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States drop the ball on traineeships

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WHILE policymakers in many states have been preoccupied with opening up their training markets to competition, they've dropped the ball on traineeships.

They combine training with work in a real job, often in vocational areas such as office administration, IT, warehousing, transport and logistics.

When they were created in 1985, traineeships were intended as a way to help young people on to a pathway to work, particularly during periods of high youth unemployment. Over the years they have proven effective at giving women and early school leavers a leg-up into the workforce.



Young women are missing out on access to the job market with changes to traineeships. Source: News Limited

It is well known in vocational education circles that traineeships and apprenticeship numbers take a hit during an economic downturn when employers can't afford to make training positions available. This is doubly problematic because a downturn is the time when young people, particularly the disadvantaged, most need a pathway to employment.

This year it appears traineeships are the first canary in the VET reform coalmine, with the bottom falling out of the market in both NSW and Victoria.

In NSW, the numbers of people in traineeships has been steadily dropping over the past 12 months. In fact, 20 per cent fewer people started traineeship last month compared with October 2012 - corresponding to 8000 fewer places for young people in NSW to get a kick-start to their career.

The figures are even worse in Victoria where last year trainees made up 21 per cent of the VET market and this year only 4 per cent - that is some 20,000 fewer traineeships in 2013. The Victorian Education Department says the decline is due to new funding arrangements, which weight government support for training places toward skill shortage areas.

Compounding the funding issue is an increase in school retention rates with more teenagers completing Year 12 than ever before. But many still struggle to find a job, and the longer it takes the harder it becomes to avoid the rise in youth unemployment.

Governments in both NSW and Victoria have said they are reforming their VET systems to provide more user choice and allow individuals and industries to make their own decisions

about their training needs. But, in reality the bureaucrats in Macquarie Street and Spring Street have not ceded control; they're still calling the shots.

The Victorian government was unwise to structure its entitlement system toward favoured industries instead of privileging the opportunity of employment for young people in any industry.

The crucial factor that makes traineeships successful is that they are tied to an employment outcome - that is the trainee or apprentice learns on the job and has a job at the end of their training (rather than training for training's sake).

In May last year, the Victorian government reduced funding for traineeships in business administration, retail and hospitality - areas predominantly taken up by young women, compared with the traditional trades like carpentry, plumbing and electrical that attract mainly men.

The funding cut has seen a reduction of 6000 business administration traineeships this year.

While we don't yet know how the NSW government VET reforms will work, we can only hope they will heed the mistake Victoria has made by ensuring traineeships will continue to provide opportunities for those young people who need them most.

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