



MASTER BUILDERS
A U S T R A L I A

Towards **2020**

Policy for Australian Apprenticeship Reforms





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Image: Theory - Bricklaying
students - from a report to the
Twenty First Convention of
the Federated Master Builders
Association of Australia,
10 November 1927

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1 Key Points

The benchmarks for Master Builders Australia's *Policy for Australian Apprenticeship Reforms* outcomes are:

- 80% of the construction workforce holding a post-school qualification (currently 60%). Commencements reaching 30,000 per annum, up by 66% on current commencements of 18,000
- 100,000 apprentices in training, up by 132% on current apprentices in training of 43,100
- Quality training outcomes with pre-apprenticeship and apprenticeship programmes delivering site-ready and productive apprentices to an appropriate level determined by industry
- Introduction of a national building and construction skills passport
- A review of training packages to deliver the qualifications and skill sets that meet modern employer requirements.

'100,000
apprentices
in training by
2020'

Master Builders Australia's *Policy for Australian Apprenticeship Reforms* sets out a pathway to achieve a productive and sustainable construction workforce that meets the needs of employers. The policy objectives are:

- A national apprenticeship system that meets the needs of employers
- New trade apprenticeships, qualifications and skill sets that recognise emerging job roles and tasks
- Increased enrolments and completions in apprenticeships
- Improved literacy, numeracy and job readiness of apprentices
- Policy settings that support multiple pathways into building and construction jobs.

Australia's future productivity and competitiveness depend on a highly skilled and trained workforce. The National Training System performs an undeniable public good in providing a supply of necessary and valued skills for the nation and a pathway for satisfying careers for many Australians.

The construction industry is in a situation of record workforce participation but experiencing a decline in accredited training outcomes. The industry needs more apprentices to meet predicted workforce growth over the coming decade.

The National Training System will be required to deliver qualifications and skill sets that match changes in job roles, employer needs and in construction techniques. Apprenticeship and pre-apprenticeship programmes must lift productivity and improve safety in the workplace.

The National Training System will require Industrial Awards that facilitate apprenticeship outcomes within a competitive business environment and support apprenticeship completions.

Apprentices must develop skills and attributes such as job readiness, safety awareness, time management, teamwork and literacy and numeracy from their training.

Master Builders Australia's *Policy for Australian Apprenticeship Reforms* will ensure Australia has a highly skilled and capable workforce to meet the needs of a competitive construction industry.

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2 Introduction

The construction industry is one of the key growth sectors of the economy with average real growth of around three per cent per annum expected. This growth risks being constrained by shortages of labour, including in semi-skilled, skilled, para-professional and managerial roles.

Master Builders predicts that the construction industry will require an additional 300,000 people over the next decade, a 30 percent increase on the current workforce of 1,033,000 people.

This policy paper concentrates on the issues impacting on the supply of skilled labour, which in the construction industry are tradespeople trained through the apprenticeship system.

The industry's challenge is to meet the rising demand for a skilled workforce against a background of decreasing apprentices in accredited training, high drop-out training rates, an ageing demographic and a yearly exit rate of existing workers at approximately 30,000.

The construction industry has experienced a 23 per cent drop in the number of apprentices in training, from 56,000 to 43,100 since 2010. In addition, the apprenticeship commencement rate has decreased by 18.8 percent since 2010, from 22,100 to 18,000 commencements in the past five years (Apprentices and Trainees 2014, June Quarter Report, NCVET).

The nature of construction jobs is changing due to the introduction of new technologies and pre-fabrication. This is leading to altered work practices which no longer guarantee that traditional career paths will generate the mix of skills needed to meet the future demands of the industry.

Employers have reported that apprentice quality is the number one issue impacting on their businesses. Employers report that there is a lack of awareness of construction career opportunities amongst teachers, parents and students; apprentice candidates lack "soft skills" such as communication, time management and life skills; and apprentice candidates do not possess the necessary literacy and numeracy skills to successfully complete an apprenticeship.

New thinking and approaches are required for skills development and attainment suitable for the construction industry.

**'apprentice
quality is the
number one
issue'**

3 About Master Builders

Master Builders Australia is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders Australia's members are the Master Builder state and territory associations.

Over 125 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: residential, commercial and engineering construction.

