



national
electrical and
communications
association

NECA response to Employability Skills Training Consultation Paper

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Submission Coordinator
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Location C12MT4
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Dear Sir / Madam,

Re: Employability Skills Training Consultation Paper

Thank you for the opportunity to comment on the Employability Skills Training Consultation Paper.

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications contracting industry, which employs more than 145,000 workers and delivers an annual turnover in excess of \$23 billion. We represent approximately 4,000 electrical contracting businesses across Australia.

NECA represents the electrical and communications contracting industry across all states and territories. We aim to help our members and the wider industry to operate and manage their business more effectively and efficiently whilst representing their interests to Federal and State Governments, regulators and principle industry bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

As a lead player in the training of future and current electricians and contractors through our Group and wholly owned Registered Training Organisations (RTOs) across Australia, with responsibility for the ongoing skilling and training of over 4,000 apprentices, NECA believes that quality education, skills and training initiatives are critical for the development of the electrical trade.

Our member feedback and own experience within the Vocational Education and Training sector suggests concerns with the quality of vocational education and training offered in schools.

A key area for NECA and our sector is an acceptable attainment of a minimum level of mathematics skills (at least to a sound, Year 10 level). This has been an ongoing problem for young applicants. NECA argues for the need to develop practical maths lessons in schools for trade-training applicants, with the involvement of relevant partners in the education system, including the Australian Association of Maths Teachers.

I would be happy to discuss my answers in further detail and may be contacted upon (02) 9439 8523 or by email: suresh.manickam@neca.asn.au

Yours faithfully



Suresh Manickam
Chief Executive Officer

Program Background

The \$840.3 million *Youth Employment Package* announced in the 201-2017 Budget, outlines a new approach to youth employment. Its aims to help up to 120,000 vulnerable young people over four years take advantage of job opportunities as the economy diversifies and transitions to broader-based growth.

The *Program* will be open to vulnerable job seekers under 25 years of age who are in employment services and due to their lack of experience, often youth have difficulty getting the start they need in the workforce. It comprises three stages that can be undertaken flexibly - allowing young job seekers to tailor a pathway to work that best suits their needs and builds on their individual strengths and experiences

- **Stage one** of the pathway is intensive pre-employment skills training, which will help prepare young job seekers for work by providing them with the basic employability skills they need in a workplace.
- **Stage two** is an internship placement that links young people with businesses, providing valuable work experience and allowing them to trial the job seeker's fit in the workplace.
- **Stage three**, employers who hire an eligible young job seeker in an ongoing job will receive an accelerated wage subsidy of up to \$10,000, paid over six months through simpler and more flexible arrangements. The most job ready job seekers will attract a wage subsidy of \$6,500. A larger \$10,000 wage subsidy will be available to businesses that employ job seekers with barriers to employment.

NECA strongly recommends an integrated approach to all three stages, led by industry with specific targets for each priority industry and coordinated by national industry associations, through their state chapters. This approach is preferable to cherry-picking each stage.

An Industry Specific Model

There is no doubt that the *Program* offers an opportunity for a range of critical industries to broker sustainable employment opportunities for young people, however NECA believes that mobilising employer participation in the initiative will be integral to the program's success.

The *Program* should therefore allow for an approach built around an *Industry Model* that can promote local employment – i.e. can be delivered around a partnership framework with a national industry body or Industry Consortia that can utilise their infrastructure in mobilising employers and

achieving local buy-in.

Partnership frameworks built around an *Industry Model* can facilitate an approach that is built on the experience and knowledge of industry partner groups. This includes well-established networks with employers, trainers, recruiters, RTOs and community service organisations which can be utilised to establish the *Program's* operational network and strengthen the links between business and *Program* delivery. This way the *Program* can optimise the use of existing Industry local resources, programs and infrastructure including expertise on - industry issues, training pathways, career advice and tools, industry specific screening tools, and employer serving and support.

