

Corangamite Jobs and Skills Roundtable

Insights to inform the Employment White Paper

Hosted by:

The Hon. Brendan O'Connor MP - Minister for Skills and Training
and

The Hon. Libby Coker MP – Member for Corangamite

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INTRODUCTION

Energy Skills Australia is an independent, not for profit, bipartite company committed to supporting high quality training and workforce development within and beyond the energy industries.

Established by industry for industry in 1995, we have been servicing the energy industry for 27 years and look forward providing advice and expertise long into the future as employers and workers grapple with the impending workforce challenges across the energy sectors.

On behalf of Energy Skills Australia, I would like to thank the Honourable Libby Coker MP and the Honourable Brendan O'Connor MP, Minister for Skills and Training for the opportunity to participate in the Corangamite Jobs and Skills Roundtable.

I hope the submission helps in informing the Employment White Paper which will be critical to improving Australia's productivity performance, meeting the skills needs of Australian businesses, and providing Australians with access to higher-paid, higher-skilled jobs in an equitable and sustainable society.

The Albanese led Australian Government went into the election with an ambitious Powering Australia plan which includes new targets set for emissions reduction of 43 per cent by 2030 and to net zero by 2050. Assisted by National Electric Vehicle and Battery strategies (noting that consultation has recently begun), \$20 billion of investment into the electricity grid and funding for 10,000 new energy apprentice placements helping meet the pending skills requirements that workers and business needs to drive and share in the nation's prosperity.

Energy Skills Australia welcomes the focus on energy and congratulates the Federal Labor Government for the progress already made in a short period of time, including the outcomes of the recent Jobs and Skills Summit.

We are conscious of the challenges presented as our sector is confronted by technological advancements, increased uptake of small and large-scale renewable energy generation, transmission and distribution networks with ageing infrastructure and the need to rewire the nation as we make progress towards an increasingly electrified nation.

Although the challenges seem daunting, the opportunities for workers and business as in our industries as we transition to a greener economy are immense. We must present better opportunities for women and indigenous people to join our industry by addressing some of current barriers and afford the same opportunities to workers to upskill or reskill in areas of traditional power generation.

We will aim to keep the submission as brief as possible and will focus on the energy sectors that we have in depth experience of whilst maintaining a link to both local Corangamite skilling and employment strategies, as well as more broadly in the national context.

MAINTAINING FULL EMPLOYMENT AND GROWING PRODUCTIVITY

Full employment can be broadly defined as “*anyone that is willing and able to work is gainfully employed*”. Of course, it is much more complex than that, particularly when full employment is linked to unemployment, where the measure of someone employed is as little as one hour per week. Often making underemployment and casualisation a much more relevant topic for discussion.

That aside, we now have a Federal Government that is committed to reducing carbon emissions, with an agenda that will provide surety and investor confidence that will help drive productivity within the energy industries and throughout the economy.

With projections of 64,000 direct jobs and up to 600,000 indirect jobs forecast across the growing renewable, electrotechnology and energy sectors by 2030 through the government’s Powering Australia plan, maintaining full employment for electricians, line workers, cable jointers and other associated electrical tradespeople is not expected to be difficult for many years to come.

The challenge in fact, will be the reverse. How are industry as a whole going to find the electrical workers to meet the growing opportunities that exist within the ever-expanding scope of projected work.

An electrician can work across a broad range of industries and businesses, including domestic, commercial and industrial construction; the energy supply industry in transmission and distribution, traditional generation, small and large-scale renewable energy generation and manufacturing.

To assist in maintaining full employment long term and growing productivity, licenced electrical workers will need ongoing skills maintenance through continuing professional development (CPD) programs. This will help to ensure workers have necessary knowledge of technological and legislative changes as the economy transitions towards net zero.

Consideration should be given to development of a national electrical licensing scheme. A system where the highest of safety and licensing standards are upheld, creating opportunities for workforce mobility where workers can provide flexibility of their skills across jurisdictions, enterprises and industries encouraging growth in the economy.

