



MASTER BUILDERS
A U S T R A L I A

Strategic Review of the Australian Apprenticeship Incentive System

May 2024



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Who we are

Master Builders Australia (Master Builders) welcomes the opportunity to provide input to the consultation on the *Strategic Review of the Australian Apprenticeship Incentive System* (the incentive system).

Master Builders is the nation's peak building and construction industry association which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations.

Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial and civil construction.

Introduction

The Australian building and construction industry needs more workers.

With an ageing workforce and increasing demand for housing and infrastructure, Master Builders anticipates that more than half a million new workers must enter the sector by 2029. This is simply to maintain business as usual and replace the eight per cent of the workforce lost each year to natural attrition. To achieve the Housing Accord goal of 1.2 million new houses by 2029, and net zero by 2050, that number is even higher.

BuildSkills Australia noted recently that the building and construction industry needs 90,000 new trades workers by the end of June 2024.

In a survey of members of the Master Builders network in April 2024, 66 per cent of respondents said that sourcing workers was the biggest issue facing the industry. When asked if it is a struggle to find suitably qualified workers, 85 per cent said it was. Of the reasons given for this 68 per cent of respondents said the cost of employing people is getting too expensive, 53 per cent said they are not appropriately skilled but 72 per cent said the workers simply are not there. There are just not enough workers to meet demand.

Lucy Anderson from ACT Formwork said, "finding and retaining competent workers is one of the biggest issues which has always faced our business. Because of this, our competent workers are overworked to help keep up with programs, and we are unable to expand due to not having the workforce to be able to adequately resource projects."

Anthony Friend from Pacific Formwork in the ACT said, "finding suitable qualified workers limits the volume of work we are able to take on, often passing up opportunities to undertake additional projects."

Ron Keogh from EMCO Building in Western Australia said, "we are struggling to find key workers across many fields from trades (including labourers, ceiling and walls, window installers, concreters, steel fixers, mechanical installers) to white collar staff such as HSE advisors, Site Managers, Project Managers and Contracts Administrators. The shortage of available resources has caused us to be short staffed in some key areas."

A Gabrielli Constructions representative from Queensland said, "we cannot find plant operators or truck drivers. Most of my own plant stands idle. We have had to outsource our own work to get production, but it comes at a higher cost to us. We cannot find carpenters, so we have to pay groups to carry out this work at a higher cost, which impacts our ability to secure contracts. All our trades contractors are suffering the same issues and consequently are charging a premium ... to take on our work. Everything is costing more for less productivity."

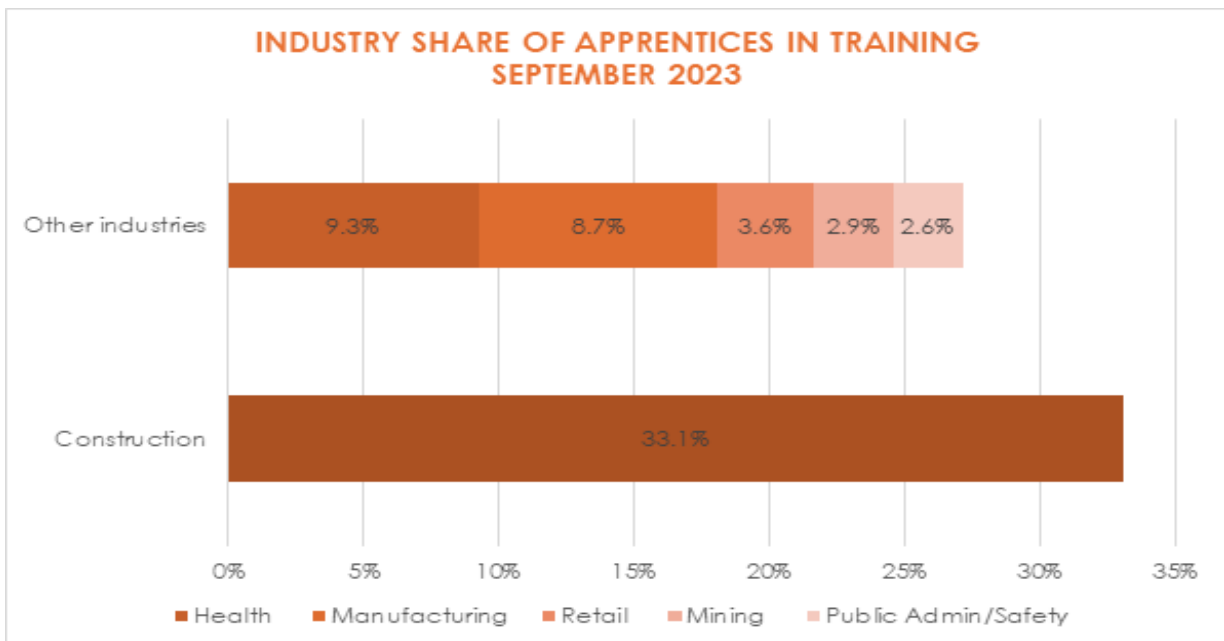
A custom shed, carport and barn builder in South said, "finding qualified workers has become a significant challenge, impacting operational efficiency and growth. Many applicants lack the necessary qualifications, requiring additional training that delays projects and increases costs. Furthermore, wage expectations have risen, making it increasingly

