

## INTRODUCTION

The GFC has reduced the confidence of both individual employers and group training companies to engage apprentices.

This not only affects new or additional apprentice numbers but also the engagement of apprentices to replace those who have graduated to tradesmen status.

For a decade NECA has sought to reverse the skills shortage of electricians by a range of measures and experienced some success. Group training schemes and promotion of the trade of electrician have been two effective means.

The GFC threatens to undermine this success by reducing new apprentice positions and put at risk existing apprenticeships.

NECA endorses the objectives of the Australian Apprenticeship Taskforce and its efforts to assist with the major workforce issue.

NECA submits comments as follows but stresses the pivotal role of employers, whether individual or group training scheme. If the needs of employers are not catered for and apprentice initiatives are not industry driven then the desired outcomes will be jeopardised.

*Note: The comments have been numbered in numerical order of the issues raised in the discussion paper.*

### **5.1 Maximising commencements and increasing completions**

*Maintain or increase apprentice and trainee employment and training including possible reforms to improve apprentice and/or employer take up of training and improve completion of apprenticeship and traineeship qualifications.*

*Improve the opportunities for young unemployed, at risk youth and existing workers without post school qualifications to achieve access to an apprenticeship.*

#### **Stimulus Questions:**

- 1. Should particular industry areas be targeted e.g. areas most adversely affected by the downturn?**

*Meaningful work providing relevant training outcomes is the key.*

*If focus was placed on a particular sector then the sectors that employ the greatest number of apprentices in the widest variety of trades should be targeted. Sectors such as building and construction need to be supported and stimulated. Government projects such as the schools work is useful but larger scale state and federal government projects can provide longer lasting work and therefore opportunity for training.*

- 2. How can take up be encouraged in the areas where it can best lead to higher qualifications in the workforce, where it best meets industry and economy needs, where it will best lead to improved job security and career path for employees?**

*The existence of higher level pathway will not assist in maximising commencements, nor increase completions. Such higher level pathways are desirable but only a small percentage of apprentices once they "graduate" as tradesmen pursue them.*

**3. How to ensure effective implementation of the policy around competency based progression and completion previously endorsed by COAG in the context of the GFC to maximise completions?**

*When talking about completion or attrition rates individual trades, states, probation and licensing arrangements need to be considered and certainly NCVET statistics do not match with our own experience. NECA's group training companies enjoy high completion rate for our electrical apprentices which is contrary to electrical statistics published by NCVET and an experience shared by the majority of ANZETA members (Australia New Zealand Electrotechnology Training Alliance).*

*In NECA's group training companies, typically about 60% of our apprentices will complete their apprenticeship in less than its nominal term of 4 years. 10% to 15% will require longer than 4 years. The key to competency based progression, wages and completion is to provide the employers with the tools and support with which to build a workable system remembering that completion of on-the-job training is at least equally valuable as completing off-the-job training.*

*Providing employers with the mechanisms in legislation and regulation to extend and reduce each stage/level of an apprenticeship to allow for competence to be achieved and demonstrated on-the-job will lead to competency based progression, which in turn will create competency based wage progression models, and will lead to more completions within nominal terms.*

*This situation varies from state to state when dealing with the questioning of reducing or extending nominated times.*

**4. How to ensure that school-based apprenticeships are completed and translate into employment?**

*Meaningful work providing relevant training outcomes is the key.*

*While issues surrounding driver's licenses, maturity, placement models etc all have an affect on the success of school based apprenticeships, however the lack of meaningful work on completion of the school based component of the apprenticeship may remain the main driver for employers continuing traditional apprenticeships.*

**5. How to improve the opportunities of finding an apprenticeship particularly for at risk young people?**

*State funding priorities are more and more being pushed toward equity groups, at risk young people etc but what needs also to be recognised is that entry level academic requirements (especially in electrical) often exclude these people. School teachers and career counsellors need to understand that a trade stream in high school should not exclude what would normally be higher mathematics and english education levels.*

**6. What possible and practical options are available to reform the pre-apprenticeship system to make it more consistent, effective, transparent, in order to achieve better articulation and credit arrangements to an apprenticeship (including for example pay articulation), and clearer outcomes including with respect to foundation knowledge (for example necessary literacy and numeracy)?**