In particular, Peak Industry bodies generally have a strong and successful history of operating in the youth space and have delivered very successful programs and comprehensive approaches to the delivery of services that provide an appropriate mix of individual, group and self-directed activities to assist young people into a pathway to employment. *Industry led* models can provide an innovative response to the tender process, including a greater capacity to utilise and build on Industry's infrastructure and experience to improve the connection between supply chain service providers involved in the preparation of young job seekers, and industry operators with labour and skill demands.

There is an opportunity to utilise the infrastructure of the Peak Bodies (including the industry networks of State and Territory offices) - to develop a shared responsibility between stakeholder groups to deliver a full suite of programs/services that will support the *Program*. In this way an Industry led *Program Model* can be underpinned by an integrated and collaborative approach - based on a principle of staging the recruitment-to post – placement processes - so that young people will have the motivation, aptitude and skills capability to progress through each stage of the initiative.

In summary, NECA argues that an *Industry led approach* to underpin *Program* delivery will have the capacity to;

- Establish a national system and streamlined industry-defined approaches that are able to respond flexibly to major national, state and regional priorities;
- Establish a partnership framework that can provide comprehensive coverage across critical industries;
- Utilise their well-established networks to assist in brokering internship placements and establishing local governance – i.e. strong partnerships with local business and employers with a greater understanding of local economic conditions and employment opportunities;
- Ensure that the *Program* remains responsive to local labour market changes, supports close links between business and program development as the initiative evolves, and increases the sustainability of the *Program* by embedding it within the wider community;
- Increase employer's investment in the *Program* and their input into the design of and delivery of the different *Stages* of the *Program* - with providers and employers working together to ensure

that skill development is tailored to their needs.

- Ensure the promotion of placements that are appropriately valued and utilised as a pathway into employment;
- Ensure greater industry and business buy-in and moving from a supply-focused to a demand-focused process;
- Ensure Industry operators become integral to the employment and training of disadvantaged young people - making them partners in employment services rather than just customers at the end of the process;
- Forge stronger links between employment service providers, training providers and employers to identify sustainable job opportunities and providing integrated services to targeted groups of young people; and
- Promote the employment of disadvantaged young people, whilst at the same time creating an environment of reform and innovation in the workplace of employers.

NECA response to stakeholder questions

Job Seeker Eligibility

1. Job seekers can participate in employability skills training from their first day in jobactive. What groups of job seeker would benefit most from completing the training before the five-month mark? For example, young Aboriginal and Torres Strait Islander people or young people with disability.

The Job Active program could be useful for 15 to 24 year olds seeking the electrical contracting sector from any disadvantaged background or those residing in areas of high unemployment.

Given the generally low uptake of female and Aboriginal and Torres Strait Islander apprenticeships, we believe these two key areas would be particularly beneficial for this program.

A significant issue for the industry is the cost of wages to adult apprentices (21-24 year olds). Recent decisions of Fair Work Australia have led to this option not being cost effective for employers with adult apprentice number falling. Consideration needs to be given to how this pathway could be utilised within this program.

2. What arrangements should be put in place to ensure highly disadvantaged job seekers, such as Aboriginal and Torres Strait Islander job seekers are appropriately represented and referred for training?

NECA believes that there are clear benefits to employing indigenous Australians to strengthen the labour pool of our sector, including the harnessing of the unique skills and knowledge that Indigenous Australians brings to a business, knowledge expansion into cultural issues, niche marketing opportunities for new networks and markets and the establishment of a loyal workforce in regional and rural communities.

The number of indigenous Australians employed in the electrical trade is very low and apprenticeship uptake has been traditionally weak. In the year to September 2015, just 242 out of 11048 Electrotechnology apprentices were of Aboriginal and Torres Strait Islander background.

Strategies to overcome barriers to boost apprenticeship take up and participation include the sourcing of an indigenous champion/mentor, the establishment of indigenous recruitment centres, development of specific work readiness programs, cultural awareness programs, family support, career development opportunities. NECA has developed its own indigenous employment strategy.

