



**MASTER BUILDERS
AUSTRALIA**

Submission to the
Department of Employment and Workplace Relations

Australian Skills Guarantee

January 2023



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Introduction

Master Builders welcomes the opportunity to provide input to the design of the Australian Skills Guarantee.

In our view there are two key considerations which need to underpin the design. The design of the Australian Skills Guarantee needs to:

1. ensure its purpose is fulfilled, that being Government investment helps to train the next generation of skilled workers.
2. ensure the purpose can be delivered without introducing burdensome or duplicative compliance and reporting obligations on business.

Master Builders agrees that Government investment should assist to train the next generation of workers and supports the aim stated in Chapter 6 to minimise the regulatory burden on suppliers and sub-contractors by only requiring the collection of key data for reporting and compliance, and to leverage existing systems as much as possible.

Trainee and apprentice pathways are well established and operate successfully in the building and construction industry. 10.4 per cent of the building and construction workforce is employed as an apprentice or trainee, more than any other industry sector.¹

To maximise policy outcomes, the Australian Skills Guarantee should focus on lifting training in industry sectors where engagement is low.

This includes the public sector workforce. The Government should be an exemplar by modelling the Australian Skills Guarantee within its own workforce. Currently the proportion of the Defence workforce (ANZSIC 7600) employed as an apprentice or trainee is 6.7 per cent for and just 0.1 per cent for the broader Australian Government (ANZSIC 7510).²

This submission provides feedback on the topics covered in the Discussion Paper.

¹ *Apprentices in training 30 June 2022 (NCVER Apprentices and Trainees, June 2022) as a proportion of the workforce size at May 2022 (ABS, Labour Force Detailed, November 2022);*

² *Ibid.*

Recommendations

Master Builders recommends:

- redirecting the proposed implementation of the Australian Skills Guarantee to lift training in industry sectors that have low apprentice and trainee participation.
- a tiered approach to financial thresholds for the Australian Skills Guarantee, with a higher threshold of \$50 million for Construction Services contracts in recognition that these contracts are typically of higher value than procurements in other sectors.
- initiatives to grow the pool of female workers across the whole construction industry rather than implementing rigid targets at the single project level as this approach leads to poaching between sectors (for example, private projects to public projects). Options could include non-price criterion proposals in tender applications or looking at the whole of entity workforce not just those engaged in a project.
- continued government support for industry initiatives, such as Women Building Australia, to attract and retain more women in the building and construction industry
- reporting requirements for the Australian Skills Guarantee be as simple as possible and leverage existing data sources, for example reporting required by state and territory governments.
- the Australian Government lead negotiations on consistent workforce targets across all jurisdictions as part of negotiations for the 2024 Land Transport Agreement and the Housing Accord.
- the Guarantee for projects funded by the Australian Government, through payments to the state and territories, not be applicable if they are already subject to a state or territory workforce training targets, in line with the approach for Australian Industry Participation Plans.
- the Australian, State and Territory Governments enter into a National Partnership Agreement for Quality Careers Education to provide comprehensive, unbiased, and up-to-date careers education to secondary and senior secondary students.
- the Australian Skills Guarantee include a campaign to attract more people to apprenticeship pathways by promoting the great opportunities government investment is providing for young women and men to earn while they learn, develop skills and knowledge, and enter rewarding careers.
- the Government publish information on training quality and outcomes at the RTO and qualification level to enable students to make informed decisions about their training pathway and training provider, incentivise training providers to strive for excellence, and to inform decision making on funding for training delivery.

Section 1: Designing the Australian Skills Guarantee

The building and construction industry employs more apprentices and trainees than any other sector. It is also the only sector with over 10 per cent of the workforce employed as an apprentice or trainee.

The greatest opportunity for the Australian Skills Guarantee to make a lasting impact on training the next generation of workers is to focus on sectors with a low proportion of the workforce engaged in work integrated learning pathways.

Government contracts vary significantly in value depending on the nature of the project, to ensure the Guarantee can be effective across different industry sectors the design should take a tiered approach to the financial threshold.

Improving the gender balance in skewed industries must take a whole of industry approach and focus on growing the pool of workers. Implementing gender targets in sub-sectors prior to growing the pool is likely to result in movement of the existing workforce rather than overall growth, for example female construction workers moving from privately funded to publicly funded projects.

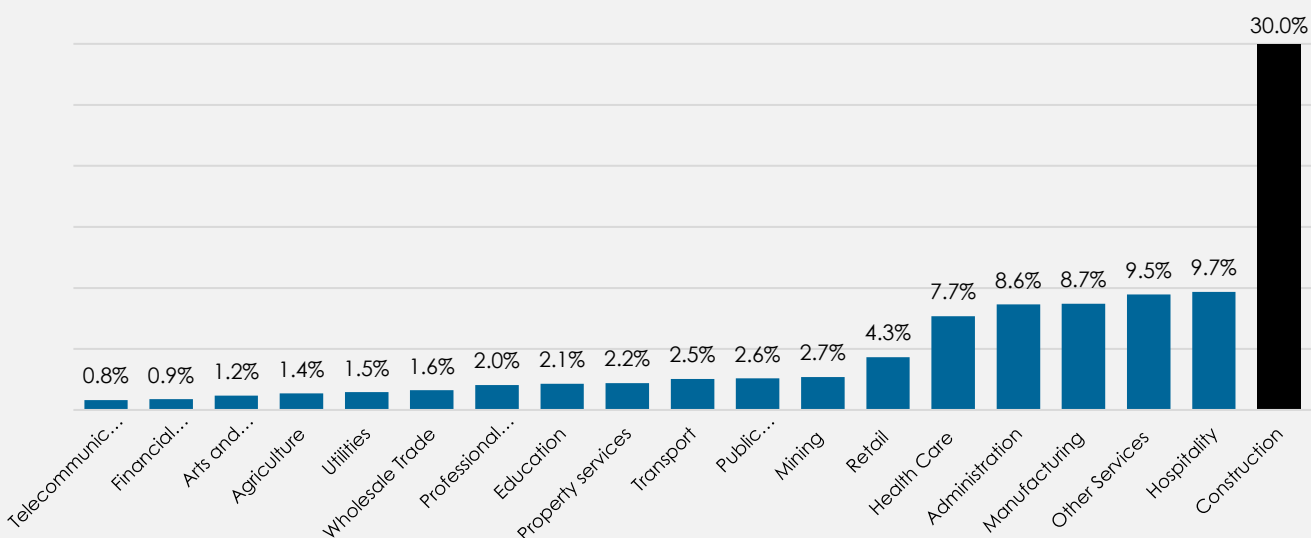
Design of the Guarantee

Work integrated learning pathways – including apprenticeships, traineeships and cadetships – are critical to ensuring the building and construction industry has a pipeline of skilled workers. Master Builders is a strong advocate of these pathways and ensuring they are inclusive and fit for purpose now and into the future.