*The new electrotechnology training package which came into affect earlier this year has lead to a weakening of the pre-apprenticeship qualification to the extent that students who complete the course are only exempt from the first 9 months of certificate 3 trade training as opposed to 12 months under the old system. This coupled with the recent introduction of a 3 month up front mandatory shortening to the nominal term of the*

*apprenticeship has actually made those who have completed a pre-apprenticeship less attractive to employ as they have been in the past.*

*They do however remain the most attractive to employ given that less time is spent attending college whilst being paid at higher wage rates (3<sup>rd</sup> year rates for electrical).*

*A return to a pre-apprenticeship course covering the full first year of certificate 3 trade training would be advantageous along with increasing the amount of time during the course spent in on-the-job work experience. It is the work experience and exposure to the training environment and not the technical knowledge that makes pre-apprentices useful and therefore employable on day 1 of their apprenticeship.*

**7. No comment**

**8. What additional measures might be considered/introduced by State and Federal Governments in response to the GFC?**

*Meaningful work providing relevant training outcomes is the key.*

*Government projects such as the schools work is useful but larger scale state and federal government projects can provide longer lasting work and therefore opportunity for training.*

*Securing recommencement incentives (both federally funded and supported with state money) have, in NECA's experience not been successful.*

**5.2 Retaining apprentices through the downturn**

*Provision of immediate support for at risk apprentices to retain their employment and complete their qualifications*

**Stimulus Questions:**

**9. What further steps could improve the capacity of group training companies to retain apprentices?**

*Promotion by government of the group training model as a best practise model for training apprentices and promotion of the need to continue training throughout the GFC to ensure the future workforce.*

*Subsidised wages for first year apprentices focussed on the first 6 months of the apprenticeship term when most apprentices are observing and fetching more than learning and doing.*

*Subsidised wages for apprentices on downtime/without a work placement. This will buy time for, typically, a group training organisation to seek placement for the apprentices prior to any consideration of termination.*

*Government sponsored workers compensation scheme for all apprentices to reduce overhead costs for all employers not just group training companies.*

**10. How can the problem of early completion at the time of downturn leading to early unemployment be addressed?**

*Longer terms should be provided as an option for employers and apprentices i.e. where a longer nominal term existed in the past, this should exist as an option for an employer at sign up. This would guarantee apprentices work and training for a longer period and keep wages at the training rate for longer enabling employers to keep apprentices employed or to employ additional apprentices.*

*It is imperative that the employer remain the responsible party for signing apprentices off as competent, especially where early completion is being considered. This holds true in all economic situations and leads to a better quality of tradesperson through demonstrated competency being repeated in real work situations while keeping the protection of an employer to supervise and check completed work.*

*Competence is more than just passing the certificate 3 component of a trade. It requires repeatable and demonstrable skills practised in the workplace supported by technical knowledge gained at the RTO to become a tradesperson. RTOs are not equipped nor do they want the responsibility for assessing on-the-job competence in order to sign apprentices off as competent. This especially holds true within electrical where an incorrect assessment of competence could lead to serious injury or death along with punitive repercussions from regulators.*

**11. What immediate support or incentives might be effective to encourage employers to retain apprentices during the downturn?**

*Cost reduction strategies help in terms of immediacy. As indicated before, schemes providing: subsidised wages for first year apprentices, subsidised wages for apprentices without a work placement, and government sponsored workers compensation scheme for all apprentices provide financial relief and capacity to retain apprentices.*

**12. What approaches could encourage early intervention and case management?**

*Many employers don't know about the support services available to employers and apprentices. Advertising/marketing the services available to employers may encourage the use of services and lead to retention of apprentices.*

**13. Are there particular measures required for apprentices who have almost completed their qualifications but who lose their job?**

*If government encourages the use of, (and supports this encouragement with marketing) group training organisations would enable these apprentices to have access to the largest employers of apprentices in the country.*

**14. Is there scope for a consistent approach to minimum standards for the support and protection of apprentices and trainees at the state level in the current economic situation?**

Yes

**15. Is there scope for some minimum standards for approaching requests for apprenticeship cancellation to ensure all possibilities for completion of the apprenticeship are exhausted?**