The building and construction industry is a major driver of the Australian economy and makes a major contribution to the generation of wealth and the welfare of the community, particularly through the provision of shelter.

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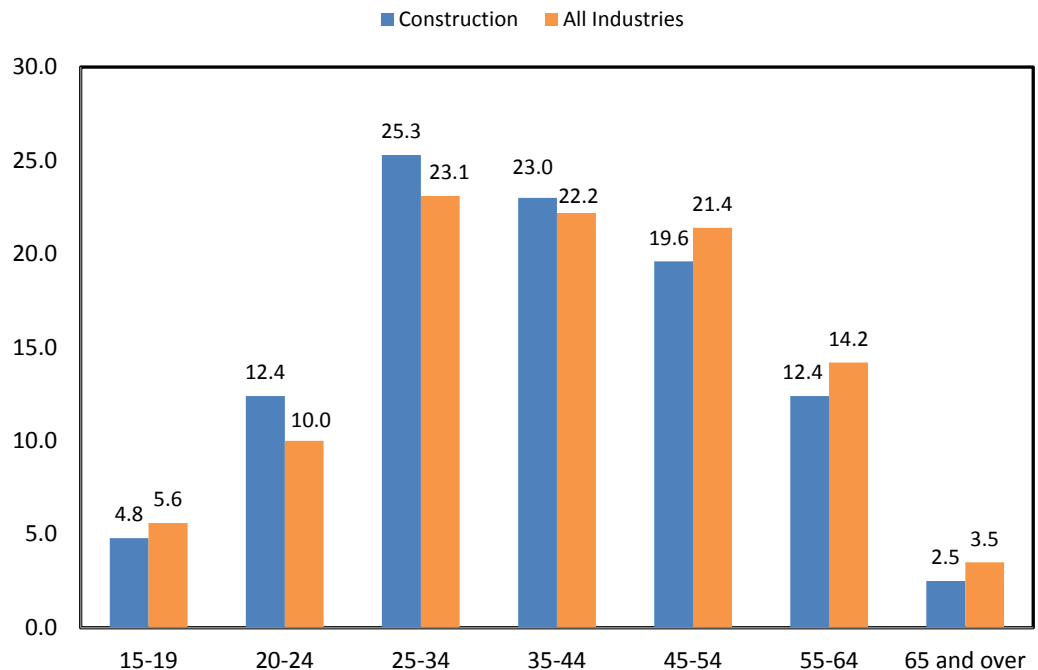


Construction Industry Facts...At a Glance

'construction is a major driver of the Australian economy'

- Construction accounts for close to 8% of GDP
- Value-added \$120 billion to the economy, or 8% of total economic output in 2014
- Cumulative work over next decade valued at \$2.8 trillion
- Employs 9% of Australian workers, or 1,033,000 people
- 86% of workforce are full time workers
- Largest employer of young full-time workers aged 15 to 24, some 154,600 Australians (Figure 1)
- 99% of construction trade workers are male
- 27% are business owners/self-employed
- Third strongest industry sector employment growth in the past decade

Figure 1: Employed persons by age, February 2014 (% share of employment)



4 The Need for Change

'builders hiring intentions highest since pre-GFC'

Master Builders Australia's *National Survey of Building and Construction* (January, 2015) shows that industry's confidence and profitability are increasing and housing construction activity is forecast to see dwelling starts exceed 200,000 in 2015-16. The survey also shows that builders hiring intentions rose strongly in the December quarter 2014 to pre-GFC levels with employers' intentions to put on more apprentices lifting to the highest level in seven years. This will have positive flow-on effects for young Australians seeking to enter into an apprenticeship. However, to be successful, there needs to be changes to the National Training System.

Of the workers in construction, 44,225 are what statisticians term Construction Trade Apprentices, which includes carpenters, plumbers, bricklayers, tilers and a number of other trades. This is down from 56,447 in December 2010. It should be noted that the number of other apprentices working in the construction industry is higher at 76,384, as there are significant numbers of apprentices in electrical and metalworking trades in the industry.

