ENERGY SKILLS

AUSTRALIA

Submission to the Senate Standing Committee on Legal and Constitutional Affairs - *Inquiry into the current framework and operation of subclass 457 visa, Enterprise Migration Agreements and Regional Migration Agreements*

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E-Oz Energy Skills Australia

E-Oz is the Government's declared Industry Skills Council for the energy sector trades, responsible for the maintenance of the national Electrotechnology, Electrical Supply Industry – Generation, Electrical Supply Industry – Transmission, Distribution and Rail, and Gas Supply Industry Training Packages.

These, as all, national Training Packages document work performance standards established by panels of industry experts to aligning with workplace roles. They document expected workplace outcomes required by employers, which are used to recognise and assess whether an individual has skills and knowledge required to perform effectively in the workplace.

In addition to the maintenance of Training Packages, E-Oz represents the energy sector in training related matters. This submission is informed by that mandate and is limited to training related implications of 457 visas, Enterprise Migration Agreement and Regional Migration Agreements.

Skilled migration

Skilled migration, whether temporary or permanent, provides an important tool for industry to access the skills it needs to meet unexpected peaks in demand. While training workers to Australian standards through national qualifications is industry's preferred method for developing the skills it needs, the long lead time in developing high level technical skills can make this method insufficiently responsive to short term fluctuations.

For this reason a robust skilled migration policy should supplement a sustained investment in education and training, to ensure that the Australian workforce meets the skills demands of industry and sustains the global competitiveness of Australian firms.

The key requirement of this approach is ensuring that applicants have the skills needed to contribute to productivity. This is a two step process;

1. Identifying which skills are required
2. Assessing applicants to ensure they have those skills

It is essential that both of these processes are robust, to ensure that skilled migration processes achieve their aim providing skills which benefit Australian business.

Skills Accounting

The competency based training system in Australia supports the identification and assessment of skills through a collection of recognised industry standards for work performance.

National Training Packages, developed through close consultation with industry, are built from 'units of competence' which describe the workplace standards for specific tasks. The 'unit of competence' is assessed to have been achieved when the student demonstrates competence in the task. This makes the granting of an Australian qualification the clearest recognition of competence in a workplace role (defined as proficiency across an identified group of tasks).

By using these identified industry standards as the basis for a skills, knowledge and practical performance assessment; it is possible to reliably gauge an applicant's skill level against industry requirements. It also means that skills assessment is fair and uniform, as each applicant is assessed on their merit, and does not require a complex set of equivalency tables for each different country.

Because the system is based on work experience and the practical demonstration of skills (hands-on assessment), it is not necessary to create complex equivalency tables between qualifications from each individual country.

(a) Their effectiveness in filling areas of identified skill shortages and the extent to which they may result in a decline in Australia's national training effort, with particular reference to apprenticeship commencements

For individual enterprises and industry more broadly, the skills outcomes of a 457 and an apprenticeship are very different. The 457 is, and should, be designed to meet a specific short term need, while the apprenticeship provides a cost effective method for recruiting which allows the employer to contribute to the skill development process. Obviously a much more long term prospect.

This makes the 457 (with appropriate methods for identifying applicable skills) an essential tool in meeting recognised peaks in skill demand without compromising the longer term benefits of apprenticeship employment.

(d) The process of granting of these visas and their impact on local employment opportunities

The Offshore Skills Assessment Program provides an industry and regulator approved model for assessing the skills of aspiring migrants while in their home country. Although currently limited to nominated qualifications (about 20) for a select group of countries (12), E-Oz believes that the process for granting visas would benefit from extending this model to all 457 applicants; by verifying the applicants skill levels again recognised occupational standards in a uniform and systematic manner.

Assessment is carried out offshore by an approved Australian Registered Training Organisation (RTO) against competencies in the relevant Training Package. The assessment is based on formal and structural recognition of prior learning. Those who successfully completing a skills assessment will receive an Australian qualification for non-licensed trades or an Offshore Technical Skills Record (OTSR) for licensed trades.

The Offshore Skills Assessment Program including Offshore Technical Skills Records (OTSRs) is managed by Trades Recognition Australia (TRA). TRA, a business unit of the Australian Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), is the relevant assessing authority for nominated occupations under the Migration Regulations 1994.

The OTSR is recognition of technical competence only, in appreciation of the fact that it is almost impossible for foreign workers have the knowledge/experience with the Australian standards required to work in a safe and compliant manner. Because the assessment focuses only on technical knowledge and not country specific work practices, applicants are not assessed against any complete units of competency.

Once in the country, migrants can then be recognised for the full qualification by completing 'minimum context gap' training to contextualised their established technical knowledge to local regulatory structures and work practices.

Electrical Regulators are especially concerned that the gap be addressed in regulated trade vocations such as electrical, refrigeration and air conditioning, electricity linework and cable jointing, where the work context may differ markedly in overseas countries and where such differences could endanger lives, infrastructure or systems.

(g) Whether better long-term forecasting of workforce needs, and the associated skills training required, would reduce the extent of the current reliance on such visas

Skills forecasting is an important tool for directing the nation's workforce development effort, particularly in making the most of public investment in skills and training. Improving our national forecasting ability, through accessing up to date industry expectations (such as through Environmental Scanning) can improve the efficiency and effectiveness of the nation's investment in training.

The difficulty however is that skill demand is driven by the confluence of many factors including economic growth, new technology, political imperatives, consumer preferences, regulatory frameworks, disposable income as well as social and cultural trends. Assuming that we could ever reach the point where skills supply perfectly met labor demand is a convenient fairytale.

The second aspect involves the public appetite to apply conclusions of that forecasting. Skills forecasting is normally considered more appropriate as advice not prescription.

For these reasons forecasting is unlikely to remove the need for temporary workforce development measures, although it may mitigate that need.