

National Electrical and Communications Association (NECA) Submission (November 2019)

'Skills Package – Delivering Skills for Today and Tomorrow'

- *Co-designing the National Skills Commission Discussion Paper*
- *Skills Organisations National Co-design Discussion Paper*





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About NECA

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications contracting industry, which employs more than 165,000 workers and delivers an annual turnover in excess of \$23 billion. We represent the best interests of over 5,200 electrical contracting businesses across all Australian States and Territories.

NECA has been advocating for, and on behalf of, the electrotechnology industry for over 100 years. 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 principal industry bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

NECA is strongly committed to supporting the next generation of electrical and communications contractors. Working with our partner Registered Training Organisations (RTOs) and Government Training Organisations (GTOs), NECA provides employment and ongoing skills development for approximately 4,800 apprentices across Australia. The majority of these apprentices get the opportunity to gain work experience with NECA's members through our group schemes. The success of our programs speaks for itself - we proudly boast 90% completion rates across our courses, and one in three electrical apprentices is a NECA apprentice.

Our approach to attracting and supporting entrants to our industry is through a holistic, progressive and high-quality range of industry relevant programs and initiatives including our long-standing scholarship program, NECA Foundation and the Women in Electrical Trades Roadmap. In addition to these initiatives, we also manage and promote industry wide Annual Excellence and Apprentice Awards designed to acknowledge and celebrate achievements and highly distinguished electrotechnology projects, which includes recognition of apprentices and future leaders in our industry.

Introduction

Vocational Education and Training (VET) is the lifeline to an efficient, competitive and sustainable workforce in Australia, with trade training integral to the broader sector, our economy and community.

NECA supports the operation of a national competitive training market comprising of public and private RTOs, as regulated by one national VET regulator. Our member feedback and experience within the VET sector suggests that the current standards and systems have not always led to the delivery of quality, job ready graduates with the necessary skills required by the industry.

NECA strongly supports the commitment by the Australian Government in the 2019-20 Federal Budget to the \$525 million 'Skills Package – delivering skills for today and tomorrow' (Skills Package), comprising of the new National Skills Commission (NSC), National Careers Institute (NCI) and the pilot Skills Organisations. NECA appreciates this opportunity to engage and contribute to the VET co-design process, and welcomes ongoing reform.

Supporting the VET sector is critical. NECA recognises that the future of Australia's VET, specifically its competitiveness, viability and success is a shared responsibility, and one that should be strongly influenced and informed by industry. Any proposed arrangements must be flexible, streamlined and responsive to the local needs of private industry, as well as offer a clear, affordable and simple pathway for future entrants. Industry must be wholly integrated to all aspects of the co-design process and all relevant governance arrangements to ensure that the new systems are effective, robust and responsive.

This submission has been prepared in response to the Skills Package – Delivering Skills for Today and Tomorrow and relates to the 'Skills Organisations National Co-Design Discussion Paper (September 2019)' (Discussion Paper September 2019), 'Co-designing the National Skills Commission Discussion Paper (September 2019) and relevant information concerning the National Careers Institute.

Challenges in the electrotechnology industry workforce

A key challenge for the electrotechnology industry is the ongoing shortage and declining supply of skilled electrical workers. This is evidenced through a reduction in the completion of electrical apprenticeships across Australia, and the retirement of long term and highly skilled workers, leading to a loss of suitably qualified electricians at both ends of the industry and across the broader building and construction sector.

These issues are compounded by a strong national building and construction sector driven by a rapidly growing residential market and significant investment by Government into a range of infrastructure projects to support our growing population. In short, we need more electricians in the workforce to meet the growing needs of our community.

The latest Government projections indicate that:

- electrical workers will be at the heart of Australia's transition to a low carbon future;
- there is a growing trend in the introduction of numerous technologies that are driving demand for remote control of energy management, security and safety equipment, intelligent power and lighting, communications and entertainment, placing greater pressure and demand on the existing workforce; and
- electricians remain as critical on the Government's national skills shortage list and all other relevant State lists. NECA actively supports retaining the national skills shortage list to continue to understand, monitor and address the shortage in our trade.¹

¹ Australian Government Job Outlook <https://joboutlook.gov.au/Occupation?search=alpha&code=3411>

1. Feedback – National Skills Commission

The establishment of the National Skills Commission (NSC) is the critical infrastructure proposed through the Australian Government VET reforms package.

The NSC is understood to be formed to address ongoing and complex systemic issues, provide national leadership and strengthen the VET system, as well as provide a clear line-of-sight on funding and subsidy levels in the sector.