Apprenticeship and traineeship pathways are well established and operate successfully in the construction industry. 10.4 per cent of the nearly 1.2 million people employed in the building and construction industry in June 2022 were an apprentice or trainee.³

The building and construction industry employs significantly more apprentices and trainees than any other industry sector. As of June 2022, three in 10 apprentices and trainees in-training in Australia were employed in construction.⁴

Distribution of apprentices and trainees in-training on 30 June 2022 by industry sector



Source: NCVER, 2022. *Apprentices and Trainees, June 2022*

³ ABS, 2022. *Labour Force, Australia, Detailed, November 2022*. NCVER, 2022. *Apprentices and Trainees, June 2022*

⁴ NCVER, 2022. *Apprentices and Trainees, June 2022*

The construction industry is clearly a strong supporter of work integrated learning pathways, already meets the proposed Australian Skills Guarantee, and has reporting requirements for state and territory funded major projects (which typically also have federal funding). Given this, Master Builders questions the need for an Australian Skills Guarantee for the building and construction industry.

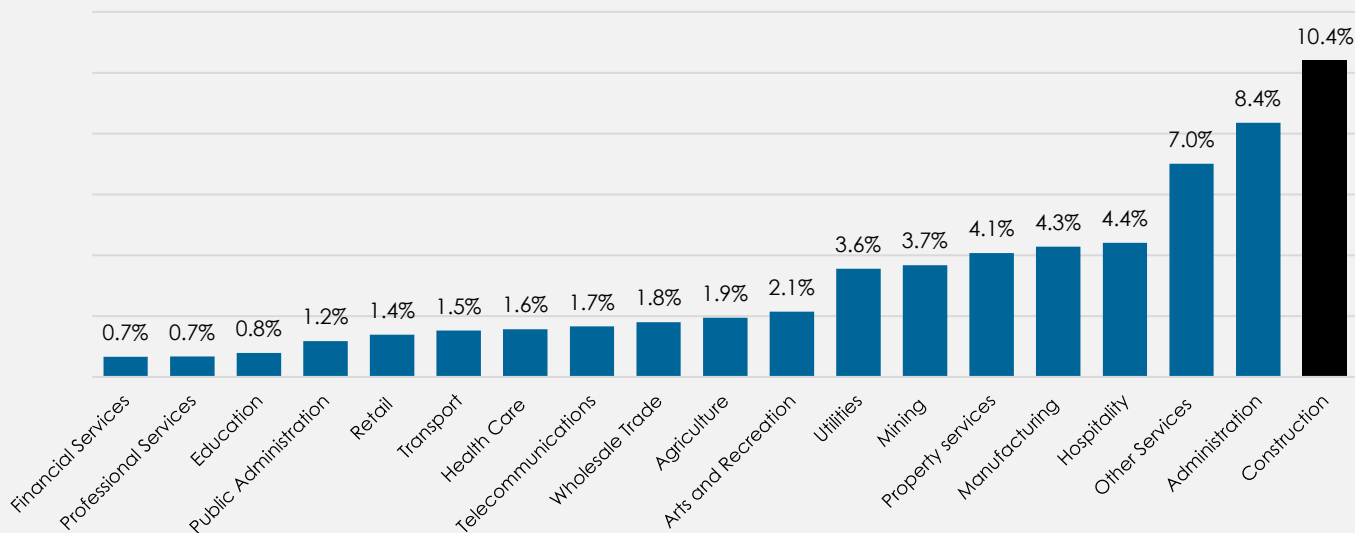
The discussion paper identifies a number of reasons for starting the Australian Skills Guarantee with the building and construction industry. These reasons are not compelling, as outlined below.

1. States and territories already have targets, so suppliers and sub-contractors have experience managing workforce targets.
 - Just because some businesses within the industry have experience managing targets is not a compelling reason to introduce more targets.

2. The industry is well positioned to meet the one in 10 target.
 - The construction industry already meets the one in 10 target. As of June 2022, 10.4% of the construction workforce were employed as an apprentice or trainee.
 - Applying the Guarantee to the only industry sector that currently meets the target is superfluous. The genuine need for intervention to help train the next generation of workers is in other sectors. For example, only 1.2 per cent of the Public Administration workforce and only 1.6 per cent of the Health Care workforce are apprentices or trainees.

3. The target would set a floor ensuring that apprenticeships and traineeships remain a critical pathway.
 - Apprenticeships and traineeships have a long and well supported history in the building and construction industry and there are no indications this will change.
 - In the current environment there is more demand for apprentices and trainees than available supply.

Proportion of workforce employed as an apprentice or trainee



Workforce size at May 2022 (ABS, Labour Force Detailed, November 2022); Apprentices in training 30 June 2022 (NCVER Apprentices and Trainees, June 2022).

Introducing an Australian Skills Guarantee for the building and construction industry would meet the purpose of ensuring Government investment helps to train the next generation of workers. However, this outcome would likely be achieved regardless of the Guarantee and therefore is adding an unnecessary compliance and reporting burden on employers.

Master Builders recommends the Department acknowledge the existing strong commitment of the building and construction industry to training the next generation of workers. Master Builders recommends the redirect the proposed implementation of the Australian Skills Guarantee to lift training in industry sectors that have low apprentice and trainee participation.

While the view of Master Builders is that application of the Guarantee to the building and construction industry is unnecessary, the remainder of this submission will address the areas of the Discussion Paper from the perspective of implementing the Guarantee in such a way that the purpose is met, and unnecessary compliance and reporting is minimised.

The Financial Threshold

The Discussion Paper proposes two options for the financial threshold of the Australian Skills Guarantee – \$7.5 million or \$20 million. One threshold is proposed for all types of projects for ease of administration. A single financial threshold may ease the burden for the Government but places a greater burden on the building and construction industry as its procurement contracts are typically higher in value.

