MASTER ELECTRICIANS AUSTRALIA

Lead.Connect.

National Agreement for Skills and Workforce Development Review

J ODwyer / July 2020

Contents

Introduction

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is www.masterelectricians.com.au

Industry Description

The Electrical Services industry is one of the largest specialist construction industries that service domestic construction and industrial markets. Electrical services industry have benefited from solid demand growth in the housing and non-residential building markets in recent years. However, the industry's performance has been negatively affected by the steep decline in demand from the non-building infrastructure and industrial markets, largely stemming from the decreased investment in mining-related structures according to IBIS 2019 report E3232. According to the report the industry can be summarised as

- Market Size: $23bn
- Number of Businesses: 40,650
- Industry Employment: 96,100

To successfully compete in most markets, contractors must be able to adopt new technology in terms of capital equipment and training for advanced techniques. This is evident in most markets, particularly in ITC cabling and equipment installation.

Qualifications and licensing requirements represent moderate barriers to new entrants in either start-up or interstate establishment. Qualifications are gained through Vocational Education Training (VET) and associated apprenticeships. Licensing is required in each state and varies from state to state which places a barrier to new entrants and those looking to compete interstate or who live close to state boarders and wish to commute across.

Both apprenticeships and post trade licensing requirements are affected by the current training system and delivers an excess of under performance in a number of areas including

- Training Outcomes
- Training Quality
- Overabundance of red tape and duplication
- Lack of responsiveness to Employer and industry need and trends

The industry is also one which has many sub sectors that have a number of associations, employer groups, professional associations employees associations and manufacturing and design interests. As such while it is seen as the Electrical industry the industry sub sets include

- Renewables/Clean Energy (including solar, battery, embedded networks),
- Construction,
- Industrial,
- Mechanical services,
- Lifts,
- Communications (NBN),
- Mining,
- Vehicles and Marinas

Interim Findings 2.1 – 2.3

MEA agrees with the Interim findings of 2.1, 2.2 and 2.3. The electrical industry has felt the effect of both positive and negative outcomes of the findings.

Information Request - Role of competition

Competition is one facet of a number of factors that affect positively and negatively on the quality and effectiveness of training. Current government training funding model is a flawed business model. Reasons for so many failures include

- subject to changes in Government policy / priorities at either state or federal level
- subject to election cycles at both federal and state level
- temporary / fixed term funding
- subject to broader economic outlook and performance

Training providers are paid for a result, as evaluated by the training provider themselves, this leaves the system vulnerable to rorting or poor quality of outcome for student. In addition, private providers correctly evaluate the cost benefit of conducting training based on

- demand in the area
- need in the area
- minimum class sizes
- geographical location
- resource availability (trainers) and infrastructure need and cost
- competition in the location for both employers and students

The ability for private providers to compete against Government funded TAFE centres in small / rural locations based on the above barriers makes it unattractive for private providers to deliver beyond major metropolitan or major rural towns.

This lack of a competitor also means that Government providers in local areas may also suffer from lack of innovation and complacency.

Whilst competition is important it is MEA view that quality of training and payment is linked to outcome adjudged by an independent assessment of the skills the student possesses. As with the Victorian Capstone assessment for an A-grade electrician this testing is done by a separate entity and has no link to training funding as they are paid to administer a test rather than the training.

This process would then allow for training to ensure quality with some funding withheld to demonstrate that the quality of the teaching results in either an individual student or a cohort of students reaching a particular level of competence before the final payment is made to the training provider. These quality outcomes can then be compared across providers to demonstrate that the industry providers outcomes are achieving for students and industry. A high fail/non competency rating of students from one provider demonstrates to the market that the training is not of value.

Information Request – Career guidance for students

It is MEA experience that there are sufficient resources and information available for students and parents to obtain. MEA view is that whilst this information is available the students mentor (e.g. guidance counsellor, parent, relative, AASN, Job network provider) critically lacks understanding of the psychology and skills of the candidate and the matching career choices that suit the student. As equally importantly career guidance relies on the candidate also engaging in the process. Member experience suggest that 15 and 16 year old students do not engage in making subject choices for grade 10 that will affect their career options into the future or don't understand what will suit them. Resulting in career guidance currently being largely hit or miss.

It is imperative that students and parents have access to tools such as "Discover my Career" tool that is available for a fee of $33.00 for students. This tool and tools like it around the country assist students to receive an unbiased and fully available list of careers and allows

possibly for an open and frank conversation to be had. It is our view that this should occur in Grade 9 as student prepare to pick subject for grades 10 to 12.