The NSC and the co-design process being undertaken by the Australian Government is broadly accepted by our industry, subject to the commentary outlined in this submission.

NECA supports the National Skills Commission in principle – subject to robust governance arrangements and active involvement and participation of the electrotechnology industry

In principle, NECA supports the establishment of the NSC, subject to active involvement and participation of the electrotechnology industry in the NSC operations, leadership and functions. NECA supports an improved national effort in national skills forecasting and workforce development plans as strategically led by the NSC. Any proposed governance arrangements should ensure that industry has a significant role in determining the priorities and direction of the NSC and broader VET system.

To this point, NECA seeks clarification on the operational framework, leadership structure and governance arrangements of the NSC. It is imperative that the leadership of the NSC be appointed from industry with a strong knowledge of VET, and that the NSC be predominately industry-led across the various sectors. Given the advisory and consultative role and responsibilities of the NSC, it is imperative that it is independent and objective, prioritising evidence-based real-time genuine data. Without transparent and robust data, and an impartial and trustable NSC, the objectives of this initiative will likely be unsuccessful.

As the major employer body in the electrotechnology industry, NECA has an expectation of playing a role in the VET system governance arrangements. This would include a role in the governing body of the NSC, and the National Careers Institute and Skills Organisation. NECA seeks to be nominated as a representative to the NSC.

National Skills Commission should report to COAG Skills Minister's Council

Given the national economic, social and academic gravitas and significance of the NSC, and to ensure transparency, probity and accountability, NECA is of the view that the NSC should be reporting to COAG Skills Minister's Council.

Cultural change, trust and transparency are key aspects to the reforms

Not only does the NSC have a critical priority to attract new entrants and encourage ongoing future investment into the VET sector, it must focus on cultural change to improve certainty, trust and transparency for a sustainable, competitive and world-class national VET system.

It is critical that Government proactively engage the involvement and participation of its key stakeholder, industry, building this relationship to ensure that the objectives and priorities of the Government be delivered.

NECA believes that the 'industry directed' National Skills Commission should determine the appropriate funding model

A key priority is to ensure that Commonwealth, States and Territories agree to develop a simpler, nationally consistent funding policy for all government-subsidised qualifications, which provides confidence and certainty to trainees, industry, employers and all funded providers, public or private. The policy would involve the Commonwealth preparing agreed national average costs and subsidy levels, with the States and Territories continuing to allocate places on a contestable basis to meet skills demand.

NECA can see some benefit in more funding consistency between States and Territories, however, we acknowledge that there are some differences across jurisdictions. Differences such as licensing requirements, obligations in the delivery of funded qualifications and varying levels of support for components such as placement, make this consistency difficult to achieve. Alignment of some of these areas of difference would need to be addressed prior to a consistent funding framework. NECA believes that the 'industry directed' NSC should determine the appropriate funding model.

National Skills Commission must consider the needs of all occupations, without bias to emerging occupations

NECA sees the future of the proposed NSC as the national body to collect impartial data on labour market analytics to understand and inform current and future investment, training subsidy and pricing models, leadership and capabilities of VET in Australia which will be underpinned by relationships, specifically strong industry connections.

We are of the view that the skill needs in traditional industries may be just as, if not more, acute than those in emerging industries. It is vital that a newly established NSC consider the needs of all occupations / qualifications without any bias as to when the occupation 'emerged'.

National Skills Commission should develop a high-level strategic national workforce development strategy

NECA is of the view that the NSC should develop and maintain a high-level strategic national workforce development strategy to identify workforce skill needs and opportunities, including for the electrotechnology industry. This strategy is to be based on robust, reliable and evidence-based content, as informed by industry. This will inform policy and investment in VET and broaden the understanding of the current and future skills needs for Australia.

It is important the NSC has a strong leadership role, including the provision of advice to Government and engagement with industry on a range of matters including in the management and development of training products and packages.

NECA would welcome the opportunity to assist Government in determining the categories and types of key data for collection by the NSC.

2. Feedback – National Careers Institute

NECA is aware that that Australian Government established the National Careers Institute (NCI) on 1 July 2019 as part of the 'Skills Package Delivering Skills for Today and Tomorrow' and in response to the recommendations outlined in the 'Strengthening Skills Expert Review'.