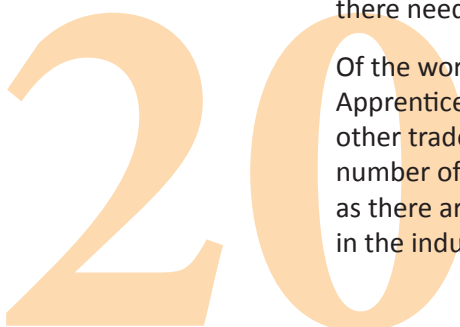


Figure 2 shows Master Builders’ expected growth in the construction workforce by occupation type to 2023-2024. According to these projections, high-skilled managerial and professional positions in the industry will grow at an average of 3.7 per cent per annum over the next decade, with trade positions growing at a rate of 2.7 per cent per annum and lower skilled positions at a rate of 2.4 per cent per annum.

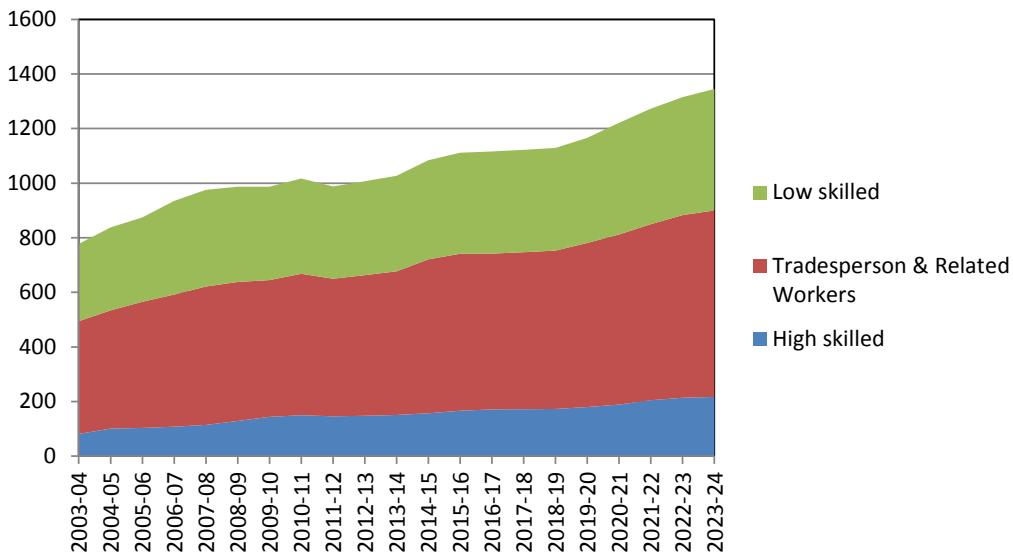
Table 1 provides a non-exhaustive list of roles for which there is an expected growth in industry demand over the coming decade.

Construction Apprenticeship Facts...At a Glance



- Workforce projected to grow by more than 300,000 over the next decade to 1.3 million Australians (Figure 2)
- Annual exit rate of approximately 30,000 workers
- Ageing workforce, with a median age of 38 years
- 40% of workforce do not hold any post-school qualifications
- 23% drop in the number of apprentices in training from 56,000 to 43,100 since 2010
- 19% decrease in apprentice commencements from 22,100 to 18,000 since 2010

Figure 2: Projected construction employment demand to 2023/24 (thousands)



Source: ABS Labour Force Series, Master Builders Australia projections

Table 1: Current and expanding job roles by indicative skill level

Professional	Project Managers
	Engineers
Paraprofessional	Site Managers
	Estimators
	OHS Managers
	Skilled Office Workers (e.g. contracts, sales, human resources)
Skilled Trade	Carpenters (including formworkers, and first/second fix carpenters)
	Bricklayers and Blocklayers
	Plumbers (including fire services)
	Electricians
	Wall and Floor Tilers
	Steelfixers (including structural steel and steel roofing)
	Concreters
	Painters
	Glaziers (including structural glazing)
	Drywall Plasterers (including flushers and finishers)
Semi-Skilled	Mobile Plant Operators (e.g. grader drivers)
	Crane Drivers, Doggers and Riggers
	Concrete Placers
	Transport Drivers

‘apprentice training is a shared responsibility’

The construction industry views skills development of apprentices as a shared responsibility between employers, governments, and the apprentices themselves. Industry focussed RTOs and GTOs play a significant role in the training of apprentices due to the project nature of work in the construction industry.