TAFE Qld discover-my-career survey

Much has been made of the fact that VET has declining enrolments for students and that Tertiary/ University studies is leading the way. The propensity for school counsellors and guidance officers to be career teachers with strong university and post graduate training may also impact on views and suggestions to students.

Career guidance for students is also affect by schools being required to ensure that students achieve an outcome that can equate to a High School Certificate (HSC). VET in school for some students achieve this equivalency. The breadth of VET in school offerings is limited based on resources and demand this can lead to inappropriate choices being offered. Schools are simply not equipped to offer a full cross section of vocation education courses that match the needs/preferences/abilities of students.

Taking all of the above into account we see that career choices are formed as early as year 9 however we believe that students and parents do not understand that these decisions are made so early and as such can result in inappropriate choices being made. A significant effect of the disconnect between school and VET and Tertiary education needs to form part of the national training agenda.

Information Request – Designing a new intergovernmental agreement

As detailed in the industry summary the electrical industry has many and varied sub sectors that require constant up skilling and refreshing of skills. Trends at the present time indicate that the significant level of skill acquisition is obtained from non-accredited training in bespoke training activities that are product or sub sector specific.

CPD/accredited/nonaccredited training

The Industry has recognised that upskilling is vital as the industry changes at an unprecedented pace. To combat this many jurisdictions including Queensland Victoria and Western Australia are contemplating or designing Continuous Professional Development (CPD) programs, similar to Tasmania.

MEA would suggest that an important part of any new intergovernmental agreement must ensure state based licensed trades CPD schemes, are aligned and national recognised between each state. A feature of all of the schemes under consideration thus far is that Regulators will approve non-accredited training as being acceptable, as such the new Training agreement must be able to insist that these forms of non-accredited training do not have to be replicated state by state.

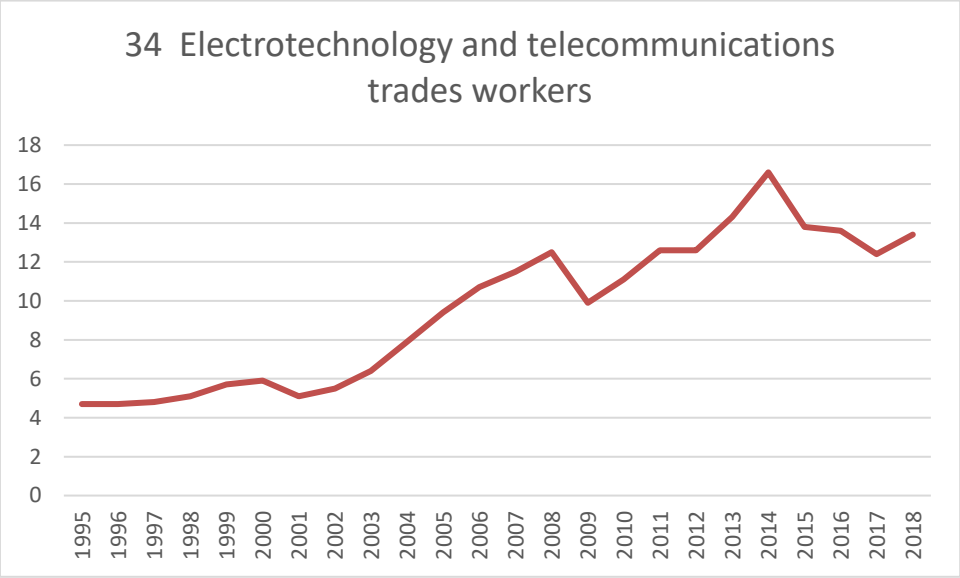
MEA believes that many licensed trades will be affected by CPD, and foresee it is necessary to reduce red tape while improving the performance quality and safety of the industry, that CPD are nationally mutually recognisable.

As an example of the complexity of the electrical industry we have attached at Appendix 1 a state-based list of required licenses to operate an electrical contracting business. It is

