher numbers of women dropping out. “We know that women are far more likely to engage in unpaid care work at both ends of the life cycle than men. Kids are out of school and are doing school at home. Women with young families have overwhelmingly been forced to pick up the slack and are acting as both

teachers and primary carers.” The recession has also been termed a “pink-collared” recession: it has affected face-to-face businesses that are dependent on domestic consumptions. Industries like retail, hospitality, personal and community services, care work and creative industries are mostly female-dominated and were closed in their entirety.

■ OPPORTUNITY:

It’s a common misconception that apprenticeships and traineeships are “trades only” or “male only” study paths. However, there are more than 500 industries that offer a range of apprenticeships/traineeships that have nothing to do with the so-called “traditional trades” and offer opportunities for a diverse cohort of young workers looking for a practical pathway into employment that will still work with their life commitments. Some examples of these are:*

- Cert III in Live Production and Services (Box Office Assistant),
- Cert II in Hospitality (Gaming Attendant),
- Cert III in Outdoor Leadership (Surfing Recreation Activity Leader),
- Cert IV in Real Estate Practice (Real Estate Consultant),
- Cert III in Music Industry (Assistant Music Manager),
- Diploma of Laboratory Technology (Food Laboratory Technical Officer),
- Cert III in Water Industry Operations (Networks Operator),
- Cert IV in Youth Work (Youth Housing Worker)

While the number of young women choosing hands-on pathways are increasing, we still have some way to go to level the playing field in terms of practical earn-while-you-learn opportunities that allow for flexibility in the face of caring or other responsibilities. Improving young women’s understanding of and access to the range of apprenticeships and traineeships available can prove to be a valuable pathway to employment and growth for them. It would be extremely valuable if employers in the mostly female-dominated areas (such as retail, hospitality, personal and community services, care work and creative industries) could create more apprentice- or traineeship opportunities to provide valuable practical alternatives to young women drawn to these fields.

**These apprenticeship/traineeship qualifications listed are based on NSW qualifications. To check out which pathways are available in your state please visit [here](#).*

CONCLUSION

If this past year has taught us anything, it is that life is unpredictable – and that having a resilient mindset and the ability to adapt in the face of change is crucial. Young Australians face many challenges in their future and being sure of making the “right” decision regarding a career or educational pathway is likely to become harder. That’s why it’s important that they optimise their ability to weather unexpected storms. They can do so by focusing on lifelong learning, developing and honing their transferable skills, getting a head start in gaining as much practical experience as possible and thinking out of the box in terms of the pathways they can take to reach their dreams. Doing an apprenticeship or traineeship is a positive, practical way of ticking all these boxes:

- Earn while you learn
- Likelihood of permanent employment upon completion
- Ability and possibility of starting own business upon completion
- An “always learning/improving” approach to skills
- Practical development of transferable skills
- Building a valuable business network
- Gaining a nationally-recognised qualification
- Less financial risk if pathways are changed
- No student debt

The future requires us to be ready to take on anything. Encouraging our youth to consider the benefits of Vocational Education and Training might just be the answer to their uncertainty.