

## 3.3 Vocational Education and Training

### Background

**As a lead player in the training of future and current electricians and contractors through our Group Training Organisation (GTO) and Registered Training Organisations (RTO) across Australia, NECA believes that quality education, skills and training initiatives are critical for the development of the electrical trade. We currently have responsibility for the ongoing skilling and training of over 5,000 apprentices.**

NECA state chapters conduct industry specific technical and business skills training across a wide range of areas and we are an active participant in the Electrical Innovative Delivery & Pathways project – a pilot project initiated by NECA (with the support of the Federal Government) to explore alternative opportunities to encourage broader skills development approaches for tradespeople to enter our sector. The project includes a range of key strands including pre-apprenticeships, the trialling of a course for apprenticeship mentors and ways to attract more women into the industry.

In 2007, NECA conducted a survey of nearly 3,000 Australian electrical contractors on their perceptions of skills shortages within the industry. The survey results delivered a range of insights:

- » Shortages are mainly experienced by businesses employing 25-100 people
- » Skills shortages were more acute across Australia's smaller states
- » Skills shortages were noticed mainly by managers, not so much by owners
- » Very little expenditure is made by businesses on staff learning and training.

NECA strongly believes in the future of the RTO sector and welcomes ongoing reform. We support the operation of a national competitive training market comprising public and private RTOs regulated by one national Vocational and Education (VET) regulator. Our member feedback and own experience within the VET sector suggests that the current standards have not always led to the delivery of quality, job ready graduates with the necessary skills required by the industry.



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# Key issues and recommendations

## School and entry requirements

There are concerns regarding the quality of vocational education and training offered in schools and how to involve employers in the massive increase in resources for trade schools. Consultation revealed no clear picture of industry involvement at national, state and territory or regional level. This needs to be rectified urgently by federal and state and territory governments.

The approach to pre-apprenticeships also requires reform. There are a large number of school and other post-compulsory education students in pre-apprenticeships. The pre-apprenticeships are a good source of apprenticeship applications for the industry and provide a way to screen potential applicants. Some of these courses, however, are too institutionally-based and do not always lead to good vocational outcomes. This issue will become increasingly important as employment opportunities within the industry slow.

School-based apprenticeships are important pathways for students in most states and territories. They should be encouraged where they meet employer and student needs, particularly where there is flexible timetabling. In some cases, it may be sufficient to use this option for Year 11 students in order to bridge the gap in academic learning required in off-the-job training. Employers have only limited understanding of this option and its ability to supplement labour when off-the-job training is being undertaken by full-time apprentices.

Attainment of acceptable minimum mathematics skills (at least to sound Year 10 level) is an on-going problem with young applicants. The failure level of the NECA mathematics test is particularly high in NSW.

**R13: NECA recognises the need to develop nationally consistent, practical maths lessons in schools for trade-training aspirants, ensuring the involvement of relevant partners in the education system (including the Australian Association of Maths Teachers).**

## Labour market changes

Skills and labour shortages impact on electrical contracting and communications industry companies differently according to their size, the type of work they undertake and their location. NECA survey outcomes, such as the Market Monitor, have proven to be important contributors to the national skills shortages debate and have been sought by a range of agencies and government departments. NECA continues to undertake the Market Monitor on a bi-annual basis.

The movement of workers between Australian states and from overseas has also impacted the industry. At the height of the mining boom, up to 500 electricians left Victoria every month for work in other Australian states and territories, (particularly Western Australia and Queensland) and overseas. This trend has now reversed following the slowdown in the mining sector.

In tighter economic conditions, the industry should continue to encourage the uptake of apprentices to provide supplementary and targeted support to employers. It is imperative that apprentice intakes continue at a sustainable rate to avoid potential labour and skill shortage lags as experienced in the early 1990s.

## Training pathways and funding

The industry needs to develop a clear set of career pathways, with complementary training pathways, to reflect current and future needs.

Funding for training in the industry should be prioritised annually in accordance with the NECA skills survey. We also believe there should be separate funding for literacy and numeracy training, including a Readiness Assessment Test, for apprentices that have been identified through the recruitment process as requiring additional support during their apprenticeship.

Strong support remains for Certificate III as the primary entry point for the industry but there is a need for alternative entry points at Certificate II level (including Trades Assistants). Nationally, there is a need for additional training in instrumentation as a skills set at Certificate IV or equivalent level.

States and territories should fund training of industry supported skill sets, particularly at post-trade levels. This will address the overall drop-off in formal training undertaken by workers in the industry and their preference for shorter training times. Employee surveys show that many post-apprentices spend less than one hour a month on training and professional development at their own initiative.

NECA's Electrical Innovative Delivery & Alternative Pathways project (APP) is supported by the Federal Government and establishes a series of industry-led pilots to test alternative training approaches to develop skills, choice and industry acceptance. The APP tests and evaluates four core activity areas:

- » Training relevance to industry needs
- » Training for new business opportunities
- » Attracting new and diversified entrants
- » Workplace support and effectiveness.