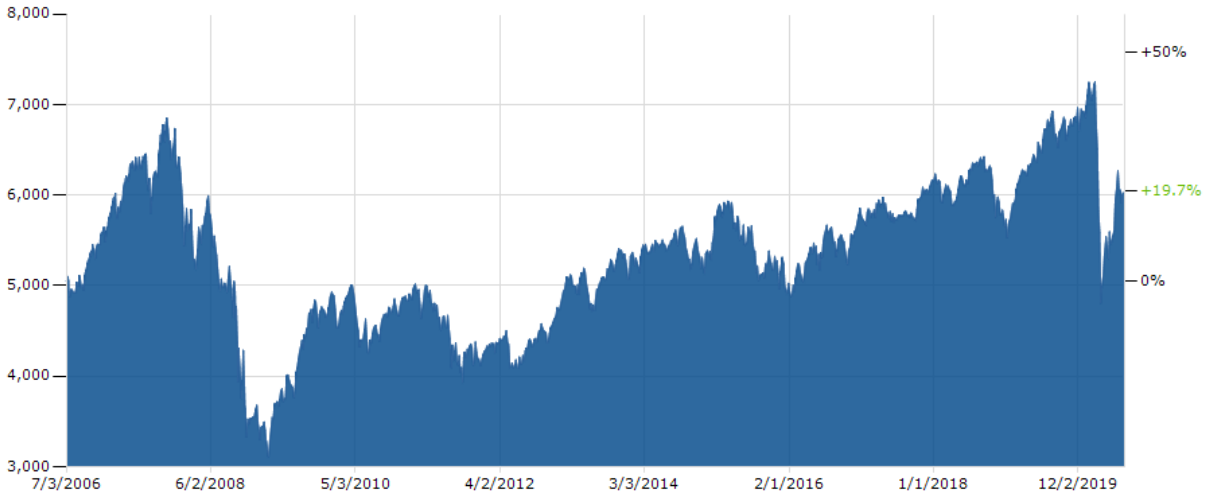
imperative that if any or all these sub sector decide to create CPD programs that their interrelationship does not create duplication or additional cost on employers hoping to operate in multiple jurisdictions.

Information Request – Identifying and Acting on Skill Shortages

Apprenticeship commencements have traditionally followed the rise and fall of the all ordinaries index in a 12 to 18 month time lag effect as can be seen in the following graphics. The effect of this apprenticeship model that it so heavily relies on small employers engaging new young staff is severely affect by the state of the economy. In the current economic climate and with estimates that the recovery from covid 19 may take some years presents a real threat of skill shortages into the future.



NCVER Historical time series of apprenticeships and traineeships in Australia, from 1963



The Commissions report discusses the current difficulties in estimating skill shortages etc however it does not highlight whereby economic conditions affect the number of training places. The graphs above show the effect of the economic conditions on commencement. However

with population growth, changes in technology and energy sectors the Electrotechnology sector has seen broadly a consistent need for apprentices. Wages and positions continue to grow however training places can vary wildly based on economic conditions.

Industry information would suggest as per the paper that incentives are not a major contributing factor in apprentice engagement and that economic and employer costs are higher in the consideration. It is our understanding from members the ability to offer the scope of work and for the 4 year period are much higher in consideration for employers.

One of the structures put in place to try and entice small employers with limited scope and limited availability of work was the creation of Group Training Companies. This model allowed small employers to hire apprentices for shorter periods when work was available. However as an example since 2010 there has been a decrease in the number of apprentices entering or being engaged in this method. The Queensland Training Ombudsman highlights in Review of group training arrangements in Queensland that the market share across all apprentices and trainees has dropped from 13.2% in 2010 to 8.9% in 2017. Even more concerning in the same period is that Construction sector has dropped from 17% to 10.8% in the same period. Review-of-Group-Training-Arrangements-in-Queensland.pdf . This indicates that the opportunity for apprentices to receive smaller lengths of work and experience are diminishing as a source of opportunity particularly during economic down turns.

Given the volatility of Apprenticeships and the importance of apprenticeships MEA believes that a national consistent and state deliverable KPI of number of apprenticeships in skill occupations be delivered in a way similar to that of Tertiary education. That way we see a defined number of opportunities being available and a centralised location whereby employers and apprentices are judged suitable for apprenticeships with relevant scope of works. Whilst we see this as being controversial in the electrical industry we see demands by employers for a specific level of education, more than just a HSC, being required to be successful in the electrical business. A centralised matching process of both candidate and employer would also assist employers by reducing recruitment costs and times whereby they are guaranteed that candidates have the aptitude and desire to complete the trade. In addition to this we see that with consistent numbers targeted funding like the current Jobkeeper funding could be put in place for employers when economic times become difficult to assist employers keep apprentices in jobs, however less assistance when economic conditions are good. This again keeps consistency for employers and apprentices and we believe would be easier to administer rather than relying on State based inconsistent funding for employer support. This is a significant change being suggested however we believe that examination of such a system is worth examining and trailing

Options for funding and pricing for course subsidies

MEA would support adopting a nationally consistent set of course subsidies. However MEA also sees that there is large variant in when RTO's and GTO are paid for achievement in progress of competency. It is imperative that within the RTO sector nationally that payments for progress are paid as soon as reasonably practicable after competence in a module is achieved. There are some RTO that have to wait almost 2 years for payment for the

achievement of a competency and progression. This make the entry to competition in this area particularly difficult to carry costs and an outstanding receivable for that period.