*Where an apprentice is competent, they should be completed not cancelled. However, more regulation is not the answer. Employers need to be protected from being forced to pay wages to the detriment of the businesses viability. Government policy should support successful businesses and business models rather than applying a one size fits all regulatory approach to the handling of cancellations or completions. It's the business who will wear the consequence of recently signed off (as competent) apprentices who seriously injures themselves or others within the first few weeks of being a tradesperson. For this reason care should be taken not to "force" employers into signing apprentices off early.*

*Also maintaining the standard of training is critical to training the next generation of tradespeople. Any measure that may "dumb down" any trade by not allowing enough time for repeatable and demonstrable competencies to be achieved on-the-job will lead to inferior skilled tradespeople training the new generation of apprentices and hence further suffering of the quality of training and tradespeople.*

**5.3 Supporting out of trade/retrenched apprentices**

*Assist apprentices and trainees who have lost their jobs to continue their training and complete their qualifications.*

**Stimulus Questions:**

**16. How will prospective employers be linked with out-of-trade apprentices?**

*Through state government and associations like GTA or NECA. The ApprentiCentre jobs board and the GTA National "online careers network" jobs board are examples of two good initiatives performing this function.*

**17. Do current arrangements allow sufficient continuity options for increased numbers of out-of-trade apprentices?**

*Some positive experiences have been reported but NECA is not aware of all experiences.*

**18. Do current intermediaries have sufficient capacity to place increased demand?**

Yes.

**19. What actions can be taken to enable and support more flexible off-job training?**

*RTOs need to be better resourced. Considering the current practises, unless resources extend to one instructor per student or considerable support and recourses are given to a model such as: on-line theory delivery, supported by in house assessment with practical assessment both at RTOs and in the workplace.*

In conclusion, other research should also be considered as part of this process including:

ACCI's "A Systematic Approach to Retaining Apprentices" located at:

<http://www.acci.asn.au/Systematic%20Approach%20to%20Retaining%20Apprentices.htm>

\*\*\*\*\*

## INTRODUCTION

The GFC has reduced the confidence of both individual employers and group training companies to engage apprentices.

This not only affects new or additional apprentice numbers but also the engagement of apprentices to replace those who have graduated to tradesmen status.

For a decade NECA has sought to reverse the skills shortage of electricians by a range of measures and experienced some success. Group training schemes and promotion of the trade of electrician have been two effective means.

The GFC threatens to undermine this success by reducing new apprentice positions and put at risk existing apprenticeships.

NECA endorses the objectives of the Australian Apprenticeship Taskforce and its efforts to assist with the major workforce issue.

NECA submits comments as follows but stresses the pivotal role of employers, whether individual or group training scheme. If the needs of employers are not catered for and apprentice initiatives are not industry driven then the desired outcomes will be jeopardised.

*Note: The comments have been numbered in numerical order of the issues raised in the discussion paper.*

### **5.1 Maximising commencements and increasing completions**

*Maintain or increase apprentice and trainee employment and training including possible reforms to improve apprentice and/or employer take up of training and improve completion of apprenticeship and traineeship qualifications.*

*Improve the opportunities for young unemployed, at risk youth and existing workers without post school qualifications to achieve access to an apprenticeship.*

#### **Stimulus Questions:**

- 1. Should particular industry areas be targeted e.g. areas most adversely affected by the downturn?**

*Meaningful work providing relevant training outcomes is the key.*

*If focus was placed on a particular sector then the sectors that employ the greatest number of apprentices in the widest variety of trades should be targeted. Sectors such as building and construction need to be supported and stimulated. Government projects such as the schools work is useful but larger scale state and federal government projects can provide longer lasting work and therefore opportunity for training.*

- 2. How can take up be encouraged in the areas where it can best lead to higher qualifications in the workforce, where it best meets industry and economy needs, where it will best lead to improved job security and career path for employees?**

*The existence of higher level pathway will not assist in maximising commencements, nor increase completions. Such higher level pathways are desirable but only a small percentage of apprentices once they "graduate" as tradesmen pursue them.*

