

National Electrical and Communications Association - Submission

*Inquiry into the Perceptions and Status of Vocational Education
and Training*

February 2023

Introduction

The National Electrical and Communications Association (NECA) is the peak body for Australia's electrical and communications industry, which employs 344,370 people and turns over more than \$82bn annually. NECA represents over 6,500 businesses performing works including the design, installation, and maintenance of electrical and electronic equipment in the construction, mining, air conditioning, refrigeration, manufacturing, communications and renewable energy sectors.

NECA has advocated on behalf of the electrotechnology industry for over 100 years and helps its members and its industry to operate in an efficient, safe and regulatorily compliant manner. NECA represents the interests of electrical and communication businesses to all levels of government and in regulatory, legislative and industry development forums. It is also a foundation member of the Australian Chamber of Commerce and Industry (ACCI).

NECA members make an essential economic contribution – connecting businesses, homes, and infrastructure, encouraging investment, improving reliability and energy security, and delivering affordable, environmentally sustainable outcomes. The safety and reputation of the electrical industry is critical to tradespeople, consumers, and the community.

NECA also plays an integral role in the development of the next generation of Australia's electrical and communications tradespeople and contractors. Through its associated Group Training Organisations (GTOs) and Registered Training Organisations (RTOs), NECA offers employment and trade training to some 4,800 apprentices nationally. Its success is clear: NECA boasts a consistent 90% apprenticeship completion rate, compared to the national average of just 55%.

NECA delivers high-quality, holistic, industry-relevant programs, including pre-apprenticeship, apprenticeship, and post-trade accredited and industry-specific training, to the electrical and communications industry. It proactively strives to build diverse workforces, supporting indigenous and mature aged apprentices and promotes career paths to school students and school leavers.

Increasing female participation is a key NECA focus, with just 2% of electricians being women. However, with almost 10% of current NECA apprentices being female, this will grow in coming years. NECA believes the proportion of female apprentices could readily be doubled.

NECA welcomes the opportunity to provide a submission to the Federal Government to improve the retention, skills and qualifications of the states electrical and communications apprentices.

Workplaces are constantly changing due to rising standards, safety, and quality measures to minimise risks. Evolving workplace standards are a key driver of change impacting the electrical services sector that requires constant monitoring and adaption by the workforce. It is a sector of the economy which has rapidly changing requirements for skill set development and ongoing post trade training, including annual 'refresher training' to keep up with changing technologies, work practices and compliance requirements.

The Australian electrical contracting industry is currently suffering unprecedented skills and labour shortages. Australia does not currently have the thousands of qualified Electricians and associated technicians required to support the Government's Powering Australia Plan for electricity infrastructure, renewable energy and the broader adoption and roll out of emerging technologies (eg; Electric Vehicles). In short, the Plan will not be realised without a step change in the Vocational Education and training supporting the sector.

At present, fewer than 55% of Electrical Apprentices, outside the NECA network, complete their trade training. By comparison, current completion rates for Electrical Apprentices employed and mentored by NECA GTOs, and often trained through NECA RTOs, are stable at approximately 90%. The 'recipe' for this success is as follows:

1. Robust Apprentice recruitment practices.
2. Quality training that reflects industry best practice techniques and technologies.
3. Apprentice mentoring and employer support throughout the apprenticeship.

Attracting young people to Apprenticeships is an ongoing challenge. Many young men and women think they may be interested in the Electrical trades but do not have the level of conviction needed to commit to a 4-year Apprenticeship. Pre-Apprenticeship programs have proven a particularly successful means of addressing this inherent reservation as they provide program participants with a 'taste' of the industry and assist them to decide if an electrical trade career is for them.

Cohort specific initiatives, such as female and indigenous-only pre-apprenticeship programs also assist to develop the skills, knowledge and confidence required for young people from these sections of the community to compete on a level playing field for Electrical Apprenticeship positions.

NECA would welcome the opportunity to work with the Australian Government to implement a cohesive suite of apprentice attraction, recruitment and retention strategies to address the significant skills and labour shortages currently facing the Electrical Industry. These would be based on models with proven success.

The need to address perception and status of VET has never been more important.

Research from the National Skills Commission indicates that skills shortages have worsened and are most acute in the Technician and Trade Worker occupations. This is particularly important to the Electrical and Communications industry as Electricians (General) are one of the largest employing occupations in the Technician and Trade Worker group (2022 Skills Priority List: Key Findings Report).