We understand that the NCI has been established to 'provide leadership in the delivery of high quality, evidence-based career development to enable Australians to make informed decisions about their learning, training and work pathways'. We are also aware that in October 2019, the Australian Government announced the appointment of the National Careers Ambassador, who will work with the NCI to ensure individuals and businesses can take advantage of the new career pathway opportunities.

Moreover, that the NCI has commissioned research into the state of the Australian and international careers sector to map careers advice and services in Australia, to identify gaps and overlays and review international best practices and identify governance models for careers development agencies.²

NECA supports the National Careers Institute in principle – subject to robust governance arrangements and active involvement and participation of the electrotechnology industry

In principle, NECA supports the objectives and priorities of NCI as a national centralised repository tasked to effectively coordinate, collate, publish and connect career research, skills forecasting and workforce development plans in order to support the resilience, capacity and capabilities across the careers development sector.

The governance and reporting arrangements of the NCI are critical. It is our view that the NCI should report to the NSC in recognition of the hierarchical structure, roles and functions of the respective organisations, and to ensure a streamlined, consistent and coordinated exchange of information. The NCI should be responsible for the labour market

² Department of Employment, Skills, Small and Family Business <https://www.employment.gov.au/NCI>

analysis and the NSC's decisions should be informed by it. The NCI should be owned by the Commonwealth, and the NSC should be a COAG Skills Minister's Council.

The National Careers Institute must ensure data and information is robust, accurate, reliable and current, as informed by industry

NCI will have significant associated and ancillary benefits that will inform investment, address labour market needs and exchange contemporary industry-relevant information to attract people to our industry, and inform students and job seekers.

It is critical that the information and evidence is robust, accurate, reliable and current, as informed by key stakeholders across a range of sectors. Most specifically, industry needs must be front and centre in the provision of this information. Each industry should be supported by the NCI to provide relevant, up to date, industry careers information that can be distributed through the institute. This information needs to be able to address industry priorities (such as getting Women into the trades, encouraging mature aged persons) for each of the sectors.

NECA has a range of resources that provide information to aspiring electrical apprentices. These include suitability assessment, guides to electrical apprenticeships and information for influencers of potential apprentices (including parents).

NECA is looking to the proposed NCI to facilitate access to this information, by those seeking a position as an apprentice and those influencing these individuals.

As was the case in the previous National Industry Careers System (NIC) structure, NECA is prepared to provide information on electrical careers to the NCI for this purpose. NECA also sees a role for the NCI to support industry bodies, to develop and maintain careers information when there is a gap in the information available.

In principle, NECA supports the proposed national digital platform as a system for 'user-centred research'. Of critical importance, is that the information and research is robust, accurate, current and industry-relevant.

NECA supports the NCI Grants Program and welcomes the opportunity to engage with this initiative

NECA strongly supports the proposed NCI Grants Programs established to boost partnerships across the sector and improve information and service gaps.

We understand that funding and services engagement opens in January 2020, and the Grants Program is scheduled to be released in March 2020.

As outlined, NECA is a highly reputable, well-established and experienced industry association with the skills, expertise and knowledge to address service gaps and drive innovation within the electrotechnology industry and energy sector more broadly.

We welcome the opportunity to work in partnership with Government and we are best placed and most eligible to take up the new grant scheme as a means to align labour market needs in the electrotechnology industry to enhance and support new opportunities, and we will pursue these opportunities accordingly.

3. Feedback – Pilot Skills Organisations

As originally proposed under the Joyce Review and outlined in more detail within the Discussion Paper, the Australian Government is committed to piloting Skills Organisations (SO) in two key industries - human services care and digital technologies (including cyber security).

It is understood that the SOs are intended to '*drive innovative end-to-end training solutions and enhance the role and leadership of industry in the national training system*'.³

It is proposed that SOs could:

- trial skills/ gap needs;
- develop qualifications responsive to industry requirements;
- consider opportunities for work-based training placements;
- support industry collaborations with RTOs to improve delivery of VET qualifications;
- identify high-performing RTOs based on graduate outcomes, engagement with industry or other industry relevant criteria; and
- assess VET graduates to provide confidence to industry.

The Joyce Review proposed SOs be owned by industry, and that industry takes a leading role in supporting the VET system to better meet the needs of employers, the economy and learners. It is understood under the Federal Budget that the Department of Employment, Skills, Small and Family Business will support the target industries to develop and establish these pilots.

NECA gives in principle support to the SOs as a resource to support a future that ensures Australians have the skills needed for the jobs in demand to support our economic competitiveness both domestically and abroad. This support is contingent on a genuine engagement and partnership by Government, with industry, to ensure that SOs are strategic, tailored and contemporary in their thinking and practices.