Industry’s view is the current training system suffers from administrative confusion as governance structures, responsibilities and custodianship of the system remain unclear to many users.

The system has been captured by public (TAFEs) and private RTOs who are able to influence the system for their own benefit. State jurisdictions, through the implementation of different education and training priorities and funding models, have added complexities to the system. We are in a situation where jurisdictions can hold up the endorsement of national qualifications that have demonstrated support from industry.

Further, in the above-mentioned skilled and semi-skilled areas, the national training system has not kept up pace with the growth or the changes in work practices in these areas. There is a lack of formal qualifications and skill sets to recognise workers’ skills, in particular for crane drivers, doggers and riggers. Students are enrolling in full qualifications and only completing the units of competency to meet licencing requirements, or to be competent in one aspect of a job role. There is a need for qualifications and skill sets that enable industry to recognise the skills of its entire workforce. Compounding the problem is the differences in the jurisdictions to funding skill sets.

The workplace relations system does not currently complement the Australian Apprenticeship system and has created potential barriers to the apprenticeship system being able to deliver maximum productivity benefits. For example, the inclusion of competency based wage progression into modern awards contemporaneously with large wage increases not based on additional work value has negatively impacted on employers’ decisions to take on apprentices. This affects students undertaking VET in school programmes who may find themselves unable to find employment or an apprenticeship due to the increased cost of their wages as opposed to a student without any formal recognition of their skills.

Master Builders believes that the apprenticeship system should support those employers that invest in skills development through Australian Apprenticeships to achieve business productivity outcomes that will benefit the Australian economy over the long term.

5 The Plan

The construction industry is one of the key growth sectors of the economy with the workforce to grow by a projected 300,000 people over the next decade. Trade based positions are projected to grow by an average rate of 2.4 per cent per annum. To meet this projected growth, new thinking and approaches will be needed for the National Training System. The construction industry will need to work in partnership with governments, education providers and the community to ensure the National Training System meets the needs of its clients.

The Master Builders Plan for an Australian Apprenticeship System that meets the needs of the building and construction industry covers three core areas:

1. Training our existing and future workforce
2. Quality vocational training structures
3. Attracting our future workforce.

The Plan....At a Glance



Training our existing and future workforce

- Harmonise the National Training System to ensure national consistency in funding, construction pathways and apprenticeships and cease jurisdictions' ability to hold up national training package accreditation that has demonstrated support from industry
- Review the National Training System with the aim to dismantle its current complexities and rebuild a system that is nationally focussed, transparent to employers with clear funding models
- Introduce a building and construction passport to recognise competencies and support labour mobility
- Introduce a construction industry and school partnership programme that will support quality vocation and vocational outcomes in schools led by industry
- Introduce a non-accredited vocation course in partner schools
- Support mentoring programmes that have demonstrated evidence of increasing apprentice completions
- Support early intervention language, literacy and numeracy programmes that support apprentice completions

Quality vocational training structures

- Establish RTO and GTO networks to facilitate industry and RTO/GTO engagement to minimise duplication
- Ensure industry is at the centre of the development of training packages, qualifications and skill sets
- Include the construction industry as a priority industry in the *Industry Skills Fund*
- Review employer incentives that support apprenticeships

Attracting our future workforce

- Establish a school engagement programme to improve teacher and student understanding of the construction industry and the pathways into careers
- Provide teacher professional development and teaching materials that assist in the teaching and learning of construction in schools
- Develop engaging career information that focus on the skills and attitudes to be successful in the construction workplace.

6 Training our Existing and Future Workforce

6.1 Harmonisation of the National Training System

The inconsistency of the National Training System between state and territories is a significant issue for the construction industry.

The problem of inconsistency has been recognised by the Commonwealth. Master Builders congratulates the Australian Government on the work that has been undertaken with states and territories to establish nationally consistent positions on eligibility and requirements for apprenticeships to date to promote quality of outcomes and simplify engagement with the system but more still needs to be done.

There is a strong need to review the National Training System in its entirety with the aim to dismantle its current complexities and rebuild a system that is nationally focussed, transparent to employers with clear and consistent funding models.

The harmonisation of apprenticeship pathways and funding of qualifications is a micro-economic reform that is required to provide national consistency in the implementation of apprenticeship reform. This reform is necessary to reduce barriers to apprentice labour mobility and to reduce costs for business.

