



Electrical Trades Union of Australia
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National Agreement for Skills and Workforce Development Review

Electrical Trades Union of Australia response to the Productivity Commission Interim Report
into the National Agreement for Skills and Workforce Development

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1. Introduction

The Electrical Trades Union of Australia (ETU) is the Electrical, Energy and Services Division of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU). The ETU represents approximately 60,000 electrical and electronic workers around the country and the CEPU collectively represents approximately 90,000 workers nationally, making us among the larger trade unions in Australia.

The ETU has long and proud history as a valued stakeholder in the Vocational Education and Training (VET) system within Australia. As the peak body for Australian electrical workers, we are acutely aware of the critical importance that the VET system has on electrical workers and to Australia's economic prosperity. The value of Australia's VET system lies in its capacity to drive productivity growth, making work more valuable and promoting opportunity for workers to contribute to a sustainable society.

According to the National Centre for Vocational Education Research (NCVER), the nation has seen a huge decline in number of apprentices and trainees in training, dropping by 152,803 in the period from September 2013 – December 2019¹. A significant contributing factor to this alarming statistic, is undoubtedly the reduction of \$3 billion dollars in funding for the VET sector².

To say it is challenging to get up to date data on the number of apprentices effected by the onset of the COVID-19 pandemic is an understatement, particularly because NCVER data has a six month lag period. Despite this, numerous reports are filtering through from Group Training Australia, Business NSW, et al, that many apprentices are having their training contracts suspended or even worse terminated, because of the pandemic. It is anticipated that there will be 54,000 fewer apprentice commencements in 2020 when compared to 2019³.

It is in this context that a review of the National Agreement for Skills and Workforce Development (NASWD) through the Productivity Commission Interim Report (Interim Report) is timely, however it can't be ignored that this is another review in a long line of reviews with recommendations either poorly implemented or ignored entirely.

The ETU is aware of and supports the submission provided by the ACTU. The ETU provides this supporting submission to the ACTU submission which will focus on several areas from the context and experiences of electrical workers.

For further information regarding this report, feel free to contact the ETU on the details below.

Mark Burgess – ETU National Apprenticeship Officer

¹ [NCVER - VOCSTATS](#)

² [Mirage News - TAFE Funding Boost](#)

³ [Sydney Morning Herald - Anna Patty](#)

2. Request for information

2.1. Role of Competition in the Vet Market

It is ETU members experience that competition has utterly failed to deliver on the benefits it originally promised, and that VET quality has only decreased under competitive models, as has accessibility and availability of training, particularly in regional areas. This has been combined with significant increases in costs, both to students and for government.

For electrical trades training, the tools, equipment, and resources required to deliver quality training are expensive and often require extensive capital outlay. The introduction of competition has driven the behaviour of RTO's towards focussing on easy to deliver, more profitable courses rather than those actually needed by industry.

Occasionally when demand has reached a point that the cost outlays to receive the training are so ridiculously high (for example Darwin employers sending apprentices to Melbourne for training) desperate employers partner with RTO's to attempt to allow training on site so the employer in effect subsidises the RTO for not establishing adequate training resources. Students are then forced to learn in less than ideal learning environments, ie in the actual workshop while work and noise goes on around them and at times the equipment itself has not been wired appropriately for a training environment i.e. operating normally rather than via extra low voltage.

This also has the effect of excluding any other participants from the training due to the risk and liability of having other companies' employees working on site. The highly distributed nature of training also serves to remove any capacity of scale which allows for both the outlay of capital needed for specialist electrical training or the budget to continuously maintain and update equipment so that students are learning on contemporary plant and equipment.

How should the efficiency of the VET market be measured?

It is important that any performance measures actually measure the outcomes desired from the VET sector, that is the creation of skilled workers.

It will be important to ensure unintended consequences are not introduced through inappropriate performance measures such as those which drive 'teach to test' behaviours or encourage predatory behaviour by RTO's.

Exploring the establishment of a benchmark maximum rate of return on publicly funded courses along with guidelines on what the institutions are and aren't allowed to charge for with public money could be one way to establish enhanced value for money in taxpayer expenditure on VET.

What is the appropriate (and exclusive) role of public providers, and why?

The ETU firmly believes that restoring a properly funded TAFE model in each state should be the centrepiece of the VET system and should deliver the majority of VET training while receiving at least 70% of all VET funding.

The ETU strongly supports the ACTU submission and comments on the role of public providers and the view that the appropriate and exclusive role of the public provision of VET should be as the central pillar of the VET system and the default provider of the majority of VET.

2.2. Career Guidance for Students

The most important role Government could play in providing career guidance for students would be through encouraging and facilitating participation by Women and Indigenous people in Trades.

Allocating dedicated funding for this purpose through grant funding to relevant organisations such as Unions could play an important role in addressing the completely unacceptable levels of participation of Women and Indigenous people in trade occupations.

The ETU has attempted to engage regularly in this way around the country, but this is usually performed in an ad-hoc fashion, reliant on ETU Women and Indigenous members who volunteer their time and attempt to gain access to year 11 and 12 students.