MEA supports finding 6.1 and that a student loan scheme is essential for both public and private RTO's competition and availability of courses. MEA would support a well-designed VET Student loan scheme. Examining current systems such as the current higher education contribution scheme (HECS) system, whilst not a completely appropriate for the VET sector it is an example of a model. The loan scheme needs to rule out incentives for RTO's or GTO's based on numbers in courses but based on placement as set. MEA believes our model of a set number of apprenticeships as detailed in the previous section would complement this process and remove rorting as was seen in the previous VET loan scheme.

Trade Apprenticeship and traineeship incentives

Significantly schooling and the electrical industry has developed and changed over the last 30 years, however the current apprenticeship and delivery methodology has been slow to adapt to student expectation, school experience and industry changes particularly in renewable energy. Apprentice readiness wages and foundational skills while all factors in an applicant's selection does not address the employers drive / motivation to hire, whereby economic, candidate and training uncertainty weigh heavily on an employer. Small employers particularly are not experienced or knowledgeable about recruitment of apprentices what is needed and as such bad experiences mean a reluctance to engage in the system a second or third time, with poor candidates. Selecting the right person with the right attitude and aptitude is proven to be the best indicator of success for a business recruitment process. It is imperative that this are is improved. Funding and or so-called levies should aim at looking at the applicant pool to improve retention rates and success. Combined with mentoring and support for both employers and apprentices.

Employers find information regarding incentives difficult to find, understand and confusing. MEA suggest that a single point of truth be made available regarding employer incentives. This single point of truth should be in the form of one national website that solely delivers current information regarding incentives for employer. This should contain a simple to digest form similar to the of the Fair Work Ombudsmen Payment calculator. Through a series of simple questions the employer can identify their state the type of trainee and apprentice and other associated characteristics to identify all employer funding available, both state and federal. This should be a simple tool whereby by all associations AASN's and RTO's etc can clearly show or refer employers too. A similar tool for parents and schools would also benefit as to the real costs of taking on a apprenticeship or traineeship and could also clearly detail what each state subsidy is for the training they are receiving.

Training Package Development

MEA agrees with Interim Recommendation 7.1 to allow IRC to commission and approve straightforward changes to training packages. MEA however does not agree with the Joyce review concerning the move away from the IRC (industry reference committees) and move to SSO's.

The difficulty in having SSO's within complicated industries such as the Electrical Electronic and Communications industry is that there are several stakeholders of varying size and strength that would be looking to control and unduly influence said SSO. In a number of industries there is a history of stakeholder influence and control that has continued to control and hamper the development and progress of training packages. This has included the rights to Intellectual Property and ownership of materials that are developed by industry for industry but are not freely available for industry or are withdrawn should there be a change in structure or policy. This has occurred in the Electrotechnology industry in the move from the previous model to the current IRC model.

SSO's or their equivalent in the past have also been subject to exclusivity and closed shop mentalities and inability for smaller players or subsections within an industry to advance agendas due to competing influence and agendas of other participants.

The significant issue of training linkages to industrial relations outcomes is also a serious and persistent concern in the development of training packages and the relevant parties / stakeholders in the process. It is impossible to separate the linkages between training competency, trade relativity and industrial outcome such as wages. These linkages in SSO if they were to proceed would be compromised if one or a small section of stakeholders were to control the SSO's and their progress.

This set of circumstances has been very real and persistent in the previous iterations of SSO's and the effect is compounded the broader and more complex the industry is due to a lack of representation and influence in the training agenda that some stakeholder, particularly those who "own" the SSO wield at Board and executive level.

The report also highlights initiatives to streamline training packages. Whilst post trade training this may be appropriate, the thought of micro credentialing skill sets with Electro technology is not acceptable to MEA on a number of levels including quality safety and longevity of the industry. It is imperative to ensure a broad based skill qualification like Electrotechnology is not broken down as it will lead to adverse outcomes and skill shortages.

MEA strongly believe that the current IRC is after dealing with historical issues and delays now poised to deliver for industry, however the SSO introduction will put at risk that development.

MEA agrees with interim recommendation 7.2 to move to a single regulator.