In the previous Chapter, the discussion paper notes workforce metrics by industry should be considered when expanding the Guarantee to other industries and that alternative targets or timeframes may need to be considered. This considered and flexible approach should be extended to the financial threshold.

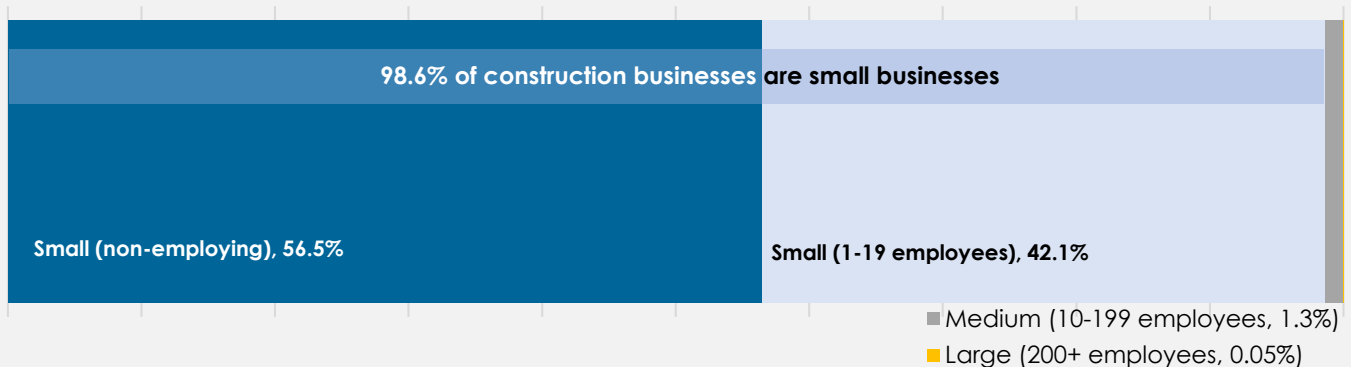
Master Builders recommends the Government take a tiered approach to the financial threshold for the Australian Skills Guarantee, with a threshold of \$50 million for Construction Services contracts. The objective of the Guarantee is to help train the next generation of workers. A Guarantee that is applicable to two-thirds of Construction Services contracts, but only a quarter of Computer Services contracts, and likely significantly less across some other industry sectors is not consistent with the policy objective.

While the Government engages contractually with the head contractor for major projects, it is not the head contractor that employs the apprentices, trainees or cadets required under the proposed Australian Skills Guarantee. The compliance and reporting burden will be passed down the line to those with the least resources to undertake it – small business employers.

Only six per cent of construction apprentices and trainees are employed in a large business (a business with 200 or more employees). The vast majority, 84,000 apprentices and trainees (nearly 70%) are employed in a small business (a business with less than 20 employees).⁵

In the construction industry, 98.7 per cent of the 445,000 businesses are small businesses. The small size of construction businesses is also reflected in their pattern of turnover. The majority (57.2 per cent) turn over less than \$200,000 per year and 1 in 5 (20.5 per cent) earn less than \$50,000. Just 1.4 per cent of construction businesses have annual revenues in excess of \$10 million.⁶

Construction businesses by size, percentage, June 2021



⁵ NCVER, 2022. *Apprentices and Trainees, June 2022*

⁶ ABS, 2022. *Counts of Australian Businesses, June 2021 (CAT:8165.0)*

Many small business operators, particularly in the construction industry, are great at their trade, but not so much when it comes to the regulatory and administrative side of running a business.

Employment requirements, tax requirements, business registration, building codes and standards, as well as licensing and other regulatory requirements are complex and use inconsistent language. These requirements are on top of administrative tasks such as marketing, business planning and scheduling. While larger businesses have teams of people to look after their finance, human resources, legal, procurement, strategy, and marketing, small business owners do not – small business owners wear all these hats while also, and critically, needing to do the revenue raising component of their business.

It is essential the Australian Skills Guarantee does not introduce superfluous compliance and reporting requirements, because these will ultimately fall on small business employers. **Master Builders recommends reporting requirements for the Australian Skills Guarantee be as simple as possible and leverage existing data sources, for example reporting required by state and territory governments.**

Workforce Targets

The Australian Skills Guarantee proposes that one in ten workers on major Australian Government funded projects be an apprentice, trainee or paid cadet, and that this be calculated using labour hours rather than headcount.

[Questions 6 and 8] Percentage targets can be problematic and lead to base level compliance, or worse, fighting over the same pool of resources – rather than potential solutions that go further to grow the pool of workers needed in the building and construction industry.

Feedback from a Master Builders Association:

State mandatory training levels on major projects has led to a revolving door of incomplete qualifications and low-level certification. This does not lead to ongoing employment opportunities and is particularly problematic in remote areas where the jobs leave after the project.

Cadets are difficult to include in targets as there is no registered education contract and they are more likely to be in head office working across multiple projects. This has excluded them from state targets and should be addressed.

An alternative approach to rigid percentage targets for each project could be to require a proportion of the contractor's total workforce to be in training. This would provide more flexibility, enable the inclusion of paid cadets, assist employers to prioritise longer-term apprenticeships and cadetships over shorter trainee programs, provide more options for ongoing employment rather than project-based jobs, and alleviate some of the pressure in thin markets.

Another option could be to include an appropriate non-price criterion in tender documents on applicable projects. This would allow industry to propose options that will assist government in achieving the outcomes sought – such as increased female participation, supporting apprentices and trainees, and upskilling workers in the industry. A suitable non-price criterion would allow industry to innovate and to offer project-specific solutions. This approach would require those assessing tenders to be appropriately trained, and a collaborative approach in delivering projects whereby the principal, head contractor, subcontractors and suppliers work together to achieve tendered proposals.

Workforce targets: One in ten

Notwithstanding that mentioned above, should the Government pursue specific targets, Master Builders would support the use of labour hours as this is consistent with the requirements of most state and territory governments.

In counting labour hours, the hours spent undertaking off-the-job training should be included. The time spent in education and training is an important, mandatory and paid aspect of undertaking an apprenticeship, traineeship or cadetship.