NECA understands that improving employment outcomes for Indigenous job seekers is a key element in providing economic independence, which can lead to addressing long term disadvantage in this community. Further strategies to approach and promote indigenous employment to help strengthen the labour pool should include communication to the industry, the indigenous population and informing schools about employment agencies and industry opportunities, a commitment from our Group Training Organisations to hire indigenous Australian apprentices and the support of individual contractors in key geographical areas to directly hire indigenous Australians.

3. Participation in employability skills training will become compulsory once a job seeker has been in jobactive for five months subject to extenuating circumstances. How will job seekers, jobactive providers and training providers respond to the compulsory nature of the training? Are there any other extenuating circumstances not covered in the above examples?

The success of this element will be entirely dependent on the industry relevance of employability skills training and the quality and status of the RTO providing the service to industry. Employers will be reticent with meeting any cost of this element. Care needs to be taken with the interaction of the training element and work placement.

4. What is the best way for job seekers who cannot attend for 25 hours each training week to participate in the training? How practical is it to have two five-week blocks for these job seekers?

Care will need to be taken to ensure that training arrangements suit the need of the employer. Therefore it is essential that industry works with its members to determine the most appropriate type of training, delivery arrangements, extent of block release, use of blended learning (on the job, off the job and online learning) and integrated strategy for skilling up job seekers.

This needs to be industry specific, building upon an essential base of employability skills.

5. What limits should be placed on job seekers' access to employability skills training?

NECA is comfortable with the Department's proposed two year limit on access to re-entering and participating in the program, following successful completion of the 75 hour block of training.

However, care needs to be taken to providing assistance to the most disadvantaged job seekers and it may be necessary for job seekers to undertake literacy, language and numeracy training as part of the training package.

6. Should there be an upper limit on the number of training providers per Employment Region? If so, what should that limit be?

NECA does not see a need to place an upper limit on the number of training providers per region. We strongly believe that the best training providers should be rewarded to participate in this program in order to deliver the most advantageous outcomes. Those providers that meet quality standards and assist to deliver quality training outcomes should be allowed to participate and not miss out through the placement of an artificial limit.

It may be more appropriate, as per joint Commonwealth projects, for NECA to select preferred providers to undertake this training. This would be a much better way of ensuring that training remains relevant to the electrotechnology sector.

7. What practical limitations might there be on providing training to all job seekers in an Employment Region within 90 minutes travel time?

Travel time to and from work should not be the responsibility of those seeking training as part of the recognition of mutual obligation in order to improve skills knowledge and jobs readiness. We note the provisions that exist within the Employment Fund guidelines that allow jobactive providers to assist with transport costs for training activities.

8. How can training providers be encouraged to form partnerships or consortia to deliver both blocks of training which also meets the needs of a diverse range of young people?

As stated previously, a proven method of undertaking this type of activity is the appointment of preferred providers across Australia for the industry to work with. This guarantees outcomes, relevance of training for the industry and a more responsive and flexible delivery of training. It should be noted that NECA has an extensive network of training providers.

9. How could the Department best ensure Aboriginal and Torres Strait Islander and other diversity groups have access to training providers with appropriate cultural competence?

NECA believes the appointment of an ongoing indigenous mentor or champion would be useful for training providers involved in this program. In addition, the establishment of cultural awareness programs and family support initiatives are also vital to ensuring that students from an Aboriginal and Torres Strait Islander background are provided with comprehensive and relevant support by the training provider.

Strategies to overcome barriers to boost apprenticeship take up and participation include the sourcing of an indigenous champion/mentor, the establishment of indigenous recruitment centres, development of specific work readiness programs, cultural awareness programs, family support and career development opportunities.

10. Should the employability skills training include accredited units and be delivered by RTOs? What are the advantages and disadvantages to the job seeker, the training industry, jobactive providers and employers?

NECA supports the enhanced use of Registered Training Organisations for the provision of employability skills training, so long as the chosen providers are those with a strong track record of delivering high standards of training outcomes as measured by the Australian Skills Qualifications Authority (ASQA) and operates with close cooperation from industry.

At present, the electrotechnology sector relies heavily on TAFE for the delivery of training in some states which can be a disadvantage where outcomes have failed to meet the industry's required standards.