Notwithstanding the difficulties and impediments to this approach, when it is successful, it sends a very powerful message to young women and Indigenous people that they belong in the trade and will have a support network should they choose to pursue this career path.

2.3. Designing a New Governmental Agreement

As a minimum a new Government Agreement needs to have transparency and consistency a core feature of its design with regular and up to date reporting. The metrics that must be reported should be assigned specific criteria and all stakeholders required to report should be required to abide by the set criteria.

A centralised data storage warehouse should be established with at least quarterly reporting flowing with key metrics available to the sector and facilitation of a public interface.

2.4. Identifying and Acting on Skills Shortages

Historically defining and measuring skills shortages was completed through tri-partite committees and boards containing representatives of workers, employers, and Government. This cooperative approach provided all parties with confidence and transparency in the processes used to determine skills needs.

Over the past decade these tri-partite bodies have been largely disbanded, defunded or replaced with employer only representative groups. Employers have proven themselves to be totally incompetent at managing skills shortages on their own.

The most important reform to restore confidence and transparency to decision making around skills shortages would be the restoration of tri-partite oversight.

In addition, the effects of National Competition Policy and the blind pursuit of privatisation, marketisation and corporatisation of essential public services means Australia has lost its traditional 'factories' of skilled workers. Outsourcing and contracting out models have delivered a profit over service motive and private companies delivering essential public services have no interest in contributing to longer term skills strategies.

Both Federal and State Government procurement policy is deficient, and where they do provide for requirements around apprenticeships they are never enforced or audited.

Lastly, the Government has made it illegal for employers and Unions to agree on ratios of apprentices in the construction sector or even for a workforce to request it. Abolishing the Building Code would be one of the simplest actions which could deliver more apprenticeships immediately.

2.5. Impacts of Vouchers

Students / parents are not competent to choose schools and to assess the quality of education provided, either because they are likely to be seduced by flashy marketing or because issues such as the curriculum are a matter for professionals.

Choice in education is limited by geographical factors in many areas. In rural areas there is often one RTO within reasonable travelling distance or no RTO at all.

All a voucher will do is to allow students to state their preferences. If particular RTO's are over-subscribed, then the actual decision will be made by someone else. Increased parental choice, if required, can be provided for administratively without the need for a complicated system of vouchers. One of the fundamental lessons about parental choice is that effective choice depends on resources. If there are sufficient resources to allow spare places in popular schools, then choice can be ensured without any need for vouchers. If no spare places are available, then a system of vouchers will not create them.

Preferences through a voucher system may be incompatible. Allowing choice to one student to choose their electives may deny it for another student. E.g. student A wants elective A and Student B chooses elective B. This may be impossible, because two small schools / classes will be hopelessly uneconomic.

The introduction of vouchers would be that the popular higher education would need to expand, contract more buildings, appoint more staff, whilst the unpopular RTO's would decline in number or even have to close. This will result in an inevitable waste and additional expenses with places available in half empty schools. In general, vouchers would confront schools with massive fluctuations in funding and enrolment, meaning that teachers would suffer from non-professional interference and job insecurity.

Vouchers also have the capacity to incentivise educators, their management and RTO's to provide outcomes that guarantee more vouchers rather than better outcomes.

Large established public education institutions with the requisite amenities, parking, public transport community infrastructure may be sidelined to smaller RTO's without the requisite community infrastructure therefore outsourcing costs (students, usually low paid, now pay extra for transport & parking and have limited amenity). This can also flow to nutritional impacts, access to well-resourced library's, study spaces, established mentoring programs etc.

Vouchers would increase division because voucher models contain mechanisms of economic and racial segregation. Society, from a moral and political view, may decide that choice on the basis of racial grounds is unacceptable, but choice on the basis of curricula, religious and moral values, or intellectual ability will lead to outcomes that strengthen segregation. Families that are better-off will be more likely to take advantage of school choice, leaving lower socioeconomic and disadvantaged background students with limited choice within the remaining available places in lower performing facilities.

A voucher scheme is that it would be accompanied by practical difficulties, especially because of additional administrative efforts. Vouchers imply a large effort in terms of keeping track of individual training careers.

2.6. Implementing an Expanded Loans Scheme

There is simply no place for VET Student Loan schemes in delivery of apprenticeship training. Apprentices are charged out by employers to their clients. Asking a low paid apprentice to subsidise their own employment is entirely unreasonable. Furthermore, the 'Tools for your trade' scheme that

was abolished in 2014 should return and 'Trade support loans' saddling apprentices with debt at the beginning of their working lives should be abolished.

2.7. Implementing New Support Arrangements for Trade Apprenticeships

Does the nature and size of the 'apprenticeship problem' merit new policy measures?

