

Political construction of skill: The effects of policy changes in entry-level training in Australia on participation rates and on the perception of ‘skill’

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Abstract

One of the major aims of ‘training reform’ in Australian VET has been to increase participation rates in entry-level training through interventions in apprenticeship and traineeship policy. Policy changes, particularly those related to funding, at both national and State level, as well as other factors, have been instrumental in a large growth in numbers, particularly in traineeships, so that total participation is now over 400,000 (NCVER, 2003a). This makes Australia the ‘most apprenticed’ nation in the world per head of population (Walters, 2003). While some view this as desirable, others consider this large number to be an indication of lack of quality and lack of effective controls. This paper, reporting inter alia on discussions with those responsible for policy and implementation at national and State level and on analysis of apprenticeship and traineeship data, discusses the effects of the changes in funding regimes upon apprenticeship and traineeship participation, and draws some inferences both about quality and about the possible implications of the changes for perceptions of skill in the economy.

Introduction

A common way for governments to influence the amount and quality of training that occurs within organisations is through the funding of programs that are delivered to entry-level workers engaging in national qualifications. This pattern can be seen in Australia through the apprenticeship and traineeship system and overseas in, for example, the German dual system (Harris & Deissinger, 2003) and the English Modern Apprenticeship system which utilises National Vocational Qualifications (NVQs). A major plank of the training reforms (Smith & Keating, 2003) of the 1990s in Australia was to expand the apprenticeship and traineeship system, both in terms of numbers of participants and in terms of the coverage of industry areas. New industry areas also became important through the introduction of Training Packages, which since 1997 have been expanding to cover over 80 industry areas with networks of qualifications (Down, 2002). Many, for example, industries as diverse as Funerals, Caravans and Seafood, had not previously had systematic accredited qualifications.

This paper uses documentary sources and interviews with key stakeholders to begin to examine the trends and the effects that changes in government policies, at both State and Federal level, have had on the participation in, and outcomes of entry-level training delivered through apprenticeships and traineeships. Further, the paper involves an initial exploration of the concept of ‘skill’ in the context of the increasing proportion of jobs being covered by qualifications. There is a clear need for more examination of this area and this paper offers some initial ideas only.

Literature review

In Australia, before the mid-1980s, contracted entry-level training was only available in traditional apprenticeships in a limited range of occupations, primarily in manufacturing and construction trades. Such training involves a combination of on-the-job training with government-funded off-the-job training at TAFE colleges or other training providers; and requires a contract of training between the apprentice and the employer to be signed and lodged with the appropriate State or Territory government. The Kirby report (1985) on entry-level training advocated the establishment of one-year traineeships in 'non-trade' occupations for 16 and 17 year olds, which would (as with apprenticeships) involve part-time off the job training for 20 per cent of the time, reflected in pay rates set at 80 per cent of normal wages (now well-established as the National Training Wage). After a slow start, in 1996/7 the numbers of trainee commencements exceeded apprentice commencements for the first time (Robinson, 1999:9). Traineeships began mainly in clerical, retail, hospitality and public sector jobs, but have now expanded greatly into a wide range of industries including traditional trade areas (Roberts, 1996).

A major criticism (eg Hampson, 2002) of the expansion of entry-level training has been that it has been almost entirely in 'new' industries or at lower levels in the 'traditional industries' and there has been a perception that the 'traditional industries' are losing their skills base. There are also some concerns, in a linked point, that apprenticeship 'decline' has adversely affected a traditional route from school to work particularly for working-class boys. However, despite the lifting of age restrictions for apprenticeships and traineeships, and the subsequent rise of adult participants, Robinson (1999) points out that the proportion of 15-24 year olds in apprenticeships and traineeships as a proportion of all young people aged 15-24 has remained constant during the 1990s.