An RTO that works closely with industry “as a preferred provider” that delivers quality training outcomes is one that is more likely to provide the industry and trainees with the proper systemic principles and skills to service the needs of industry and the objectives of the Employability Skills Training Program.

NECA would be willing to develop an Employability Skills training program which adequately articulates other formal training pathways.

11. If so, how might accredited units be delivered within the two blocks of training?

This is highly dependent on the training program to be developed by NECA and the method of delivery.

12. How should training providers adapt the training to address the cultural and social diversity of young job seekers including Aboriginal and Torres Strait Islander youth?

Training providers should have experience and understanding of the needs of job seekers from culturally diverse backgrounds, such as Aboriginal and Torres Strait Islanders. This experience should include awareness of programs and family support initiatives and the sourcing of mentors/role models with advocacy and career development and progression.

13. What are the advantages and disadvantages of specialist youth or community organisations being involved in delivery of the training?

NECA believes that the delivery of training should be carried out by Registered Training Organisations with the necessary background and experience to deliver quality training outcomes. It is imperative that training is undertaken by recognised industry supported RTOs. NECA considers the selection other non-industry providers whether formal or informal, would be a waste of taxpayers' money.

Youth and Community organisations, whilst potentially having some experience with mentoring young job seekers, are likely to not have the necessary qualifications, skills and training background to deliver upon the objectives and outcomes for this program.

14. Employability skills can be defined and categorised in different ways, and stakeholders will have differing views on the relative importance of particular employability skills. What skills should be included in an employability skills training course specifically designed for young job seekers?

NECA would utilise the State and Federal industry endorsed employability skills framework as an essential component to developing this approach. This work has previously been undertaken by peak industry bodies with NECA's assistance.

15. What elements of employability skills training would give an employer the confidence to provide a young job seeker with a job or a work experience opportunity?

In terms of providing confidence to employers within the electrical contracting sector, NECA argues that skills in terms of literacy, numeracy and business understanding are key factors to improve work experience opportunities for future electrotechnology graduates.

16. What subject matter should be included in the second block of training?

NECA would need to develop its own approach to the employability skills training program.

17. What form should industry awareness experiences take and what might the implementation issues be?

Industry awareness experiences for program participants should include tours of training and member facilities, mentoring and short-term work experience if necessary.

18. What is the best way to ensure that both blocks of training are high quality and meet the needs of employers and job seekers?

The Employability Training program must assist to enable job seekers to be better prepared for future employment and be suited to the needs of industry. NECA supports the appointment of training providers who can demonstrate all points referred to in the consultation document including local employer endorsement, engagement of females and Aboriginal Torres Strait Islanders and with the necessary employer feedback and consultation taken into account.

The development of units of competence under the national training framework is essential. If this is not undertaken and modified to ensure industry relevance, any activity would have lesser outcomes and therefore be a waste of taxpayers' money.

19. How can the training be made as work like as possible?

Training programs could contain a mix of classroom and workplace activity to ensure a hands-on and practical experience for participants.

This is the purview and expertise of an RTO. NECA preferred providers always utilise this approach and any RTO with quality recognised outcomes would also take this approach.

20. What are most effective modes of delivery for this type of training?

Whilst training may be delivered in a blended format, it should preferably be delivered in a group setting and be tailored for delivery in person.

21. How could employers play a role in assessing young job seeker's employability skills in a way that provides maximum value to the job seeker without unduly imposing on the employer?

NECA would work with a range of organisations and employers to develop an assessment and capability tool to be used at the end of the training.

There are a variety of these tools available, including the recruitment, assessment and capability tool currently being developed with NECA and the Department of Education and Training. We are happy to provide further information about this tool if necessary.

22. What role might assessment tools play and what tools are available for this task?

Please see answer to Question 21.

23. Which state level employability skills training programs are working well and have features that can be adopted nationally?

As part of the project with the Department of Education and Training, NECA is undertaking a Pre-Vocational recruitment tool with literacy, language and numeracy courses that are relevant to the sector. NECA is happy to discuss this information further if necessary.