**3. How to ensure effective implementation of the policy around competency based progression and completion previously endorsed by COAG in the context of the GFC to maximise completions?**

*When talking about completion or attrition rates individual trades, states, probation and licensing arrangements need to be considered and certainly NCVET statistics do not match with our own experience. NECA's group training companies enjoy high completion rate for our electrical apprentices which is contrary to electrical statistics published by NCVET and an experience shared by the majority of ANZETA members (Australia New Zealand Electrotechnology Training Alliance).*

*In NECA's group training companies, typically about 60% of our apprentices will complete their apprenticeship in less than its nominal term of 4 years. 10% to 15% will require longer than 4 years. The key to competency based progression, wages and completion is to provide the employers with the tools and support with which to build a workable system remembering that completion of on-the-job training is at least equally valuable as completing off-the-job training.*

*Providing employers with the mechanisms in legislation and regulation to extend and reduce each stage/level of an apprenticeship to allow for competence to be achieved and demonstrated on-the-job will lead to competency based progression, which in turn will create competency based wage progression models, and will lead to more completions within nominal terms.*

*This situation varies from state to state when dealing with the questioning of reducing or extending nominated times.*

**4. How to ensure that school-based apprenticeships are completed and translate into employment?**

*Meaningful work providing relevant training outcomes is the key.*

*While issues surrounding driver's licenses, maturity, placement models etc all have an affect on the success of school based apprenticeships, however the lack of meaningful work on completion of the school based component of the apprenticeship may remain the main driver for employers continuing traditional apprenticeships.*

**5. How to improve the opportunities of finding an apprenticeship particularly for at risk young people?**

*State funding priorities are more and more being pushed toward equity groups, at risk young people etc but what needs also to be recognised is that entry level academic requirements (especially in electrical) often exclude these people. School teachers and career counsellors need to understand that a trade stream in high school should not exclude what would normally be higher mathematics and english education levels.*

**6. What possible and practical options are available to reform the pre-apprenticeship system to make it more consistent, effective, transparent, in order to achieve better articulation and credit arrangements to an apprenticeship (including for example pay articulation), and clearer outcomes including with respect to foundation knowledge (for example necessary literacy and numeracy)?**

*The new electrotechnology training package which came into affect earlier this year has lead to a weakening of the pre-apprenticeship qualification to the extent that students who complete the course are only exempt from the first 9 months of certificate 3 trade training as opposed to 12 months under the old system. This coupled with the recent introduction of a 3 month up front mandatory shortening to the nominal term of the*

*apprenticeship has actually made those who have completed a pre-apprenticeship less attractive to employ as they have been in the past.*

*They do however remain the most attractive to employ given that less time is spent attending college whilst being paid at higher wage rates (3<sup>rd</sup> year rates for electrical).*

*A return to a pre-apprenticeship course covering the full first year of certificate 3 trade training would be advantageous along with increasing the amount of time during the course spent in on-the-job work experience. It is the work experience and exposure to the training environment and not the technical knowledge that makes pre-apprentices useful and therefore employable on day 1 of their apprenticeship.*

**7. No comment**

**8. What additional measures might be considered/introduced by State and Federal Governments in response to the GFC?**

*Meaningful work providing relevant training outcomes is the key.*

*Government projects such as the schools work is useful but larger scale state and federal government projects can provide longer lasting work and therefore opportunity for training.*

*Securing recommencement incentives (both federally funded and supported with state money) have, in NECA's experience not been successful.*

**5.2 Retaining apprentices through the downturn**

*Provision of immediate support for at risk apprentices to retain their employment and complete their qualifications*

**Stimulus Questions:**

**9. What further steps could improve the capacity of group training companies to retain apprentices?**

*Promotion by government of the group training model as a best practise model for training apprentices and promotion of the need to continue training throughout the GFC to ensure the future workforce.*

*Subsidised wages for first year apprentices focussed on the first 6 months of the apprenticeship term when most apprentices are observing and fetching more than learning and doing.*

*Subsidised wages for apprentices on downtime/without a work placement. This will buy time for, typically, a group training organisation to seek placement for the apprentices prior to any consideration of termination.*

*Government sponsored workers compensation scheme for all apprentices to reduce overhead costs for all employers not just group training companies.*