Earning the social licence from workers, families and communities in traditional coal mining and power generation communities should not be taken lightly. Ensuring opportunities for up-skilling and re-skilling will be fundamental, as will the ability for these families to uphold a similar income while contributing to a productive Australia.

Recommendation 1

Develop a national electrical licensing system in consultation with Unions, Employer Associations, State and Territory Electrical Licensing Regulators and industry bodies such as Energy Skills Australia.

Recommendation 2

Develop a national continuing professional development program for licensed electrical workers to ensure ongoing skills maintenance.

Recommendation 3

Establish a tri-partite Energy Transition Authority enabling community input from coal regions, ensuring voices are listened too and the social licence is gained as we transition the energy sector.

BOOSTING JOB SECURITY AND WAGES

The construction industry is generally transient in nature. This includes electrical workers building critical infrastructure to grow productivity through both small and large-scale renewable energy projects, new transmission and distribution powerlines, homes, major projects such as rail, tunnels, airports and hospitals.

Job security, wages and conditions vary considerably across these areas. In cases of high union membership, negotiated enterprise bargaining agreements (EBAs) often set the benchmark for workers across these industries.

In regional and remote areas of construction, particularly large-scale solar generation, there are examples lower wages, decreased job security and overall lower productivity due to high workforce turnover and poor treatment of construction workers, making it difficult to attract workers.

There is some evidence to suggest that higher wages could be achieved through sectoral bargaining in growing industries such as renewable energy.

Establishment of a tri-partite National Forum for the Construction Industry would provide an avenue for industry bodies and government to address critical issues within the sector.

Recommendation 4

Establish a tri-partite National Construction Forum with oversight of the entire industry including workforce development, migration, skills and training and occupational health and safety.

LIFTING PARTICIPATION AND REDUCING BARRIERS TO EMPLOYMENT

Electricians have been in demand for many years. The Powering Australia agenda will undoubtedly exacerbate this situation. It is therefore critical that the energy and electrotechnology industries piece together an overarching workforce development plan to address the impending crisis.

In conjunction with a sound skilled migration policy and increasing electrical apprentice numbers, we must also look at providing solutions for workforce participation from female, indigenous and culturally and linguistically diverse (CALD) workers.

Recently, programs aimed at increasing participation from these sectors have been moderately successful. Female apprentices enrolled in the Certificate III in Electrotechnology Electrician qualification has increased to 5.5% of the total number of apprentices, up from 2% only a few years ago. According to the latest data available from the National Centre for Vocational Education and Research (NCVER), there are currently 42,394 apprentice electricians of which 2,351 are female.

To increase participation and call upon an entire gender to help provide a solution, we need to introduce procurement policies with targets that make a difference. We also need to make sure that compliance with the targets is enforced.

It is of course, not just procurement policy that is needed. Industry also needs to reduce barriers for women by providing basic amenities for workers in workplaces from the beginning of every job. Adequate facilities to go to the toilet and basic rights to sanitisation are fundamental.

The education process needs to start from an early age. School careers advisors must stop portraying university as the preferred pathway to employment and focus on the opportunities in the growing clean energy sector.

Pilot programs to increase participation of women, indigenous and CALD workers should be implemented on a national scale.

Recommendation 5

In conjunction with industry, develop a national procurement framework with meaningful target to increase participation of female, indigenous and CALD workers.

Recommendation 6

Drawing on previous trials, implement a national pilot program to increase the uptake of female, indigenous and CALD electrical apprentices within the industry.

Recommendation 7

Develop careers advice and school's programs to raise the profile of a career in clean energy for all Australians.

DELIVERING A HIGH-QUALITY WORKFORCE THROUGH SKILLS, TRAINING AND MIGRATION

Developing an overarching skills and workforce development strategy is going to be key to ensuring Australia can reach the target of net zero by 2050. Energy Skills Australia commends the Federal Government for recognising the urgency and gravity of the situation and for the work done to commence the process.