The National Training System must become:

- Nationally focussed with greater collaboration between the Commonwealth and states and territories to meet the needs of industry and the economy including improved implementation, consistency in funding, and outcomes across jurisdictions
- Leading edge in the design and development of national training packages that are flexible to meet the needs of industry and provide clear guidance to RTOs on the training and skills outcomes sought by industry. They must also clearly codify the skills and knowledge that a worker needs to perform a task or job
- Responsive to the ever changing needs of industry to compete within a globally competitive economy
- Flexible to develop new skill sets, qualifications, trades and apprenticeships that are required due to disruptive factors in the economy, for example new technologies, more efficient practices
- Trustworthy so that industry has confidence that VET sector graduates hold the necessary skills, attributes and knowledge to work safely and productively in the workplace
- Efficient in delivering services to industry within an increasingly fiscally constrained environment at Commonwealth and state/territory levels.

It is important that the development and endorsement processes of national qualifications be simplified and not be held up by jurisdictions where draft qualifications have the clear support of industry nationally.

With the establishment of the Australian Industry and Skills Committee to oversee VET governance, Master Builders is concerned that the significant state and territory representation on the Committee could potentially lead to blockages in the National Training System.

Master Builders seeks a dedicated construction representative on this important committee who can represent the views of an industry that employs over 1 million

‘strong need to review the National Training system in its entirety’

‘the National Training System must be responsive to the ever changing needs of the industry’

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Australians. In addition, a national roundtable should be held to examine and drive consistency in VET policy.

6.2 Passport of Competencies and Skill Sets

Australia's training system is currently heavily focussed on the completion of full qualifications, despite the fact that the completion rate for all publicly funded VET qualifications is only 36%. A result of this is that in many trades the proportion of workers holding formal qualifications is actually dropping over time. Table 2 shows the current proportion of workers in various trades without at least a Certificate III qualification, based on unpublished data obtained from the ABS.

Table 2: Construction Workers without minimum Cert III qualifications

Occupation	Workers	% with < C3
3411 Electricians	67,117	20.7
3341 Plumbers	57,933	23.5
3121 Architectural, Building and Surveying Technicians	28,218	25.2
3312 Carpenters and Joiners	80,221	25.4
3311 Bricklayers and Stonemasons	20,536	37.4
3322 Painting Trades Workers	35,758	39.6
3334 Wall and Floor Tilers	13,712	41.5
3622 Gardeners	15,671	45.9
3332 Plasterers	24,435	50.4
8217 Structural Steel Construction Workers	12,580	61.8
8211 Building and Plumbing Labourers	30,553	68.1
8212 Concreters	22,734	68.4

Source: ABS 2011 Census

Many of these workers, with the support of their employers, would wish to obtain some level of formal certification to provide confidence in their current work.

Master Builders recommends that part-qualifications, or skill sets, which may be appropriate to undertake a particular job role in the industry, should be recognised as a viable pathway to a job. Skill sets should not be seen as the end to training, but the "building blocks" to gain a full qualification over time where it is supported by the worker and employer.

Master Builders recommends the introduction of a 'skills passport' for the building and construction industry where skill sets and individual units of competency can be undertaken and tracked in stages as a person's skills needs develop over time.

The 'passport' would allow for improved safety and quality outcomes and enable employers to quickly access workers' existing skills. The introduction of the Unique Student Identifier will be beneficial in helping employers and workers track their competencies.

Master Builders recommends that a "starter" skill set, which could contain units of competency in workplace health and safety, workplace communication and using hand tools be developed and made available to all new workers and VET in school students. This would have long-term health and safety and productivity benefits.

Other more advanced skill sets could be developed and include residential bricklaying, tiling, formwork, shop-fitting, estimating, water-proofing and concreting.

**'skill sets
should be
recognised as a
viable pathway
to jobs'**

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An additional benefit to the introduction of skill sets is to enable workers to gain skills in various components of work that may sit outside a qualification but that is important to undertake a job role and to upskill in areas where new technology has changed building techniques and practices.

By combining a series of units of competency and skill sets within the passport, students and workers could obtain a full qualification over time. The passport would be a mechanism to support workers life-long learning.