MEA agrees with interim recommendation 7.3 on improving VET Information

MEA agrees with Option 6.6 regarding improvement to pastoral care, mentoring and upfront assessments. MEA believes that the funding required similar to funding levels previously received through the 2012 - 2015 Australian Apprentice Mentoring Program (AAMP) and the Australian Apprentice Advisor Program (AAAP). MEA found that face to face and funded support to both apprentices and employers' worked well to improve retention of apprentices through their apprenticeship. We currently work with several providers and employers who have chosen to pay for additional support above and beyond the AASN support to deliver improved retention of their apprentices and their retention rates are well above those of general industry. This model embraces face to face contact and one on one support.

Investment in public provision

MEA would support interim recommendation 6.3 improving investment in public provision.

We apprentice the opportunity to comment and we are available to discuss any of the matters raised in the submission.

Jason O'Dwyer

Manager Advocacy and Policy

Appendix 1 State based licencing costs

License	Fee	Length	Authority
ACT			
unrestricted electrician's licence (individual)	$ 180.00	1 year	ACT Planning and Land Authority
unrestricted electrician's licence (individual)	$ 380.00	3 year	ACT Planning and Land Authority
Security Employees	$ 129.00	1 year	Office of Regulatory Services
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor's licence (individual)	$ 180.00	1 year	ACT Planning and Land Authority
electrical contractor's licence (individual)	$ 380.00	3 year	ACT Planning and Land Authority
Security Master	$ 843.00	1 year	Office of Regulatory Services
NSW			
Supervisor Certificate	$ 132.00	3 year	NSW Fair Trading
Tradesman Certificate	$ 75.00		NSW Fair Trading
Class 2 Electronic equipment installer	$ 140.00	1 year	Security Industry Licensing Directorate
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS

Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence (Sole Trader)	$ 173.00	1 year	NSW Fair Trading
electrical contractor licence (Sole Trader)	$ 519.00	3 year	NSW Fair Trading
electrical contractor licence (company)	$ 408.00	1 year	NSW Fair Trading
electrical contractor licence (company)	$ 1,224.00	3 year	NSW Fair Trading
Master Licence (security) self employed individual	$ 560.00	5 year	Security Industry Licensing Directorate
NT			
electrical work licence	$ 262.00	5 years	Electrical workers and contractors licensing board
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 419.00	1 year	Electrical workers and contractors licensing board
QLD			
electrical work licence	$ 82.90	5 years	Department of Justice and Attorney-General (QLD)
Fire Protection Occupational Licensing	$ 121.65	1 year	QBCC
Security equipment installer	$ 232.50	1 year	Office of Fair Trading (QLD)
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 395.90	1 year	Department of Justice and Attorney-General (QLD)
QBCC trade contractor licence	$ 571.20	1 year	QBCC
Security Firm Licence	$ 955.20	1 year	Office of Fair Trading (QLD)
SA			
electrical work licence	$ 282.00	3 year	Office of Consumer and Business Affairs
Security Agent License	$ 341.00	1 Year	Office of Consumer and Business Affairs

Individual(employee)			
Security agent licence (sole trader)	$ 714.00	1 year	Office of Consumer and Business Affairs
Security agent licence (company)	$ 933.00	1 Year	Office of Consumer and Business Affairs
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 413.00	1 year	Office of Consumer and Business Affairs
TAS			
electrical work licence	$ 340.20	3 years	Workplace Standards
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Security License Employee	$ 194.40	1 Year	
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 534.60	1 year	Workplace Standards
Security License Buisness	$ 737.10	1 Year	
VIC			
Electricians licence	$ 205.86	5 years	Energy Safe Victoria
Security adviser and security equipment installer (individual registration)	$ 287.90	3 year	Vic Police Licensing & Regulation Division
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 308.05	5 years	Energy Safe Victoria
Security adviser and security equipment installer (Buisness Registration - Sole Trader)	$ 677.10	3 Year	
Security adviser and security equipment installer (Buisness	$ 1,146.30	3 Year	

Registration - Company)			
WA			
electrical work licence	$ 97.00	1 year	Energy Safety
electrical work licence	$ 485.00	5 years	Energy Safety
Security Installer Licence	$208.00	3 years	Licensing Enforcement Division (WA Police)
Australian Cabler Registration	$ 38.00	1 year	ASIAL, BRCA, FPAA, TITAB, ACRS
Solar PV accreditation	$ 190.00	1 year	Clean Energy Council
electrical contractor licence	$ 525.00	1 year	Energy Safety
Security Agent Licence	$ 843.00	3 years	Licensing Enforcement Division (WA Police)