Any future SOs need to ensure that the electrical and communications industry is supported by a clear national framework and policy regime that supports career pathways

³ Skills Organisations National co-design workshops Discussion Paper <https://www.employment.gov.au/SO>

into the trades, and that reflects current and future needs including schools and entry requirements, labour market changes and training pathways.

NECA strongly supports the position that Skills Organisations be industry-owned to ensure they remain contemporary, relevant and responsive to market needs

NECA seeks to be nominated as the Pilot Skills Organisation for the electrotechnology industry

As the long-standing and highly reputable national industry representative of electrical and communications sub-contractors, and with due consideration to the highly specialised nature of our industry and the significant domestic and international economic value, community benefits and necessity of our industry, NECA is best placed to be the SO for electrotechnology.

We not only have a national collective representation, but a significant background and strong expertise in addressing the ongoing skills shortage, expansive and growing VET footprint and demonstrable success in return on investment in a number of State, Territory and Commonwealth pilots, reforms and funding initiatives. In its capacity as an SO, NECA would formally engage other industry bodies in the sector. To this end, NECA seeks to be nominated as the pilot SO for the electrotechnology industry.

We note, NECA has the national infrastructure to implement an SO. We have a NECA office in all States and Territories all of whom are supportive of an SO. Our key office bearers have respectively held industry advisory and leadership positions on Government Boards, groups and panels for over 20 years, since the implementation of the Government's first national training packages in 1998-99.

Whilst NECA has no objection to the proposed 'key priority industries' nominated and subject to the two pilot SOs, we would suggest that given the current skills shortages that the electrical contracting sector is facing, coupled with the increased future demand of qualified electricians, our industry ought to be provided with similar piloting opportunities.

To ensure the effectiveness of SOs, NECA emphasises the importance for all future SOs to be tailored to address the unique differences and needs of various industries and sectors, such as electrotechnology and energy. For our industry, it is critical that future SOs prioritise strategic workforce planning and development and engage with industry to ensure that training packages are tailored and current to demand-driven need.

Further information and details are needed to demonstrate how this will operate, and it is expected this will be identified through the trial process.

Future training packages must be demand driven, responsive and flexible

NECA raises no objection to the proposed 'Skills Pipeline' outlined but emphasises the importance of ensuring that future training package development processes are demand driven, responsive and flexible to the changing market and private sector requirements and skill sets. The model for the development of Training Packages must demonstrate greater responsiveness to industry to ensure that training delivery meets the current needs of employers. It is also critical that the industry continue to engage in the training product development process and this not be delayed or detrimentally impacted by the current reforms.

4. Recommendations

NECA dutifully makes the following recommendations in response to the respective discussion papers:

National Skills Commission

- Support the National Skills Commission and National Careers Institute in principle, subject to robust governance arrangements and active involvement and participation of the electrotechnology industry;
- National Skills Commission should report to COAG Skills Minister's Council;
- NECA be nominated as a representative to the National Skills Commission;
- National Skills Commission should develop a high level strategic national workforce development strategy;
- 'Industry directed' National Skills Commission should determine the appropriate funding model; and
- National Skills Commission must consider the needs of all occupations, without bias to emerging occupations.

National Careers Institute

- National Careers Institute must ensure data and information is robust, accurate, reliable and current, as informed by industry;
- NECA supports the National Careers Institute Grants Program and welcomes the opportunity to engage with this initiative; and
- National Careers Institute should be owned by the Commonwealth, and the NSC should be a COAG body.

Skills Organisation - Electrotechnology

- NECA be nominated as the pilot Skills Organisation for the electrotechnology industry.

Other recommendations

- Streamlined pre-apprenticeships program and relevant training, including practical math lessons in schools for trade-training aspirants, ensuring the involvement of relevant partners in the education system (including the Australian Association of Mathematics Teachers);
- Consideration be given to a core set of competencies that reflect environmental requirements for the industry and consumers. Government should continue to provide financial assistance to employers throughout Australia so their staff can undertake training programs that maximise skills in this area;
- Providers should re-introduce night schools to reduce pressure on the workplace and create additional opportunities for trainees to formalise their skills. NECA notes that night schools have successfully operated in Western Australia for many years meeting industry needs for additional learning and catch up opportunities; and
- Cultural change, trust and transparency are key aspects to the reforms.



national
electrical and
communications
association

www.neca.asn.au | +61 2 9439 8523 | ABN 78 319 016 742