Prior to the advent of the COVID-19 crisis, the decline in the numbers of apprentices & trainees was a serious concern to Australian unions and we had been advocating for meaningful action from government for quite some time. Unfortunately, this has taken on an even greater level of urgency due to the Coronavirus pandemic. While the impact of the virus is hard to judge accurately, due to significant issues with data lag and availability, affiliated unions across multiple industries are reporting significant anecdotal evidence of widespread apprentice layoffs, suspension or cancellation of training contracts and the return of apprentices to group training organisations. The reality is that the measures in place prior to the crisis had failed to increase apprentice numbers or even to effectively slow their steady decrease. If these measures were not effective in a pre-COVID environment, it is not clear how they would begin to work in our current situation. We utterly reject the notion that apprentice pay and conditions, which are already low, are in any way responsible for the current situation and we have never seen any evidence that this is the case. It is our view that new measures are needed which address the true causes of falls in apprentice employment, namely:

- Low apprentice pay (which acts as a disincentive for many young people to take up an apprenticeship)
- Poor quality training experiences and workplace environments – these factors cause many apprenticeships to end prior to completion
- The low cultural esteem associated with undertaking an apprenticeship
- The ease of accessing temporary workers with no requirement to train local workers
- As identified by the Commission, the lack of pastoral care and mentoring for apprentices.

2.8. Assessing Streamlining Options

Whilst the concept of better coordinated and streamlined information on multiple apprenticeship incentives in States and Territories makes sense, it ignores providing a similar service to the Apprentices themselves. In the ETUs experience, the Australian Apprenticeship Support Network (AASN) has largely proven to be little more than an employer advocacy body that has failed continuously to uphold the rights of apprentices or deliver better apprenticeship outcomes.

Without a review into AASNs and how effective they have been at managing the experience of apprentices, including how Unions can participate in any advisory capacity to AASNs, then we are unable to support further tasks being allocated to them.

2.9. Employer Incentives Targeting Disadvantaged Groups

The benefits of improving diversity in the workplace are well established, however employers should not be provided employer only financial incentives for these programs as they will likely deliver perverse outcomes. These programs should be done in partnership with relevant Unions, civil society and support networks to ensure they have the maximum opportunity to be successful and to avoid gaming of the system.

We note our earlier remarks in this submission on the Governments Building Code making it unlawful for workers and their employers in the construction industry agreeing to programs and ratios to address diversity in the workplace.

2.10. Apprenticeship Support Network Service Delivery

The ETU believes evaluating the AASN contracts to assess how recently revised arrangements have affected the efficiency of service provision and outcomes for users is urgent. A more in-depth review than just how the recently revised arrangements are impacting is also required, including focusing on the culture of the organisations and their lack of support for apprentices.

2.11. Flexibility Allowed by Training Packages

The abolition of Industry Skills Councils was and remains a blight on the VET sector. We had an industry led system that was tri-partite in nature. This has been replaced by a framework that relies heavily on in-kind contribution, is complex, disconnected and fragmented.

We need to move back to a truly industry led process of skills development that ensures that industry really is the caretaker of skills, apprenticeships and training.

2.12. Pathways and Transitions

VET in schools for electrical trades has not proven to be overly successful in producing work ready skills, although in some cases, insight has been given into what it would take to complete an apprenticeship.

Careers advice to students is important and if National Careers Institute can facilitate this function it would be useful, however we would refer to our points at 2.2 above on the need for programs which allow students to meet apprentices and tradespersons of similar backgrounds. Industry led support for advocacy, pastoral care and mentoring is essential.

2.13. Evidence About Mentoring and Pastoral Supports

The ETU has previously supplied to the Commission a copy of the Energy Industry Apprenticeship Progression Management System (EIAPMS) report and we would urge the Commission to review the report in its entirety, noting there is evidence that industry specific mentoring improves completions and assists in the overall wellbeing and success of apprentices.⁴

2.14. Investment in Public Provision

As previously mentioned, the ETU is of the firm view that public funding for VET should be allocated on the basis 70% to public providers. This is in line with the other Unions, including the ACTU and Australian Education Union. Furthermore, the remaining 30% of funding should only go to not-for-profit industry led providers.

2.15. The Challenges of Online Delivery

Online delivery has no place in delivery of the apprenticeship training package. The ETU is not opposed to modernising resources and techniques utilising blended learning models; however, it is critical to trade apprentices that face-to-face contact learning remains.

Any on-line delivery to electrical apprentices is not supported by industry. They are trade based qualifications and occupations in high risk industries where the consequences of mistakes can be disastrous for workers and consumers.

⁴ [EIAPMS - Final Report](#)

2.16. Impacts of COVID-19

Approximately 23,000 apprentices have lost their training contract since March 2020 showing the structural weaknesses in the apprenticeship system and emphasizing the purpose, capacity and efficacy of the Australian Apprenticeship Support Network.⁵

The lack of pastoral care support services for apprentices and the fact that AASNs appear to be pursuing the signing of training contract suspensions without considering the best needs of apprentices is alarming.

The lack of in-time accurate data makes it difficult to react to situations like the COVID-19 pandemic is presenting.

If we do not keep apprentices engaged and, in their jobs, then the likely impact in years to come is going to be skills shortages. This does not mean it is the time to try and enforce short cuts to trade based apprenticeships, the entry to the electrical industry is an apprenticeship, we need to make sure that apprentices are still engaged in employment. We can then focus on upskilling existing trade workers such as electricians into renewable energy sectors.

⁵[Ibid](#)