

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2009-2010**

**Outcome 3 - Higher Education**

**DEEWR Question No.**EW1087\_10

**Senator Cormann asked on 11/02/2010, Hansard page 126.**

**Question**

**APPRENTICESHIPS**

Senator CORMANN—The number of apprentices declined for the first time since 2003 in 2008-09, and of course there was the global economic downturn so we all understand that. But from your point of view, have you analysed whether the global economic downturn was the only thing that was to blame or were there other factors? Ms Paul—We would be pretty certain that that is the main factor. The reason why we can be confident is that we know what has happened in previous recessions. Senator CORMANN—But you did put a lot of money into various programs to boost incentives and to improve training support. A lot of money was put in to make sure there would not be a decline as a result. Senator Carr—Imagine if we had not put the money in! Ms Paul—The decline has not been as deep as it was in previous recessions. Senator CORMANN—The decline in apprenticeships has not been as deep? Ms Paul—That is my understanding, but we will check that for you.

**Answer**

The decline in apprenticeship commencements in 2008-09 has not been as deep as in previous recessions. For example, the Australian Bureau of Statistics survey now called 'Survey of Education and Work', shows that the number of first year apprentice commencements at May 1989 was 56,100, having risen from 29,500 in May 1983. However by May 1990 there were 49,700 and at May 1991 there were 24,200 first year apprentices, representing falls of 11.4 per cent and 56.9 per cent from the May 1989 peak.

In contrast, the pattern of apprenticeship commencements from 2004 to May 2009 was: 62,900 in 2004, 74,200 in 2005, 75,800 in 2006, and the peak of 79,600 in 2007. The estimates then fell to 70,900 in May 2008, a decline of 10.9 per cent and then to 57,700 in May 2009, a 27.5 per cent decline from May 2007.

Because of the fall in apprenticeship commencements, the Government introduced measures to encourage employers to recruit new apprentices and to retain existing apprentices. By 10 February 2010, around 23,000 employers received payments under the Securing Australian Apprenticeships initiative, which includes recommencement for out-of-trade apprentices and completion bonuses, and about 19,000 out-of-trade apprentices had recommenced their training. The Apprentice Kickstart initiative, for new apprenticeships in a skill shortage trade for those aged 19 or younger, in place over the summer of 2009-10 resulted in some 21,000 apprentice commencements by 28 February 2010. This was similar to the pre-global recession level of commencements for this cohort.