Consideration also needs to be given to the most appropriate way to count labour hours for apprentices and trainees employed by a group training organisation (GTO) and hosted by a business working on a major project. At present in Western Australia on-site labour hours for GTO employed apprentices and trainees are counted toward project targets, however, off-site-training hours are only counted if they are book ended by on-site work. A pro-rata allocation of off-site training hours to on-site working hours for GTO employed apprentices may better capture the off-site component of the apprenticeship or traineeship and should be considered.

Master Builders acknowledges there are challenges to including cadetships in targets, however, strongly advocates for their inclusion. The next generation of workers in the building and construction industry will include people that have taken a higher education pathway. For example, architects, civil engineers, surveyors, construction managers and many more. Ensuring work integrated learning pathways are available for higher education students is consistent with the policy intent of the Australian Skills Guarantee and will improve employment outcomes for graduates.

Master Builders supports the proposed definition for a paid cadet, that being:

A paid employee who is employed in an entry-level role and undertaking academic study through either the VET or higher education system towards a recognised qualification, where the employer has committed to providing the employee with on-the-job training and support to complete the specified course of academic study.

Workforce targets: Women in construction

There are a wide range of initiatives being led by governments and industry to encourage more women into the building and construction industry, and in particular into traditionally male dominated roles.

Initiatives such as Master Builders Australia's Women Building Australia program are helping to dispel misperceptions about the industry, encouraging more women to join the industry across all occupations by sharing the stories of women in the industry, supporting retention through mentoring, and nurturing career progression and business resilience.

These efforts are translating into more women in construction training pathways. In the year to 30 June 2022, 2,280 female construction trade apprentices commenced, the highest number on record and more than triple the 20-year average of 660 commencements recorded in 2016.⁷

While Master Builders and others have made head way toward improving the gender balance in the construction industry, continued efforts and commitment from all parties is required if we are to see long term and sustained change.

Master Builders is concerned that targets for females on government funded projects will lead to employers competing over the same pool of workers (such as poaching female workers from private sector projects to public sector projects), rather than expanding the pool. The focus, at least in the initial years, needs to be on growing the pool of female workers across the whole industry.

Victoria's Building Equity program has set targets for female participation on public projects over \$20 million. Under the program a minimum of three per cent of trade hours; 35 per cent of management, supervisor and specialist hours; and four per cent of apprentice and trainee hours must be undertaken by female workers. Feedback from industry in Victoria is that employers are fighting over the same pool of workers – female 'unicorns' that meet several of the reporting categories move from project to project and are frequently poached by employers. The pool of female workers is insufficient, despite efforts being made.

Master Builders recommends the Government consider options to grow the pool of female workers in the industry rather than implementing rigid gender targets at the single project level.

⁷ NCVER, 2022. *Apprentices and Trainees, June 2022*

For example, the Australian Skills Guarantee could:

- Require medium and large employers on government funded major projects to meet minimum gender percentages across their entire workforce. This could also include minimum percentages for males in administrative roles, as well as females in management, trade and other occupations.
 - Having targets across the workforce of a company reduces the likelihood of poaching from private to public projects and is therefore more likely to grow the pool of workers.
 - Restricting the application of targets to medium and large businesses reflects the greater diversity of roles within these businesses and their organisational capability to support female employees and to meet reporting requirements.
- Include non-price criterion in tender documents that enable industry to propose options to attract more females into the building and construction industry and therefore to grow the pool of workers.
 - For example, in Queensland there is a Tier 1 construction company that runs a school-based program for female students. Students are shown through the different stages and roles of construction projects to improve understanding and interest. This program is translating into women entering the industry.

Further discussion on women in construction industry is covered in Section 3 of this submission.

Section 2: Implementing the Australian Skills Guarantee

The broadest opportunity to drive training outcomes for the next generation of workers through Government procurement and funding agreement investment is to target the Australian Skills Guarantee to industry sectors that have low levels of engagement in training. Building and construction is the industry sector with the highest proportion of apprentices and trainees.

If the Government proceeds with applying the Guarantee to Land Transport Agreement projects delivered by the state and territories, then it should strive to align state and territory imposed targets in the 2024 funding agreement.

Similar to the approach taken for the Australian Industry Participation Plan, the Guarantee for projects funded by the Australian Government, through payments to the state and territories, should not be required if they are already subject to a state or territory target for apprentices, trainees or cadets.

The Discussion Paper proposes to implement the Australian Skills Guarantee in three stages.

Stage 1 (July 2023)	Guarantee applies to Australian Government procurements for new major construction projects.
Stage 2 (July 2024)	Guarantee applies to Australian Government procurements for new major IT projects. Guarantee applies to major projects under the Land Transport National Partnership Agreement and the Housing Accord.
Stage 3 (July 2025)	Guarantee applies to Australian Government funded projects in other industry sectors on a project-by-project basis or other National Partnership Agreements.

Implementation: Stage 1

[Question 14] While not a barrier to implementation per se, subjecting the building and construction industry to superfluous compliance and reporting requirements is not good public policy. The building and construction industry has a strong commitment to training and 10.4 per cent of the workforce are either an apprentice or trainee.

The building and construction industry should be held up as the exemplar for training the next generation of workers, not punished with unnecessary red tape.

[Questions 15 & 16] The proposed implementation approach, from one perspective, covers the opportunity for delivering the Guarantee. However, this is because the building and construction industry already meets the requirement for one in 10 workers to be an apprentice or trainee so delivering the Guarantee is merely getting business to report on what they are already doing. This is red tape.

The greatest opportunity for the Australian Skills Guarantee is to lift training in industry sectors that currently have low levels of engagement. This is not the building and construction industry. The building and construction industry employs more apprentices and trainees than any other industry sector – both in number and as a proportion of the total workforce.

Master Builders recommends the Department of Employment and Workplace Relations redirect the proposed implementation of the Australian Skills Guarantee to lift training in industry sectors that have low apprentice and trainee participation.

Implementation: Stage 2

Stage 2 of implementation proposes expanding the Australian Skills Guarantee to major projects under the Land Transport National Partnership Agreement and the Housing Accord.