In order to achieve this aim, the funding of skill sets and individual units of competency would need to be agreed on a national basis as currently there are different funding guidelines in each jurisdiction.

6.3 Industry and School Partnerships

The number one issue identified by NSW Master Builders in their 2014 survey of members was quality apprentices. Quality apprentices with the right skills and attitudes are a real and pressing issue for the construction industry and are continually raised in discussions on a national basis by members.

Master Builders recommends that a national approach be implemented to drive industry and school partnerships that support students to establish pathways into construction jobs from year 10 onwards. These partnerships should be formalised with schools through the development of contracts and memoranda of understanding, which clearly outline the roles of industry, government and schools. The benefit of these formal partnerships is for industry and schools to work together to ensure quality vocational education is delivered in schools that meets the needs of local industry.

School industry partnerships would be closed models, only open to selected public and private schools that have the capacity to deliver appropriate formal and non-formal training agreed by industry. This partnership should include all-girls schools to support young women who want to follow a non-traditional pathway into a trade.

Each jurisdiction should have a state-wide committee to drive the partnerships with membership drawn from the Departments of Education and Training and Catholic and Independent school authorities as well as senior representatives drawn from various sectors of the construction industry.

Funding should be made available to provide opportunities for students in these schools to participate in programmes, which may include:

- school-based apprenticeships
- pre-apprenticeship and vocation programmes
- Try-a-Trade programmes
- construction industry school camps to bring students with common interests together
- teacher professional development
- trade maths classes
- small business skills training.

**‘industry
& school
partnerships
to establish
pathways into
jobs’**

6.4 School Vocation Course

With the establishment of a formal industry and school partnership programme, there is a need to develop a national school vocation programme that can be rolled out in partnership schools.

The aim of the programme will be to provide students with quality training that will improve their job readiness and to have national consistency in the training programme delivered in the partner schools. The development of the programme would be led by industry and would include the development of skills in workplace safety, communications, using hand tools and basic building and construction techniques, and support the building of knowledge required to perform well of the construction industry including trade maths and business skills.

The school vocation course would offer the ability for students to undertake both accredited and non-accredited training and obtain a white card to enable them to work onsite. On completing this vocation course and on joining the workforce, students would have the opportunity to have their prior learning recognised by an RTO which would establish a pathway into an apprenticeship.

6.5 Mentoring

The research is clear that many individuals do not complete their apprenticeship due to poor experiences in the workplace, not feeling supported and lack a person to whom they can turn for advice.

The employment relationship between the apprentice and the employer, as well as the quality of the training provided, is critical to the successful completion of an apprenticeship. Support mechanisms for both the apprentice and the employer, such as mentoring, pastoral care and quality training provision are required. A shared investment by both government and industry is essential to build these support mechanisms into the system.

There is strong evidence in the construction industry that mentoring programmes that have been developed and implemented to support apprentices have strong results in increasing the completion rates of apprenticeships. An independent evaluation of the Master Builders' Construction Apprenticeship Mentoring Scheme (CAMS), which has signed up 1,000 apprentices into mentoring and provided general advice to over 5,000 apprentices, found 84% of CAMS apprentices and 80% of CAMS mentors agreed or strongly agreed that mentoring programmes made a difference to apprentice completions.

Master Builders recommends that any future mentoring programmes are industry centred and led. In the construction industry, it is clear that industry led programmes have great success in supporting young people to complete their apprenticeships.

6.6 Language, Literacy and Numeracy Programmes

Many Australians that are attracted to working in the construction trades have a history of poor language, literacy and numeracy (LLN) skills. Employers have reported that poor language, literacy and numeracy skills in their apprentices have been a barrier to students completing their apprenticeship.

Master Builders recommends that early LLN intervention strategies are required for students who wish to follow an apprenticeship pathway into building and construction. These early intervention strategies should be implemented into targeted schools, particularly into schools that are participants in the industry and school partnership model and offer the Master Builders vocation course.

‘LLN are a barrier to young people completing their apprenticeship’

Industry also requires LLN programmes that support the current workforce to improve their skills which will enable them to be productive on the worksite. Many workers miss out on promotions and following a pathway into higher paid jobs due to poor LLN skills.