Together with, and linked to, the rise of traineeships, changes have been made to the Australian apprentice system. These have included various alterations to the employment subsidy arrangements for employers (eg Fooks, 1997; Walters, 2003), the abolition of 'declared trades'¹ in all States except NSW, and, as with traineeships, the removal of age restrictions for employment of apprentices. These changes have been designed to improve access to apprenticeships and to extend coverage to other industries. For apprenticeships and traineeships alike, as well as subsidy arrangements for employers, 'user choice' funding money, administered by State Training Authorities, is available to Registered Training Organisations to fund the off-the-job training of the apprentices and trainees (Smith & Keating, 2003: 98). States and Territories are free to set their own funding rules within certain broad parameters, known as User Choice Principles (ANTA, 2003).

There have also been attempts to amalgamate apprenticeships and traineeships under three similar, successive, schemes: the Australian Vocational Training System (AVTS), the Modern Australian Apprenticeship System (MAATS) and New

¹ Before the training reforms of the 1990s, States and territories maintained lists of 'declared trades' which were 'allowed' to have apprenticeships attached to them. Coupled to these provisions, licensing laws and legislation have prevented those who have not completed apprenticeships from carrying out certain work and even, in some cases, have prevented young people from working in a particular industry except if undertaking an apprenticeship.

Apprenticeships, the current umbrella term. The continuing attempt to amalgamate apprenticeships and traineeships has not only been actively resisted by some States but has also made collection of meaningful statistics difficult. The National Centre for Vocational Education Research (NCVER), which collects vocational education and training (VET) statistics on behalf of the Australian National Training Authority (ANTA), is now required to combine apprentices and trainees in its collections, and can only estimate the separate numbers for apprentices and trainees by making assumptions such as that those in contracted training for over two years are apprentices (NCVER, 1999:10).

It might be presumed, in the formation of qualifications for occupations, that there is a reasonable level of skill attached to the occupation. However, apprenticeships are often described, particularly in the industrial relations literature, as being a device for restricting the entry to certain trades, to ensure that the price of adult or skilled labour is kept artificially high. To assist this process, the number of apprentices is restricted, the employment of non-apprentice junior labour is prohibited, and there is a lengthy time needed to become 'skilled' (Shields, 1995). Trade unions' attitudes towards apprentices is often viewed with suspicion within this paradigm. It is often maintained that the skill in apprenticed occupations is 'socially constructed'. H. A. Turner, for instance, argued that apprenticeship was a form of 'ritual servitude' which legitimated an illusory division between 'skilled' and 'unskilled' work (Shields 1995:239). It is argued that craft unions have been successful in maintaining their skilled status, even in the face of deskilling in many trades (Shields 1995:244). Feminist critiques focus on the fact that it is mainly male trades which have had the power to construct their trades as skilled (eg Steinberg, 1990; Lee 1987, in Shields 1995:240). Hairdressing is the only 'female' occupation which has become a 'trade', yet it is interesting to note that qualified hairdressers earn less than other, unqualified, women, the only trade where the human capital returns on investment to the individual are negative (Dockery & Norris, 1996).

The notion of 'skill' has long been recognised as problematic. Smith (1992: 212-214) for example, suggests that skill can be viewed, variously, as a measurable attribute, an innate attribute of a person, or, as discussed above, can be socially constructed. To these notions could be added the concept of a skill as a discrete competence (as represented in Training Package units of competency). Debates in the labour process field about degradation of skills (eg Braverman 1974) or, in contrast, assertions that skill levels in the workforce have risen, are complicated by the contested nature of the term 'skill'. The debates about the importance of 'traditional apprenticeships' (eg Toner, 1998) and conflicting views of the implications of the rise in 'new apprenticeships' (eg Hampson, 2002) are clearly influenced by differing interpretations of the word.

Research method

A number of sources were used to provide evidence for this paper. These sources were accessed as part of other research and publication activity rather than being consulted specifically for the purposes of this paper. Data on apprentice and trainee numbers in Australia are produced by the National Centre for Vocational Education Research (NCVER). Data from the Centre's regular publicly available bulletins and from their web site, and specially requested information relating to part-time

apprenticeships and traineeships and separation of apprentice and trainee data were all included in the analysis for the paper. Submissions to the Australian government's 2003 Senate Inquiry into Current & Future Skills Needs (Employment, Workplace Relations & Education References Committee (EWRERC), 2003) were examined for relevant data.