Across the jurisdictions there is variation in apprentice, trainee, cadet, and other workforce targets for publicly funded construction projects. We note that this can make data aggregation and comparison difficult. Despite the variation, the aim is consistent – ensuring public infrastructure expenditure is supporting the next generation of workers in the building and construction industry to develop the skills and knowledge they need. An extra layer of targets with additional reporting requirements is more likely to add red tape than to enhance outcomes. As an alternative, **Master Builders recommends the Australian Government lead negotiations on consistent workforce targets across all jurisdictions as part of negotiations for the 2024 Land Transport Agreement and the Housing Accord.**

At present, Land Transport projects are subject to Indigenous Participation Plans (projects over \$7.5 million) and Australian Industry Participation Plans (projects over \$20 million).

To avoid duplication, Australian Industry Participation plans for projects funded by the Australian Government, through payments to states and territories, are not required if they are already subject to a state or territory Local Industry Participation Plan.⁸

A similar approach should be taken for the Australian Skills Guarantee. **Master Builders recommends that the Australian Skills Guarantee for projects funded by the Australian Government, through payments to states and territories, is not required if they are already subject to a state or territory target for apprentices, trainees, or cadets.**

To ensure public accountability, reporting on compliance against state and territory targets could be included as an outcome in the 2024 Land Transport Agreement. This would improve accountability as reporting and tracking of compliance would be published on the [Performance Reporting Dashboard](#).

The Government could also consider integrating targets for other agreements which have significant federal investment, such as Health Care (1.6 per cent of the workforce is an apprentice or trainee) and Education (0.8 per cent of the workforce is an apprentice or trainee).

⁸ Department of Industry, Science and Resources, 2022. *Australian Industry Participation Plans and Implementation Reports for Australian Government Projects: SmartForm User Guide for Organisations*.

Section 3: Increasing female participation in construction

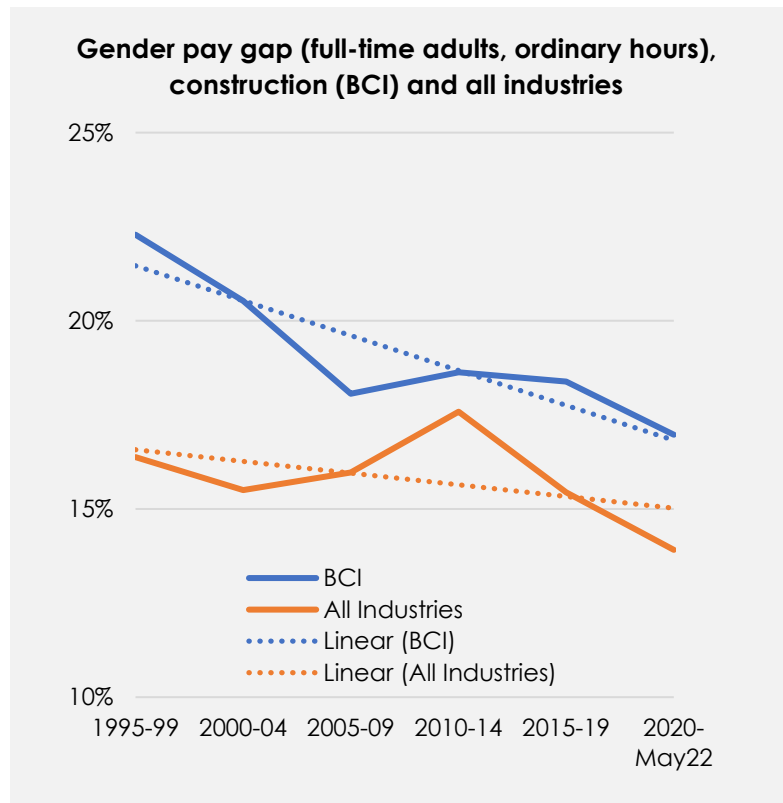
There are a wide range of initiatives being led by governments and industry to address the barriers to women entering and staying in the construction industry. These include Master Builder's Women Building Australia Program and Victoria's Women in Construction Strategy.

Progress is being made and there are more women in construction trades and apprenticeships than ever before. However, there is a long way to go to achieve gender parity and sustained efforts by government and industry is essential.

To meet future workforce needs the construction industry must ensure it is attractive to all workers regardless of their gender, age, or ethnicity.

The construction industry attracts more male than female workers. Improving the attractiveness of the industry to women presents a massive opportunity to increase the pool of potential workers. To fill job vacancies in the current environment of full employment and high workforce participation this is critical.

One concern is the gender pay gap in the building and construction industry. While the pay gap is higher than the average across all sectors, progress is being made and the gap is decline faster than average in construction.

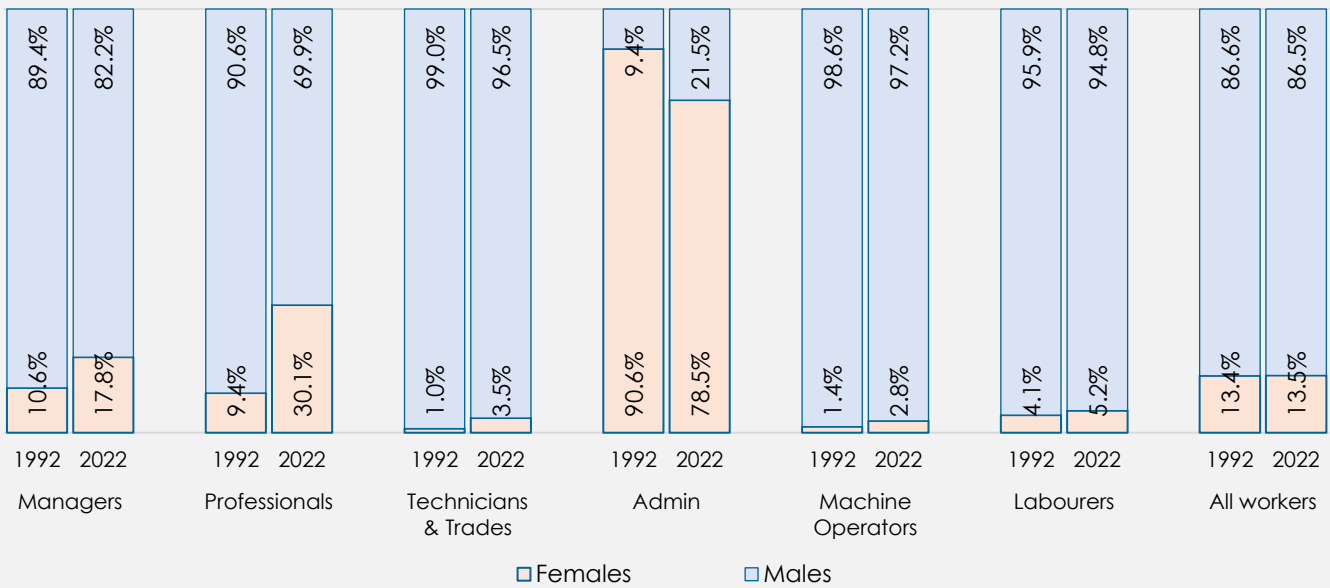


ABS, Average Weekly Earnings, 6302.0, May 2022.