This is in a period of historically low unemployment and high job vacancies, meaning that from a potential apprentice/student perspective, entry level jobs and wages are plentiful, and there is an opportunity cost to undertaking training, particularly for a four-year period. Strong marketing and promotional campaigns that highlight the benefits of an Apprenticeship (ie; no HECs debt and the potential to 'earn while you learn') are required.

Outcomes and employment prospects vary across VET qualifications, and careers information should reflect this reality:

Recent research from National Centre for Vocational Education Research (NCVER) found that VET and Higher Education graduates earn the same entry level salary, but that the latter have more career progress and wage growth over time (Wibrow, 2022). However, this is a broad comparison, and the VET system prepares people for the world or work across thousands of occupations, so career prospects vary.

At NECA we specialise in electrotechnology, training apprentices for a career where the median full-time earnings are \$2,120 per week, much higher than all jobs median of \$1,593 (Labour Market Insights Portal). The employment outlook is also positive with the number of employed Electricians projected to increase by 10.2% indicating job security as well as above average earnings (Labour Market Insights Portal). This must be promoted to potential apprentices.

The current VET teacher skills shortages is also key obstacle in meeting training demand.

The inquiry should consider perceptions of VET teaching to address the shortages in the sector. Anecdotally, misconceptions persist around teaching being for people who are out-of-touch with industry operating in a work environment that is bureaucratic and uninspiring.

Teaching today, at least in NECA's RTOs, is a dynamic and rewarding alternative to working 'on the tools' and is reflective of industry advancements. NECA's VET teachers are highly skilled and trained educational professionals that bring with them extensive theoretical knowledge and practical on-the-job skills that can be utilised to train and deliver well rounded and skilled apprentices, and expert tradespeople and technicians.

The results of NCVET's most recent biennial survey of Australian employers found industry was more satisfied with private training providers than with TAFE institutes – this included overall satisfaction with training (90.7% compared to 75.1%), trainers' knowledge and experience of the industry (89.2% compared to 81.1%), and flexibility in meeting the employer's needs (88.5% compared to 74.1%) (NCVET, Employers' use and views of the VET system 2021).

A further challenge is that vocational education teachers' median full-time earnings are \$1,780 per week, which is usually less than a person could expect if they stayed "on the tools" (Labour Market Insights Portal). This disparity in earnings does not affect all occupations equally, but it is an issue in the trades, making it even more important that the benefits and realities of a teaching career are known and appropriately remunerated.

As the digital landscape evolves, it also increases students' expectations of their teachers' digital literacy and ability to lead and engage in online/flexible environments. Not meeting these expectations leads to a less than satisfactory student experience. NECA's Centres of Excellence utilise a fully integrated 'blended learning' model of training delivery and assessment designed to engage and train the 'modern' apprentice.

At NECA we see that the Electrotechnology industry is not only expanding, but it is evolving and adopting entirely new sectors including new branches of ICT, renewables, and IOT (the Internet of Things). Standalone courses exist, but, since the demise of the Industry Skills Councils, the National Training Packages have not maintained pace with industry and, as a result, no longer reflect the new technologies and skillsets) which are part of the modern electrical trade. NECA is confident that the new Jobs and Skills Councils (JSCs) will be able to rectify the current lag.

Industry-led RTOs are a valid TAFE alternative with many advantages none-the-least of which is being industry focussed and specialised.

Although VET completion rates continue to be a concern, they vary across qualifications and Fields of Education. For apprentice/traineeships, the main

reason for non-completion is employment related, specifically “I didn’t get on with my boss or other people at work” at 11.9% and “I lost my job/ was made redundant” at 11.7% (NCVER Apprentice and trainee experience and destinations 2019).

One benefit of Australia’s GTO (Group Training Organisation) model is that the individual’s training contract is with the GTO and not a single employer. This means that if an employment-related issue arises, the GTO can step in to resolve it or find the apprentice a different employer, thereby keeping the individual in training and mitigating the risk of them dropping out of the system completely.

It is not just TAFE institutes that provide wellbeing and support services to students. At NECA we have services to support apprentices with Language, Literacy and Numeracy, course progress, and all personal matters. Our GTOs provide each apprentice with PPE and tools, and with a mentor (Industry Career Consultant/Field Officer) who helps with matters related to their on and off-the-job training, mental health, or personal life stresses such as financial hardship. Additionally, NECA GTOs offer access to formal Employee Assistance Programs for tailored counselling and mental health support. The provision of industry-specific Apprentice support services are integral to Apprentice completions and are a key contributor to the 90% completion rates achieved by NECA’s GTOs/RTOs.