In addition, information was extracted from interviews undertaken as part of a current project funded by the National Research and Evaluation Committee on the commitment of enterprises to nationally recognised training (Smith, Pickersgill, Smith & Rushbrook, in progress). These interviews were with the following personnel:

- ?? New Apprentice policy personnel (in a face to face meeting) at the Commonwealth Department of Education, Science and Training, which provides employment subsidies for apprentices and trainees.
- ?? Personnel involved with 'user choice' from four State and Territory Training Authorities (by telephone). Phone calls were supplemented by a working document provided by a State official who was at the time compiling a summary of State and Territory user choice policies (Davidson, 2003).
- ?? Human Resource Managers, Learning and Development Managers and workers in two enterprises: a government call centre and a group of hospitality clubs. Data relating to this paper formed a small part of case studies undertaken at two sites in each instance, for the larger project.

The focus of these interviews was on matters more specifically related to the major project; for example the relationship of nationally recognised training to enterprises' human resource activities, and the role of funding in decisions to access nationally recognised training. Thus only a small amount of the data obtained in the interviews has been used in this paper.

Growth in apprenticeships and traineeships

Table 1 and Figure 1, representing the same data set, show the growth in apprentices and trainee commencements over an eight year period. The differentiation into apprentices and trainees is made on a length-of-contract basis, as discussed earlier.

Table 1: Apprentice and trainee commencements 1994/5 to 2001/2

	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
'Apprentices'	30680	27780	28940	32960	38230	40580	37160	41180
'Trainees'	29310	48360	66790	93000	158720	160590	180800	207160
All Contracts	59,990	76,140	95,730	125,960	196,950	201,170	217,960	248,340

Source: Derived from NCVER data, in Smith & Keating 2003: 94

Clearly there has been a substantial growth in contracted training, which has extended to apprenticeships as well as to traineeships, although the vast majority of growth has been in the latter. The third quarter 2003 data show a further jump, to 271,800 commencements and 407,900 in training (NCVER, 2003a). It needs to be emphasised that apprenticeships and traineeships are demand-led; while training providers and various brokering organisations may attempt to stimulate demand, ultimately trainees and apprentices are only employed when an employer makes a decision to hire.

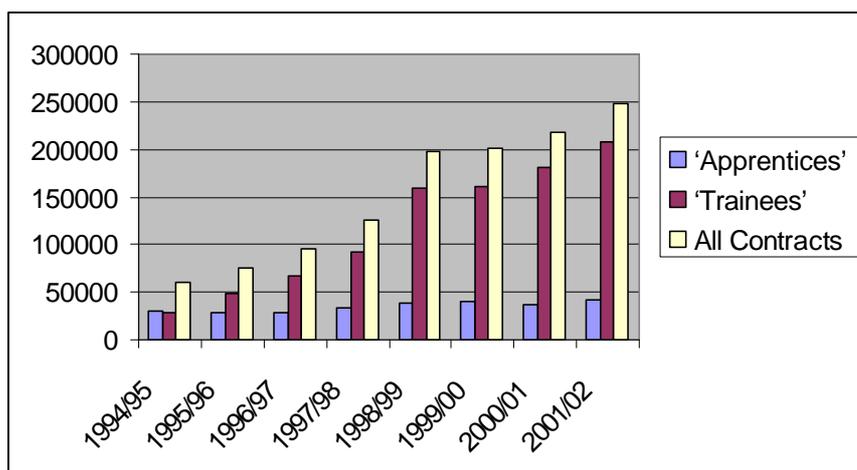


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There has been a considerable growth in the proportion of apprentices and trainees that work part-time. Table 2 illustrates this growth from 1997 to 2003.