Over the last 30 years, the proportion of women in the industry has remained in the 12 to 14 per cent range. At face value it may appear that progress is not being made, however this is not the case. As shown below, the gender gap in occupation groups was larger in 1992 than it is now. Over the last 30 years the divide has reduced. Proportionally more men now work in administrative roles, while more women work in all other occupation groups.⁹

⁹ ABS, 2022. Labour Force, Australia, Detailed, November 2022.

Share of construction workforce by occupation and gender, August 1992 and August 2022

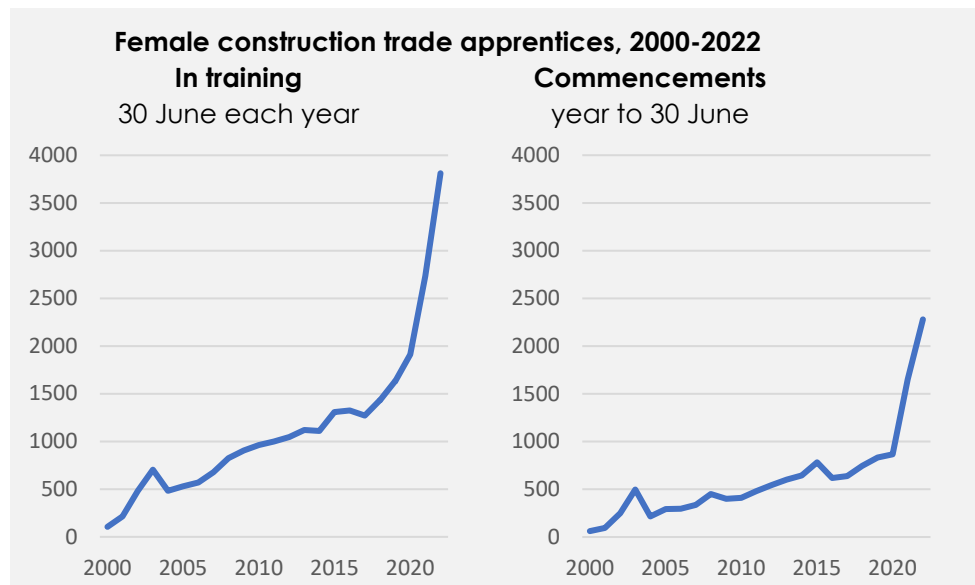


Source: ABS, Average Weekly Earnings, 6302.0. May 2022

The low proportion of women in some occupation groups presents an opportunity to meet future workforce needs. To harness this opportunity the barriers to female entry, recruitment and retention in the industry need to be addressed.

There are a wide range of initiatives being led by governments and industry to address these barriers to entry and encourage more women into the building and construction industry, and in particularly into traditionally male dominated roles.

These efforts are translating into more women in construction training pathways. In the year to 30 June 2022, 2,280 female construction trade apprentices commenced, the highest number on record and more than triple the 20 year average of 660 commencements recorded in 2016.¹⁰



While Master Builders and others have made head way toward improving the gender balance in the construction industry, continued efforts and commitment from all parties is required if we are to see long term and sustained change. The focus needs to be on attracting more women to the industry and addressing the barriers to their recruitment and retention.

¹⁰ NCVER, 2022. Apprentices and Trainees, June 2022

Women Building Australia

Women Building Australia (WBA) aims to attract the best workers to the building and construction industry, regardless of their gender, by promoting opportunities for women and employers and providing the information and support they need. WBA is an initiative of Master Builders Australia with funding from the Australian Government's Office for Women.

WBA Influencers	The WBA Influencers are tradespeople who understand and experience the realities of working in the industry, are successful, and have great passion for construction. These women are paving the way and supporting other women to enter the industry. Sharing their stories helps women outside the industry to understand what's possible and to see there are jobs and opportunities for women in building and construction.
WBA Ambassadors	The WBA Ambassadors are industry leaders who are passionate about changing the industry for the better by getting more women into careers in building and construction. Their personal stories and experience show that they lead by example.
WBA Jobseeker Handbook	The Jobseeker Handbook assists women to gain a better understanding of the building and construction industry and its career opportunities. It highlights a wide range of industry roles – including what's involved, their entry pathway, salary, demand, and more – and features the stories of the WBA Influencers and Ambassadors.
WBA Career Expos	WBA attends career expos around the country to educate female school students, career advisors, teachers and parents about the career pathways and opportunities within the building and construction industry. WBA actively encourages women to enter into and lead successful careers in the building and construction industry.
WBA Mentoring	The WBA mentoring program provides women in the building and construction industry with access to support, encouragement and advice from experienced individuals through a virtual and face-to-face mentoring relationship. Mentoring is an excellent way to help women to build confidence and to participate and succeed in the building and construction industry.
WBA business coaching	The WBA Business Coaching program provides training and coaching. <ul style="list-style-type: none"> • Female business operators can access coaching from experienced business leaders offering tactical support to help navigate the key issues confronting their business. • WBA has partnered with MYOB to deliver free business operator resilience training for women running or operating a business in the building and construction industry. The seven-part course covers the key areas of running a business including cashflow, bookkeeping, clients and suppliers, payroll, revenue and compliance.
Female led business register	The register highlights female owned and managed businesses in the building and construction industry. It assists people in the community, particularly vulnerable women, that would prefer to engage female builders and tradies to find the right woman for their job.

Victoria's Women in Construction Strategy

The Victorian Government and the Building Industry Consultative Committee (BICC) worked collaboratively to develop the Women in Construction Strategy.