We have a long way to go to improve equity and the participation of under-represented groups in VET. A key takeaway from the 2022 Jobs and Skills Summit was that supporting people at the margins of the labour market (under-represented groups) is not just a social imperative, but one of the most important economic levers we can pull. The VET sector needs to continue to “show up” for people at the margins. VET enrolments reflect that gender segregation of occupations is persistent (males are over-represented in the trades, women in child and health care).

The trades are still a non-traditional pathway for women; those who find it, often do so comparatively later in life when adult wages can be an obstacle to securing an apprenticeship. At NECA, the ‘Women-in-Trades’ pre-apprenticeship programs

delivered across a number of states and territories and often partly or fully supported by funding from State/Territory Governments have seen many women, including women over the age of 21, develop the skills, knowledge and confidence to start an apprenticeship. We would argue that this pattern of engagement is affective for women and other under-represented groups in the trades and deserves more attention.

Promotion of VET is a collective effort, and we all play a role in breaking down myths and stereotypes:

Industry, Government and employee groups need to be mindful of the stories we tell about VET. It is essential that people experiencing disadvantage or vulnerability know that they can access training and aspire to a VET-assisted future. Marketing and promotional media must include images and celebrate stories of diversity and inclusion. As a sector, we should not lean on real student stories to support a narrative that VET is only for those who need to overcome obstacles and hardship. There are many examples of student success across our sector and over-relying on a “despite the odds” trope feeds the myth that VET is the tertiary second choice.

Further, to ensure greater retention and successful completion of apprenticeships and training, Government should collaborate with Industry to assist businesses attract, recruit, and retain Apprentices, address the unprecedented skills shortages and unparalleled demand for electrical infrastructure works across the country. To do this more industry lead and specialised Centres of Excellence are required. This should also be in concert with innovative programs to attract a greater cohort of applicants. Mature age apprenticeship gap funding is one such initiative as are programmes to encourage greater female participation and Industry led mentoring while undertaking Vocational Training..

Industry Associations such as NECA can assist Contracting businesses better understand the often very complex world of Apprentice employment and, with this understanding, become confident enough to take on one or more Apprentices. Further, Industry must be confident that potential Apprentices have sufficient Foundation Skills to enter the trade. Setting young people up for failure must be

avoided. Entry-level Assessments for the STEM-based apprenticeships are a critical component of any recruitment process.

It is generally the Australian Apprentice Support Network (ASSN) provider's role to explain the qualification to the Employer and the Apprentice at the initial Training Contract 'sign-up' meeting. There is, however, a growing body of evidence to suggest that this does not always occur. The most common errors include:

1. Apprentices being signed up under the wrong qualification.
2. Apprentices being signed up to attend an RTO that is not the employer's choice.

There is a need for improvement in the Apprentice sign-up and RTO enrolment process. Industry Associations such as NECA can provide this assistance to ensure Apprentices are correctly signed-up into their Contract of Training and enrolled into their chosen Registered Training Organisation.

This early assistance to businesses will ensure the apprentice is more likely to succeed and move into a fulfilling career. It should be remembered that those who enter apprenticeships in the electrotechnology sector graduate as Electricians, develop into electrical contractors, and many become electrical business owners who then employ apprentices themselves. Assistance provided at the beginning of an Apprenticeship has long term and far-reaching benefits.

To successfully shift perceptions and improve the status of VET in Australia there are a few things the federal government needs to consider, including:

- How can the federal government leverage successes of private sector training to improve the overall outcomes of the VET sector?
- What reforms are required to the VET sector to future-proof industries of tomorrow, such as clean energy economies.
- What strategies have or have not worked over the last 10 years across jurisdictions and how can national consistency be achieved for a contemporary VET sector in Australia.

At times of significant skills shortages and ambitious agendas for state and federal governments it has never been more critical to enable and upskill workforces of the future in a way that resonates to the needs of young people seeking apprenticeships and traineeships today.

NECA offers to work with the Federal Government to identify attraction, recruitment, and retention strategies to improve perceptions and status of the VET sector, through its proven methods of success.