Table 2: Part-time apprentices and trainees in training 1997-2003

	1997	1998	1999	2000	2001	2002	2003
Full time	167,653	182,460	222,836	234,318	254,998	277,247	294,593
Part time	3,443	10,203	29,028	38,319	54,901	69,850	87,195
School-based	0	0	333	3,712	4,936	9,200	14,019
Unknown	0	0	0	83	82	166	180
Total	171,096	192,663	252,197	276,431	314,916	356,462	395,988

Source: NCVER 2003b

While some of the part-time figures are school-based New Apprentices, who commence apprenticeships and traineeships through part-time jobs while still at school (Smith & Wilson, 2002), the majority of part-time New Apprentices are just 'normal' part-time workers. They are primarily in four occupational groups - sales representatives (almost 25,000), carers and aides (10,000), hospitality workers (12,000) and cleaners - 6000 (NCVER, 2003b). These figures compare to less than 3000 for all 'trade' occupations as a whole.

There has been a considerable shift in the industry areas in which apprentices and trainees are working. For example, for the twelve months to September 2003, 'Clerical, sales and service workers' had a 12% increase in new apprentices, while 'trades and related workers' had an increase of only 1% (NCVER, 2003a). There are certainly some questions to be asked about the need for so many workers in certain industry areas to gain qualifications, particularly at public expense. While the shift

from ‘traditional’ areas such as engineering, construction and electrical to retail, hospitality and personal services may simply be a reflection of shifts in the economy more generally, there is an argument that skill shortages in some traditional trades may be holding back the performance of some industry areas. However because funding is demand-driven, ie it is given to employers when they recruit apprentices and trainees or create apprenticeships and traineeships for existing workers (within certain parameters, as will be explained in the following section), there are effectively few controls over the industry areas in which qualifications are gained. Indeed for those enterprises that do not request government funding, there is little knowledge of the numbers of workers becoming qualified. This is the case, for example, in transport². However some responses to the newly qualified workforce in certain industries appear driven by prejudice rather than rational argument. For example, a Committee member of the Senate Inquiry into Skills stated at a public hearing (Hansard, 2003: 17):

‘We heard an example in the cleaning industry in Western Australia where there is a seven-hour module to teach people how to empty a rubbish bin. I have sat and looked at the rubbish bin in my office for weeks trying to work out how it could take me seven hours to learn how to empty it. No matter what way you turn it upside down it does not take you more than about five minutes to work out it is all going to fall out the bottom (sic).’

Changes in funding regimes and the rationale for changes

It has been argued (for example in Schofield, 1999) that the availability of funding for apprenticeships and particularly for traineeships encourages ‘shonky’ and dollar-driven approaches to training of workers entering, or already employed in, industries. Government responses to such criticisms and practices have, at federal level, been exemplified by the introduction of the Australian Quality Training framework, in 2002, to improve practices of Registered Training Organisations, and changes to the employment subsidy arrangements to improve completion rates; and, at State level, to amend the funding rules for ‘user choice’ funding. In early 2001 several States considerably tightened the availability of user choice for higher levels of qualifications, for certain industries, and for certain modes of delivery (to encourage ‘face to face’ training). These changes were partly because States were unable to continue to fund all apprenticeships and traineeships on demand, and partly because of quality concerns. Reduced funding is available in some States and Territories for granting of qualifications solely by Recognition of Prior Learning (RPL) and for enterprise RTOs – the latter, as it was believed (in the case of Queensland) that there was not a case to pay them the same costs as institutional RTOs that had higher overheads. However this pattern was not replicated across all the States and Territories. In the ACT, for example, the rules had always been reasonably strict and in 2002 the rules were actually relaxed, to allow funding for existing workers in certain industries in a deliberate attempt to improve the training culture in those industries. States have also made exceptions to their rules, for industries where there are skill shortages and for certain types of workers, for example indigenous people³. The systematic use of RPL is an area currently of interest to the New Apprenticeship

² Comment by Australian National Training Authority staff member during initial consultations for the project on the use of nationally-recognised training in enterprises.