LLN programmes should be delivered in the workplace where possible using real-life examples. However, it necessary to be mindful of the stigma that poor LLN skills carry and to not subject workers to feeling like second rate employees.

7 Quality Vocational Training Structures

7.1 RTO and GTO Networks

There is a history of mixed student quality outcomes from training from both public and private providers. RTOs report that it is difficult to engage with industry and employers. The increasing requirements for RTOs to engage with industry on training and assessment increase this pressure on both areas.

Employers report that they are focussed on their businesses and do not have time to deal with numerous RTOs delivering construction courses.

GTOs play an important role in the construction industry due to the project nature of work. GTOs have a strong history of supporting employers through the training of apprentices and in supporting them to complete their qualifications.

Master Builders recommends that communities of practice be established of RTOs and GTOs (both public and private) that deliver construction qualifications and apprenticeship services to industry. These networks would be led by industry and would meet on a six-monthly basis in major population centres with agendas driven by industry representatives.

‘RTO networks provide real-time advice from industry’

The networks would provide a one-stop-shop to bring all key players together in a region at one point in time to discuss industry intelligence, skill shortages, apprentice quality of learning and skills, training package implementation, course development and delivery and assessment. The Networks would provide real-time advice from industry and would discussion to improve quality outcomes from training and to increase apprenticeship completion rates.

The benefit of this model is to allow industry to take leadership on the implementation of apprenticeships at a grassroots level. The localised RTO/GTO networks would enable industry to have a greater say in the development of the future of their workforce.

For RTOs and GTOs, the benefits of this model include avoiding duplication of services, course and resource development and enables greater sharing of teaching and learning practices.

The model has proved highly successful in the meat processing industry through the leadership provided by the National Meat Industry Training Advisory Council (MINTRAC).

7.2 Industry-owned Qualification and Competency Development

Master Builders supports the Australian Government's review into *Industry Engagement in Training Packages: Towards a Contestable Model*. The centrality of industry in training package design, development, implementation and review is the cornerstone of the National Training System.

As VET is essentially an economic strategy to develop a skilled workforce to enable Australia to compete globally, the Government must remain committed to supporting their continual development and review to ensure they are meeting the needs of industry.

The construction industry has traditionally been a significant user of the national Vocational Education and Training system.

Training packages are an essential component of the national VET system. In fact, they are one of the few truly national components of the system. Master Builders recommends that training packages:

- Be informed by real time intelligence that identifies the changing nature of industry, work practices and disruptive events including technological change and its resulting impact on required skills and knowledge
- Specify the knowledge and skills required to perform effectively in the workplace as determined by industry
- Provide clear guidance to RTOs on the skills and knowledge students are expected to acquire; and inform course design and assessment practices to ensure consistent outcomes across VET
- Be responsive to changing industry requirements including ensuring licensing requirements for specific occupations are considered in training package development and continually updated as needed
- Reflect that many occupations operate across industries with common competencies. Training packages must support the mobility of labour to meet ever changing workforce needs of industry; Remain national in their focus ensuring that RTOs deliver consistent training outcomes across the nation.

Given the public benefits from a well regulated training system, there is a strong case that funding to develop training packages be maintained at current levels with a focus on greater synergies and the reduction of red tape in their development and approval processes.

Master Builders recommends that the final structure adopted by Government to enhance industry engagement in training package development must be:

- Flexible to cater to the diverse needs of industry and place industry at the centre of decision making
- Responsive to the changing skill and workforce needs of industry
- Sustainable with appropriate public funding to support industry engagement, intelligence gathering and the development of industry-centred qualifications
- Robust to enable the model to provide qualifications across the Commonwealth and jurisdictions and survive changes of governments
- Accountable to industry and not let jurisdictions hold up qualification approval if the support of industry is evident

'funding should be maintained to develop training packages'

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- Reviewed to ensure the model is able to continually respond to the needs of industry and the skills and knowledge it requires to be competitive in a global marketplace.

7.3 Industry Skills Fund

Master Builders Australia recommends that the Commonwealth Government maintain its investment in post-secondary education, particularly in skills training and development. At a time when the proportion of skilled jobs is increasing, the number of core Commonwealth and State funded training places has been static for many years and real funding per contact hour has fallen in most jurisdictions.