**10. How can the problem of early completion at the time of downturn leading to early unemployment be addressed?**

*Longer terms should be provided as an option for employers and apprentices i.e. where a longer nominal term existed in the past, this should exist as an option for an employer at sign up. This would guarantee apprentices work and training for a longer period and keep wages at the training rate for longer enabling employers to keep apprentices employed or to employ additional apprentices.*

*It is imperative that the employer remain the responsible party for signing apprentices off as competent, especially where early completion is being considered. This holds true in all economic situations and leads to a better quality of tradesperson through demonstrated competency being repeated in real work situations while keeping the protection of an employer to supervise and check completed work.*

*Competence is more than just passing the certificate 3 component of a trade. It requires repeatable and demonstrable skills practised in the workplace supported by technical knowledge gained at the RTO to become a tradesperson. RTOs are not equipped nor do they want the responsibility for assessing on-the-job competence in order to sign apprentices off as competent. This especially holds true within electrical where an incorrect assessment of competence could lead to serious injury or death along with punitive repercussions from regulators.*

**11. What immediate support or incentives might be effective to encourage employers to retain apprentices during the downturn?**

*Cost reduction strategies help in terms of immediacy. As indicated before, schemes providing: subsidised wages for first year apprentices, subsidised wages for apprentices without a work placement, and government sponsored workers compensation scheme for all apprentices provide financial relief and capacity to retain apprentices.*

**12. What approaches could encourage early intervention and case management?**

*Many employers don't know about the support services available to employers and apprentices. Advertising/marketing the services available to employers may encourage the use of services and lead to retention of apprentices.*

**13. Are there particular measures required for apprentices who have almost completed their qualifications but who lose their job?**

*If government encourages the use of, (and supports this encouragement with marketing) group training organisations would enable these apprentices to have access to the largest employers of apprentices in the country.*

**14. Is there scope for a consistent approach to minimum standards for the support and protection of apprentices and trainees at the state level in the current economic situation?**

Yes

**15. Is there scope for some minimum standards for approaching requests for apprenticeship cancellation to ensure all possibilities for completion of the apprenticeship are exhausted?**

*Where an apprentice is competent, they should be completed not cancelled. However, more regulation is not the answer. Employers need to be protected from being forced to pay wages to the detriment of the businesses viability. Government policy should support successful businesses and business models rather than applying a one size fits all regulatory approach to the handling of cancellations or completions. It's the business who will wear the consequence of recently signed off (as competent) apprentices who seriously injures themselves or others within the first few weeks of being a tradesperson. For this reason care should be taken not to "force" employers into signing apprentices off early.*

*Also maintaining the standard of training is critical to training the next generation of tradespeople. Any measure that may "dumb down" any trade by not allowing enough time for repeatable and demonstrable competencies to be achieved on-the-job will lead to inferior skilled tradespeople training the new generation of apprentices and hence further suffering of the quality of training and tradespeople.*

**5.3 Supporting out of trade/retrenched apprentices**

*Assist apprentices and trainees who have lost their jobs to continue their training and complete their qualifications.*

**Stimulus Questions:**

**16. How will prospective employers be linked with out-of-trade apprentices?**

*Through state government and associations like GTA or NECA. The ApprentiCentre jobs board and the GTA National "online careers network" jobs board are examples of two good initiatives performing this function.*

**17. Do current arrangements allow sufficient continuity options for increased numbers of out-of-trade apprentices?**

*Some positive experiences have been reported but NECA is not aware of all experiences.*

**18. Do current intermediaries have sufficient capacity to place increased demand?**

Yes.

**19. What actions can be taken to enable and support more flexible off-job training?**

*RTOs need to be better resourced. Considering the current practises, unless resources extend to one instructor per student or considerable support and recourses are given to a model such as: on-line theory delivery, supported by in house assessment with practical assessment both at RTOs and in the workplace.*

In conclusion, other research should also be considered as part of this process including:

ACCI's "A Systematic Approach to Retaining Apprentices" located at:

<http://www.acci.asn.au/Systematic%20Approach%20to%20Retaining%20Apprentices.htm>

\*\*\*\*\*