Although we have touched on some of the skilling themes throughout this paper, particularly increasing opportunities for workforce participation, the reality is there is not just one solution for the impending problems we face in the transition to clean energy. The solutions will be many, but the overarching plan must encompass all.

Completion Rates

As previously mentioned, there are currently 42,394 electrical apprentices in training. The reality is the completion rates of apprentices undertaking trade qualifications is at 55.7%. This means almost one out of every two apprentices do not end up completing or to put it another way, one out of every two taxpayer dollars is a wasted opportunity.

There are many reasons for this and they are often nuanced, however our research over many years points us to a number of reasons for non-completion.

1. Employment related reasons (difficulty with employer, poor working conditions)
2. Low pay
3. Suitability for the occupation
4. Lack of mentoring (both industry specific technical and pastoral care)

We should draw on previous experience and outcomes to better prepare us for the future. From 2013-2015, Energy Skills Australia was funded by the previous Labor Government to deliver a pilot looking to lift the completion rates of electrical apprentices. Known as the Energy Industry Apprenticeship Progression Management System (EIAPMS), the pilot was successful in increasing the retention rate of electrical apprentices to 93%.

The EIAPMS pilot included 1549 apprentices across 943 employers in every jurisdiction in Australia.

The success of the pilot can be put down to the methodology used and the resources developed:

1. Readiness Assessment Test - An entry level web-based industry specific aptitude test, with practice assessments and tutorials. This helped to identify

areas where apprentices could be targeted with remedial assistance and support to help with their studies and completions

2. Industry specific mentoring services - Providing technical advice, pastoral care and wrap around services for apprentices
3. Blended learning - Development of high-quality learning and assessment resources modernising electrical training for apprentices and Registered Training Organisations (RTO). Mapped to the training package and electrical licensing requirements
4. E-Profiling - Measuring apprentice skills on the job. Mapped to the training package to allow better understanding of theoretical skills and how they are put into practice in the workplace
5. Industry Benchmarks - Mini capstone tests that help apprentices embed their knowledge learnt throughout to become safer, more knowledgeable and efficient electricians

Currently we have a number of Australian Apprenticeship Support Network (AASN) providers who are ineffectively providing some of the services to help completion rates such as mentoring, pastoral care and job matching.

As a nation, we should be looking at more effective ways to boost completion rates of apprentices. This will increase long term cost savings to the government, provide young people more opportunities to contribute to society and give business the skills they need to help transition to net zero by 2050.

The Federal Government should invest in the trial of a Powering Australia Apprenticeship Support Network.

We need a network that will provide industry leadership, stewardship and expertise, focussing on mentoring, pastoral care, technical guidance, industry linkages and credible advice to ensure apprentices are well trained and completing their trade.

Recommendation 8

Implement a trial of a Powering Australia Apprenticeship Support Network that can provide administrative functions, industry specific mentoring, pastoral care and job matching.

Industry Clusters

The agenda has been set. There are targets to reach net zero, there are new Renewable Energy Zones opening up, we are rewiring the nation. It is absolutely critical that a Powering Australia Industry Skills Cluster is fostered.

Energy Skills Australia is the Industry Skills Council for the Energy Sectors. We have a long history of developing training products and workforce skilling strategies. We have deep connections with the industry and RTOs around the country and we will continue to be involved in the development of training products long into the future.

Industry must be at the heart of training development and implementation advice for RTOs. Energy Skills Australia contributed heavily to the development and application for the Energy, Renewables and Emerging Technologies (ERET) Industry Skills Cluster. Should this cluster be successful, we envisage providing ongoing industry support and expertise to the cluster.

Recommendation 9

Ensure there is a stand-alone Powering Australia Industry Skills Cluster to provide leadership, expertise and guidance in the development and administration of training products.