**R14 NECA recommends 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.**

## Delivery arrangements

Closer cooperation is needed between the industry and public providers of training. The industry relies heavily on TAFE for the delivery of training but the outcomes don't always meet the industry's required standards. Many employers have criticised the current industry Training Package as too complex and not meeting industry needs. Feedback also indicates the current learning methodologies and much of the course content are outdated.

Assessment of trainees/apprentices remains an ongoing problem for employers. This adds to a lack of confidence in the national training system and training providers. The Star Rating system, taken up by NECA through the Institute of Trade Skills Excellence (ITSE), was strongly supported by the industry and should be continued through the Technical and Vocational Education and Training (TVET) Australia arrangements.

Stakeholders are confused over the importance of industry-supported courses that are accredited through state and territory accreditation bodies. These courses must maintain the flexibility to import competences from other training packages in order to provide customised training pathways that meet industry needs. However they must not sacrifice required standards in the interests of flexibility.

**R15: NECA believes 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.**

## Taxation

Governments should consider tax incentives for employers who take on apprentices, particularly for small contractors who form the basis of the industry. The Tasmanian Government's 2017–18 Budget, which offered \$17.1 million of payroll tax relief for small business employers who hire apprentices and trainees aged between 15 and 24 years, is an example of the type of assistance that could be provided via the tax system to enhance and foster positive training outcomes for industry. Western Australia, Victoria and the Australian Capital Territory maintain similar or more extensive arrangements and we welcome initiatives to reduce and remove payroll tax.

**R16: NECA supports incentives such as payroll tax relief for small business employers who hire more apprentices and trainees.**

## Incentives

NECA considers that urgent action is required to examine incentives to help all apprentices meet the rising costs of tools and course fees.

There is a strong connection between the supervision rules and a company's ability to take on apprentices. Smaller companies in particular, are less prepared to take young people under their wing, with the rules often considered too restrictive. Mentoring schemes, with appropriate

government support, should also be introduced in order to draw on the vast experience of older workers.

Training funds, where they exist, need to be used to reward companies that are contributing to skills development rather than those who don't invest in training and development. NECA advocates that additional government assistance be provided to companies that employ adult apprentices.

Initiatives to encourage apprentices to pursue excellence in their employment and training outcomes such as NECA's Apprenticeship Awards, should be examined further.

**R17: Employees who undertake and complete additional training at higher levels (post-trade) should receive adequate tax benefits as an incentive to complete qualifications.**

## Industry opportunities

- » Group training organisations that experience downtime for their apprentices should develop short-term employment opportunities that may be considered for relevant state and territory government assistance.
- » Additional government assistance should be provided when companies employ adult apprentices.

## Potential labour pools and disadvantaged clients

Employers are concerned about the potential impact of welfare-to-work clients on their workplaces. Relevant agencies should undertake focused consultation with the industry to determine possible collaborations and best practice models.

Industry should work with interested companies in the implementation of the NECA Indigenous Employment and Training strategy.

A strand of NECA's Alternative Pathways Project (APP) is dedicated to assessing ways more women could enter the electrical industry. The project has engaged with women who have passed through NECA's GTOs and RTOs and discussed with them the ways in which our trade could be viewed more favourably as an employer. Initial feedback suggests that more engagement and

information, highlighting the value and potential of an electrical career can be provided via school careers advisors and women's sporting groups.

NECA continues to hold the view that a career in trades is as equally rewarding as those derived from tertiary careers.

**R18: It is imperative that government supports NECA in promoting relevant programs to stakeholders at regional, state, territory and national forums.**

## Additional research

NECA calls upon government to undertake the following additional research in order to assess and improve apprenticeship updates in our sector:

- » Determination of relevant regulation at various levels of government, particularly new environmentally-related regulation, and its potential inclusion in training packages or seminars.
- » Wider industry activity data as it relates to the broader construction industry.
- » Further examination of training and skills development expenditure patterns and value for money propositions.
- » The potential for migrant workers and industry-wide support strategies.

**R19: NECA advocates that a trade career path is as equally attractive and rewarding as a university degree. We call upon all levels of government to actively promote trades career pathways.**

## VET reforms

On 11 September 2014, a range of reforms to the operations of Australian Skills Quality Australia (ASQA) and Registered Training Organisations (RTOs), plus amendments to the delivery of training packages were announced.

Key to the reforms is the delegation of regulatory responsibility. RTOs with a strong history of compliance to national standards that have already met eligible criteria and deliver quality training outcomes were invited to apply for a delegation of regulatory responsibility. The

delegation assigns more autonomy to RTOs for an initial twelve month period, removing the requirement to constantly update training packages with ASQA throughout the period of the delegation.

NECA provided comment to the *Quality of VET in Assessment* discussion paper in 2016 and outlined measures to increase confidence in the sector including the expectations and role of industry and the development of skills and qualifications of trainers and assessors.

The VET FEE-HELP scheme was abolished at the end of 2016 and a redesigned loans system was implemented to ensure better outcomes for industry, students and taxpayers.

**R20: NECA welcomes further aspects of the Minister's reforms to drive improvement in training outcomes across the sector. This includes support and improvement for poorly performing RTOs and greater regulatory rigour surrounding rogue operators.**