Master Builders recommends the construction industry be included as a priority industry in the Industry Skills Fund to recognise that some 60,000 new entrants will be required each year to meet the projected employment growth of 300,000 over the next decade, and to replace some 30,000 workers who leave the industry each year through attrition.

Master Builders also recommends that courses that may have a licencing outcome on completion be eligible for funding as these jobs contribute to economic growth.

7.4 Employer Incentives

The basic employer incentive for taking on and retaining apprentices has been static at around \$4,000 for many years, which represents a tiny fraction of the net cost of on-the-job training, administration and wages. Employer incentive payments are even more an imperative against the background of increasing wages and conditions being imposed as a consequence of industrial relations decisions that came into effect on 1 January 2014.

In the short term, limited and tightly targeted financial assistance to employers is a policy response supported by Master Builders to dealing with construction's looming skills shortage. Assistance could have the following key elements:

- Rephasing the standard employer incentive (\$1,500 at six months and \$2,500 at completion) to \$1,500 at six months, \$1,500 at 18 months and \$1,000 at completion, in recognition that apprentices who make it through to third year are more likely to complete their studies
- As the payment has been static for many years, a 15% increase over the next three years should be considered to support employers to ultimately lift apprenticeships
- Reintroducing a 'Kickstart Bonus' of \$3,350 on top of the standard employer incentive for construction trades in demand to support employers to take on apprentices.

8 Attracting Our Future Workforce

8.1 Engaging Teachers and Students

Australian apprenticeship, especially traditional trades are an undervalued career choice and often described in negative terms in schools. For example, they are often perceived as physically demanding, unsafe and poorly paid. Australian apprentices are often viewed as being from a lower socio-economic background and without the capabilities to enter into a university pathway to employment.

'traditional trades are an undervalued career choice'

Master Builders recommends that there should be a strategy to lift the status of apprenticeships as representing a pathway towards a satisfying career amongst teachers and students.

Industry must engage with teachers and students to develop their understanding of the construction industry, in particular the key attributes employers are seeking from future apprentices and the jobs and pathways available that lead to long-term employment outcomes.

There should also be strategies to increase involvement by males and females in non-traditional gender occupations through targeting career counsellors, parents, the community, students and employers.

Master Builders recommends a programme be established that engages teachers and students directly in schools to support their understanding of the industry and the personal requirements to be successful in a job such as the right attitudes to safety, time management, commitment to work and equal opportunities for both male and females.

The programme should also engage with Indigenous Australians to discuss the opportunities for a career in the industry.

8.2 Teacher Professional Development and Teaching Materials

It is clear from surveys of employers that students leaving school do not hold the required skills to be productive in the workplace. In particular, students' ability to apply maths, science and technology skills is limited.

Master Builders recommends that teaching materials be developed to support teachers to teach maths, science and technology using the construction industry as a context for learning. These materials should be based on the national curriculum for years 5 through 10. The benefit of such materials is to support teachers to provide students with real-life practical examples used in industry.

A professional development programme for teachers and trainee teachers should be implemented to support the implementation of these materials into schools, and to build teachers' confidence in the teaching of math and science, particularly in the primary years.

8.3 Career Information

There is a lack of understanding amongst both school students and teachers of the knowledge and skills required to perform successfully in the building and construction workplace.

Short, sharp and focussed career materials should be developed to support teachers to gain an improved understanding of the attributes, skills and knowledge required by young people to perform successfully in the workplace. Materials may include printed career information and an online app.

9 Measuring Success

By 2020, Master Builders Australia's *Policy for Australian Apprenticeship Reforms* will have been successful if:

- 80% of the building and construction workforce holds a post-school qualification (currently 60%)
- Apprenticeship commencements reach 30,000 per annum, up by 66% on current commencements of 18,000
- 100,000 apprentices are in training, up by 132% on current apprentices in training at 43,100
- A national building and construction skills passport has been implemented
- Skill sets are accepted as a viable pathway into a job and are funded in all jurisdictions
- The construction training package includes skill sets at certificate II and III levels
- New trade apprenticeships, qualifications and skill sets recognise emerging job roles and tasks
- Employers report improved job readiness of apprentices with demonstrable productivity benefits to the economy
- Policy settings that support a national vocational education and training system with transparent and consistent funding models have been implemented.





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