Migration

Skilled migration will be an essential part of the solution to provide the capability we need moving towards the clean energy transition and electrifying the nation.

The importance on ensuring workers from overseas are familiar with Australian Standards, regulations and licensing cannot be understated. When it comes to electricity, there are often no second chances.

That's why in collaboration with industry and Trades Recognition Australia, Energy Skills Australia created two accredited courses used for skilled migration purposes, namely:

1. 10809NAT Electrician – Australian Minimum Context Gap Training
2. 10878NAT Refrigeration and Air Conditioning – Australian Minimum Context Gap Training

Unfortunately, the previous Federal Government closed down the Trades Recognition Services (TRS) scheme, which assisted overseas workers having their skills assessed onshore. It is also not clear on if it was disbanded, but the tri-partite Trades Recognition Australia (TRA) Committee has also not met for several years. These should both be re-established as a priority.

The urgency for the transmission network to be upgraded is also providing numerous skills shortages in Australia. Currently there is no Australian Minimum Context Gap Training for overseas line workers to undertake.

Recommendation 10

Re-establish Trades Recognition Services (TRS) to assess overseas workers already in Australia.

Recommendation 11

Re-establish the Trades Recognition Australia (TRA) migration committee to provide expertise on pathways for migration.

Recommendation 12

Re-establish Australian Minimum Context Gap Training for overseas line workers.

TAFE/RTOs

It is certain that TAFE should play a significant role in developing the skilled workers of the future. Underfunding of the public institutes coupled with marketisation of Vocational Education and Training (VET) has led to an increase in for-profit training providers using unscrupulous practises to monetise the sector.

Unfortunately, the capital investment required to upgrade equipment within TAFE to ensure renewable energy training is delivered to apprentices and licensed electricians is problematic.

It may be worth investing further into not-for-profit industry owned renewable centres of excellence, such as Electrogrouop in Qld. Owned jointly by Master Electricians Australia and the Electrical Trades Union, this state-of-the-art facility is due to open in the coming weeks and may provide a blueprint of what is required to deliver the skills at a local level.

If we are to get this right and meet the workforce requirements over the next 20-30 years, then it is worthwhile doing research at the beginning to get the investment right.

Recommendation 13

Undertake a feasibility study to determine how to best train the workforce for a clean energy future.

MAXIMISING OPPORTUNITIES IN THE INDUSTRIES OF THE FUTURE

There is a great opportunity to reinvigorate the manufacturing sector in Australia. Investment confidence is high now that there is a government willing to take action on climate change. We need to capitalise on this and ensure that we begin to manufacture renewable energy components here.

In the not-too-distant future, we will also be needed to look for innovative ways to recycle or reuse renewable energy components that are nearing their shelf life. Encouraging investment into the circular economy is also a major part of a clean future.

There is increased opportunity for establish publicly owned renewable generation assets, ensuring as a nation we can provide reliable cheaper clean energy.

Recommendation 14

In consultation with manufacturing and energy industry stakeholders, develop strategy to invest and build things locally. Outcomes should be incorporated into Federal Government procurement policy.

Recommendation 15

Invite initiatives and investment into the renewable circular economy.

CONCLUSION

Energy Skills Australia appreciates the opportunity to provide input into the Corangamite Jobs and Skills Roundtable.

The economy is transitioning to a clean energy future and developing opportunities for all Australians to contribute is no small feat.

There are numerous challenges ahead, particularly finding the workforce to undertake the Powering Australia plan. What is certain, is that industry must be at the centre of the plan. Employers, Unions and Government on the same path, working together collaboratively to ensure we can deliver the outcomes and provide avenues for secure employment, reskilling coal workers, increased female and indigenous participation on our way to a recharged economy.

We have provided a list of fifteen recommendations for consideration to ensure we have our best foot forward as a nation as we transition.

Feel free to contact Energy Skills Australia for further information on the below details.

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