The Strategy is designed to increase women's participation in the trades and semi-skilled work in Victoria's construction industry. It takes a no-nonsense approach to identifying the key inhibitors to female participation and present practical and implementable solutions to drive change.

The strategy identifies three priority areas – attracting women, recruiting women, and retaining women – articulating the barriers and solutions for each. A summary is on the next page and more information is available at: www.vic.gov.au/victorias-women-construction-strategy.

Priority 1: Attracting women

- Barriers** The barriers to females seeking a career in the construction industry are:
- failure to promote construction and trades as viable career options to girls
 - steering girls towards university rather than trades
 - lack of encouragement for girls interested in STEM
 - fewer role models for girls
 - traditional views of men's work and women's work and gender stereotypes
 - rigid workplace practices and cultures of prejudice that exclude women and treat them as 'other'.

- Solutions** Strategies that will attract females to the industry are:
- schools giving more vocal and positive encouragement for girls in STEM
 - emphasis on unpacking the gender bias of careers counsellors and trades teachers in TAFE
 - promotion of female role models to girls
 - apprenticeship and training funding should be gender-sensitive and consider the unique barriers women face gaining access to the construction industry
 - a campaign, involving all construction workers, to eliminate the attitudes that underpin the culture of gender inequality

Priority 2: Recruiting women

- Barriers** Barriers to women being recruited to roles in the industry include:
- employers hiring through the traditional 'pipeline' – e.g., RTOs and networks that women do not have ready access to
 - employers' metric of cultural fit when hiring, which often excludes women
 - lack of commitment to hiring women by middle management and workers.
 - discrimination in hiring processes, such as believing the work is too hard for women or that they will need parental leave

- Solutions** Strategies that will lead to more women being recruited in the industry are:
- more formalised hiring process, including an audit of metrics such as cultural fit to ensure they are not gendered
 - increase the prominence and visibility of female role models in the industry
 - programs that provide targeted support to women apprentices seeking employment in their trade
 - a holistic approach to cultural change the builds support across the workforce.

Priority 3: Retaining women

- Barriers** The barriers to women staying in roles within the industry include:
- An industry and workplace culture of prejudice that results in numerous incidents of gendered violence
 - Rigid workplace practices, e.g., excessive hours, inflexible arrangements and a lack of consideration for caring responsibilities
 - Women report feeling unsafe and uncomfortable on the job
 - OH&S hazards, such as inappropriate equipment and clothing, the lack of adequate bathroom facilities and physicality of work

- Solutions** Strategies to assist in the retention of women in the industry include:
- industry, workplace and social change to abolish gendered violence at work and traditional ideas of women's work
 - Introduce job-sharing, flexible working, childcare, and other workplace changes to accommodate caring
 - Women's networks for tradeswomen, mentoring, and a greater visibility of female role models in the industry.
 - But:
 - Not without the support of employers, managers and the wider workforce, as part of a through, long-term campaign to affect social and workplace culture
 - Implementing strong accountability mechanisms that allow women and men to report and give feedback on progress towards achieving systemic change.

Section 4: Improving perceptions of VET pathways

To attract more women to careers in the building and construction industry, particularly trades, work is needed to address bias pushing young people toward university, to reframe the apprenticeship narrative and to improve the reputation of the vocational education and training.

Master Builders recommends:

- A National Partnership Agreement on Quality Careers Education to ensure secondary school students have access to comprehensive, unbiased, and up-to-date careers education.
- A campaign to dispel the myths about apprenticeships and to promote the great opportunities and benefits they present to young women and men.
- Development of a quality indicators tool for the VET sector to enable students to make informed decisions about their training pathways and training provider, to incentive training providers to strive for excellence, and to inform decision making on funding for training delivery.

Leveling the playing field for tertiary education

In the Expert Review of Australia's Vocational Education and Training System, the Hon Steven Joyce noted:

“Vocational education has been steadily losing the battle for the heart and minds of the university sector. Fewer young people aspire to undertake vocational education courses. Many consider VET as less prestigious and only for students who are of low academic ability.” Steven Joyce

It is disappointing that the perception of VET in young minds compares poorly to university. Especially as this does not necessarily match the experience and outcomes for those who do follow a VET pathway. In the building and construction industry trade apprentices compare favourably to higher education graduates in terms of satisfaction, employment and income.

The VET system is poorly understood and many young women feel they are not provided with a deep understanding of post-school options and are instead pushed toward university, while only 10 per cent of young people report facing no pressure at all.¹¹

The impact of the bias in schools toward university pathways is compounded by the views and perceptions of parents. For young people, their most trusted career advice from their parents (56%) followed by the internet (42 per cent), teachers (42 per cent) and career advisors (40 per cent).

The gap in unbiased and up-to-date careers education is contributing to the 43 per cent of young people who self-report having ‘no idea’ what they want to do when they leave school.¹² A major constraint on the quality of careers education in schools is a lack of funding and resources. The Career Industry Council of Australia report that half of schools with a student population over 1,000 have less than \$3 per student to spend on careers education.¹³ This is not acceptable.

Vocational and higher education are both integral parts of Australia's tertiary education system. But they are not equally valued. To level the playing field we need to address the bias toward university, overcome misconceptions, and overhaul the quality, funding and availability of careers education in secondary and senior secondary schools.

¹¹ Year13, 2017. After the ATAR: Understanding how Gen Z transition into further education and employment

¹² Year13, 2017. After the ATAR: Understanding how Gen Z transition into further education and employment

¹³ Clarke, 2015. Careers education must be for all, not just those going to university

Students need access to comprehensive, unbiased and up-to-date careers education in order to understand the options available and to choose the most appropriate pathways for their interests and aptitudes as they transition from school to work, further education and training.

Master Builders recommends the federal, state and territory governments enter into a new jointly funded National Partnership Agreement on Quality Careers Education to provide comprehensive, unbiased, and up-to-date careers education to secondary and senior secondary students.

Reframing the apprenticeship story

The perception that an apprenticeship means low wages and unappealing work is far too common, and it isn't true. This perception puts people off considering apprenticeship pathways. Young women (and men) need to know the truth about apprenticeships.