³ The statements about State and Territory policies are taken from telephone interviews with user choice personnel.

policy section of the Department of Education, Science and Training, as was apparent in the meeting with their staff, and also to the union movement (Employment, Workplace Relations & Education References Committee, 2003: 174).

Following the withdrawal of user choice funding in some States in some circumstances, some companies needed to re-think their arrangements. In the enterprise interviews, the government call centre Learning & Development personnel for example, found that user choice funding was available for its staff in some States and not in others. Therefore they used the money from the funded States to subsidise the training in States that did not provide funding. The hospitality club, wishing to provide entry-level training for its existing workers, found that some workers at some qualification levels attracted funding and others did not. The RTO with which it was partnered worked out a complete 'package' for the club, with a 'bottom line' showing that the club made a profit from putting its workers onto traineeships, through using some of the employment subsidy money to pay for the training where user choice money was not available.

While such calculations seem dollar-driven, it would be naïve to imagine that training decisions like all business decisions are not subject to financial considerations. The outcome in both cases was that a large number of workers received structured training and qualifications which would be useful when re-entering the labour market and in allowing progression to higher level training. Interestingly, while the NSW government has been particularly suspicious of large-scale traineeship programs in certain industries, an audit of traineeships in the abattoir industry in that State revealed surprisingly good training practices and improvements in performance and safety within the industry (State Training Services, NSW Department of Education & Training).

Discussion and conclusion

While it is accepted that apprentice training, in the past, may not always have been of high quality, the completion of an apprenticeship was nevertheless felt to confer a status in society (Unwin, 1996). An important part of apprenticeship was assuming this status. Shields (1992) maintains that, in the 19th century, 'membership of the trade carried strong ideological and moral overtones ... 'the time-served man (was) set apart from 'inferior' workers'. Therefore, apprentices have traditionally been taught not only the skills involved in the trade but also how to 'become' a member of that trade (Venables, 1967; D. Smith, 1992).

With the rapid growth in numbers of apprentices and particularly trainees, it will be interesting to see whether the same status and the same rites of passage will eventually accrue to workers with, for example, a Certificate III in Retail Supervision or a Certificate IV in Health Service Assistance (Pharmacy Technician). In conversation with one State official, for example, when asked if user choice funding was available for existing workers, the official replied, 'Only for apprenticeships'. He meant the pre-Training Reform apprenticed trades, indicating that old views evidently die hard.

Another interesting development reported in the Senate Inquiry on Skills (EWRERC, 2003: 175) is the advocacy by employers associations, unions, and also the Victorian

government), for a separate ‘system’ for existing workers, leaving the New Apprenticeship (apprenticeship and traineeships) system only for ‘entry-level’ training. While some sound arguments, such as the seemingly superfluous involvement of brokering organisations in setting up traineeships for existing workers, are advanced for this proposal, underlying the proposals could be a persisting belief that the purpose of apprenticeships (and perhaps, grudgingly, traineeships) is to provide employment for young workers entering the workforce. It is possible, also, that there is a certain amount of opposition to the concept of part-time workers being deemed apprentices or trainees – for example those people who spend unnecessarily long periods of time learning how to empty rubbish bins.

Thus there seems to be a tendency by some commentators and policy-makers to view some qualifications, and therefore occupations, as more ‘real’ and valuable than others. This may stem from various ideological positions including a perception that working in manufacturing industry and, more generally, working with one’s hands, may be more useful and more worthy than working with people in other occupational areas, such as, for example, caring or service roles. In time, individuals, or the successors in their roles, may come to accept that skills in newer industries and previously unapprenticed occupations in older industries are as important and valuable as those in the older ‘trades’. If this is so, then the conception of skill could be argued to have become policy-driven, or ‘politically constructed’ rather than socially constructed. This ‘political’ construction of skill will have been the result of deliberate policy interventions to increase skill levels, to broaden qualifications to additional industry areas, as well as to provide additional career pathways for young workers and others. However, in view of the differing conceptions of skill that were discussed earlier in the paper, any shift in perceptions will be slow and highly contested. This paper has only begun to explore the possible implications.

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