

Australian technology apprenticeship scheme

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Developing new skills at scale to help rebuild the Australian economy

COVID-19 has had a profound impact on Australians and the industry at large. With unemployment predicted to increase to 10 per cent by the end of the year, the Australian Government is rightfully investing in reforming our national skills system to ensure funding is aligned to skills gaps and therefore employment opportunities.

As leaders in some of Australia's largest local technology companies, we came together on 16 July 2020 to discuss challenges facing the tech industry, putting forward a solution that supports job creation and growth in this critical sector.

As part of the Government's recent JobTrainer announcement, we propose the establishment of a new national technology apprenticeship scheme. This scheme would offer an alternative pathway for school leavers to enter the tech sector and, importantly, provide retraining opportunities for those currently without a job due to the pandemic.

While some companies might be going it alone in looking for new ways to attract talent, support is needed to scale an initiative nationally, particularly in response to the suddenly increased level of unemployment and dislocation.

Australia has a technology skills shortage

It's widely acknowledged Australia has a technology skills shortage. Our universities simply don't produce enough technology graduates to meet the high demand.

In a report commissioned by the Australian Computer Society, Deloitte Access Economics estimated that demand for technology workers will grow by 100,000 between 2018 and 2024. And yet our universities produced less than 6,000 technology graduates in 2017.

This demand stretches well beyond the technology industry, with these skills highly sought after in all sectors from banking and government to manufacturing and retail.

We know that Australians in all walks of life need to develop new skills if they're to be successful in an increasingly digital world. We need more young people interested in science, technology,

engineering and mathematics (STEM) while fostering a broader culture of life-long learning throughout our society.

Lack of access to enough skilled workers has also constrained growth of the tech industry locally, stifling innovation of great potential value to the Australian economy. Data61 estimates that maximising the opportunities of technological change could deliver \$315 billion in economic value to Australia over the next decade. But tech companies routinely experience great difficulty recruiting enough experienced software developers, data analysts and user experience designers.

And yet the foundational skills for all of these jobs can be taught within an apprenticeship framework, where learners have the additional benefit of applying them to real challenges within a pathway likely to secure permanent work. The tech sector is hungry for more Australians with tech skills and stands ready to take on greater responsibility in fostering these skills.

We need an apprenticeship program that boosts the supply of skilled tech workers

Historically, apprenticeships have been geared toward primary industries such as construction, manufacturing and mining. This has led to an expectation, and in some instances a stigma, that apprenticeships are only designed for jobs requiring manual skills. This association simply doesn't exist in countries like Germany, where it's recognised that apprenticeships produce highly skilled employees in a wide range of fields. We must challenge this preconception if we are to develop highly skilled tech practitioners at scale in this country.

Iress, a company within this group, has enjoyed success with a broader-based government-supported apprenticeship scheme in the UK. It has taken on 20 apprentices in the United Kingdom during the past four years. These have included a wide range of roles from software engineers to business analysts. Apprentices get on the job training with offsite support through an accredited apprentice training provider. Of those 20 apprentices, 17 are still with the business.

Indeed, research done by the UK's National Apprenticeship Service found that 65 per cent of apprentices stay with the companies that trained them. Employers reported a boost in morale as a result of filling skills gaps, increasing productivity and giving employees the opportunity to provide mentoring.

The Australian Public Service has also recognised the power of apprenticeships in building tech skills, with the Digital Transformation Agency supporting a Digital Apprenticeship Program for school leavers and those looking for a career change.

Global technology companies like Apple and Google have also removed the need for tertiary education before applying for roles, which creates an opportunity for a more diverse range of people to work in our sector. An apprenticeship scheme would mean these people are still working towards a qualification that they can lean on for future job opportunities.

We are calling on the Government to support a tech apprenticeship scheme

The Australian Government recently announced a commitment of \$500 million for the JobTrainer scheme. This presents an opportunity for a once in a generation re-gearing of our vocational system to recognise the importance of the tech industry and produce a new range of 'job ready' people to fill this costly skills gap.

We are calling on the Australian Government to support a national technology apprenticeship scheme as part of the JobTrainer program of work. While there are clear benefits to school leavers, this scheme will importantly provide an option for workers who have lost their jobs due to the pandemic to retrain and gain the foundational skills needed to re-enter the employment market quickly. Importantly, an apprenticeship also equips learners with other real-world skills needed to thrive in any industry, such as negotiating contracts and managing relationships.

We recognise an apprenticeship is just one piece of the puzzle, and we are committed to working with all Australian governments to ensure schools and colleges – and particularly young women within those institutions – are aware of such an apprenticeship and view it as an attractive alternative to university.

We stand ready to work with the Government to design a new skills pathway that ensures people are given the best opportunity to start new tech careers. We firmly believe that such a pathway will increase the pool of talent the tech sector can draw from, leading to a more vibrant and innovative sector.

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