Research by Year 13 reports Australian apprentices have the potential to graduate from training nearly \$150,000 financially ahead of university students when accounting for apprentice earnings and university debt. 64 percent of young people said knowing this would make them consider an apprenticeship pathway more seriously.¹⁴

The combination of work and study allows participants to reap the benefits of formal training while gaining practical on the job experience and earning a wage. Students also report higher satisfaction and improved employment outcomes^{15,16,17}

- 88.9 per cent of trade apprentices are satisfied with their apprenticeship, compared to 80.1 per cent satisfaction with training for university graduates, dropping to 74.4 per cent for engineering and 74.5 per cent for architecture and built environment fields of study.
- 91.5 percent of trade apprentices are employed on completion, 92.0 percent in occupations relevant to their training and 94.6 per cent report their trade skills as directly relevant to their work. By comparison, 72.2 per cent of university graduates gain full-time employment, of which 28.3 per cent report they are not fully using their skills or education in their employment.
- VET graduates of construction, plumbing and services qualifications have average starting wages of \$65,000, while average starting wages for university bachelor undergraduates are \$62,600.

The challenge in the current employment environment isn't the number of apprentice jobs available. It is attracting people to do an apprenticeship.

A public facing campaign promoting the Australian Skills Guarantee and the great opportunities government investment is providing for young women and men to earn while they learn, develop skills and knowledge, and enter rewarding careers could assist to attract more people into apprenticeship pathways.

¹⁴ Year13, 2018. After the ATAR II: Understanding how Gen Z make decisions about their future

¹⁵NCVER, 2020. *Apprentice and trainee experience and destinations – time series 2008, 2010 and 2019*; and

¹⁶ NCVER, 2020. *VET student outcomes 2019*

¹⁷ QILT, 2020. *2019 Graduate outcome survey*

Improving quality by improving information

There is a lack of publicly available information on quality and outcomes of VET training at the RTO level. Addressing this will drive informed user choice, improve training quality, and aid funding decisions.

Information on RTO quality will provide potential students, their advisers and employers with a clearer understanding of the strengths of particular RTOs and therefore enable them to make more informed decisions about the training provider and courses that best meets their needs and aspirations.

The present regulatory approach to the VET sector maintains minimum standards for RTOs but does not have a mechanism to identify and reward providers that exceed these standards. Publishing data on the training quality and outcomes of RTOs will acknowledge high performing providers and incentivise RTOs to improve quality and strive for excellence.

Governments provide significant investment in RTOs to deliver VET training. Achieving value for this investment is critical. Improved information on RTO quality and training outcomes will assist governments to better align funding decisions with the measures of quality that align with their policy priorities and jurisdictional needs.

Information on quality at the RTO level will also provide assurance to industry and governments paving the way for less prescriptive, more flexible, and more responsive training products, that are better able to meet current and emerging training and skills needs.

In the five-year Productivity Inquiry Interim Report, the Productivity Commission noted that "information to guide student choice has improved in higher education but remains deficient in VET".

In the higher education sector, the ComparED (www.compared.edu.au) website draws on the Quality Indicators for Learning and Teaching (QILT) database to provide public information by institution and qualification on student experience, skills development and employment outcomes. This resource also enables comparison between institutions and with the national average.

Similar information for the VET sector is collected by the NCVER. This includes a range of measures covering student satisfaction, skills development, and employment outcomes. However, this information is not published at the RTO level. This can and should change.

To ensure that students can make informed decisions about their training pathway and training provider, to incentivise training providers to strive for excellence, and to inform decision making on funding for training delivery, governments should make information on training quality and outcomes publicly available at the RTO and qualification level. Over time the VET quality database could be expanded to draw on data from the Australian Skills Quality Authority, the Unique Student Identifier and other sources.

Master Builders Australia

Master Builders Australia (Master Builders) is the nation's peak building and construction industry association. Master Builders' members are the Master Builder state and territory associations.

Over 130 years, the movement has grown to over 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association that represents all three sectors of the industry – residential, commercial, and engineering/civil construction.

Australia's building and construction industry

Building and construction is one of the largest sectors in Australia. Our industry packs its biggest punch when it comes to the provision of full-time employment and support for small business. During August 2022, there were 1.24 million people employed in the building and construction industry.

During the 2021-22 financial year, it is estimated that construction businesses paid out a total of \$66.1 billion in wages and salaries to their employees, with gross operating profits in the industry amounting to \$35.3 billion over the year. Industry turnover was \$384.2 billion during 2021-22, a sum which includes sales from construction businesses to other construction businesses.

The most up-to-date ABS data indicates that as of 30 June 2022, there was a total of 445,253 construction businesses in operation across Australia. This is more than every other sector of the economy. The most striking feature of construction businesses is their size: 98.6 per cent are small with less than 20 employees. The small size of construction businesses is reflected in their pattern of turnover. 58.5 per cent turn over less than \$200,000 per year and 1 in 5 earn less than \$50,000 annually. Just 1.4 per cent of construction businesses have annual revenues in excess of \$10 million.

The structure of construction activity means that the support offered by it to other parts of the economy is strong. This is because there is a high domestic content to our industry's inputs including building materials, labour and professional services. As a result, it is estimated that for every \$1 million worth of residential building activity the entire economy is better off to the tune of \$3 million. Similarly, \$1 million worth of building and construction activity is estimated to support a total of 9 full-time jobs across Australia's economy – including 3 jobs in other sectors outside of building and construction.

\$102.2 billion worth of civil and engineering construction was carried out over the year to September 2022. In addition to this, residential building work totalled \$83.5 billion over the same period and non-residential building activity was \$52.9 billion.

Latest figures show that work started on 207,955 new homes over the year to June 2022, of which 132,100 were detached houses (64 per cent of the total). Over the same period, 175,000 new homes were completed and became available to live in for the first time – meaning that a roof was put over the heads of an additional 454,000 Australians. Over the year to June 2022, building work began on 4,275 new units of public housing – up 15.7 per cent on a year earlier. But at just 2.1 per cent, the share of new home building accounted for by the public sector is low by historic standards and this represents a key challenge going forward.

The building and construction industry is at the fulcrum of mentoring our nation's next generation of trades workers. Over the year to March 2022, a total of 20,776 new construction apprenticeships were completed with a further 52,682 new construction apprentices and trainees beginning their journey. Encouragingly, apprentice involvement in the industry has grown strongly in recent years thanks to enhanced government support programs as well as favourable business conditions in the industry.