expensive to compete for skilled labour. ... Above all, the overarching problem is the sheer scarcity of workers. With fierce competition for skilled labour and regional housing challenges deterring new talent, we often face operational strains due to a stretched team, leading to project delays and added pressure on existing staff. This multifaceted issue significantly hinders our ability to efficiently operate and expand."

Mark Bauer from Manteena in the ACT said, "as a head contractor, we find it challenging to recruit experienced project management staff who are 'job ready' to run projects in their own capacity. We also find it challenging to source subcontractors who have sufficient workforces to resource their projects. Finally, we are aware of the challenges that the professional sector (Architects, Engineers etc) face in recruiting and retaining experienced practitioners. The quality (or lack of) directly influences (negatively) the outcome of the projects that we in turn need to deliver."

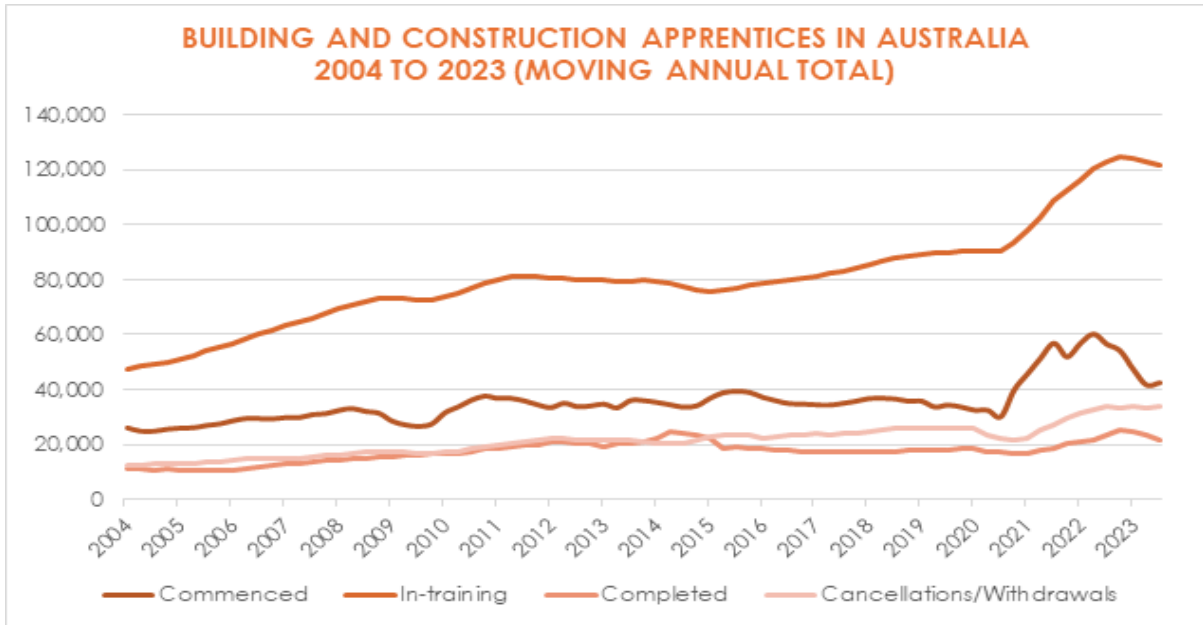
A Snapshot of Building and Construction Apprenticeships

Building and construction is the largest employer of apprentices in Australia. There were 124,120 apprentices in training in this industry at the end of September 2023 – representing 33 per cent of all apprentices.



In the year to September 2023, 42,335 building and construction apprentices commenced their studies, and 23,680 completed. Apprentices make up about 10 per cent of the 1.3 million people employed in this industry.

That said, there are not enough apprentices in training, nor are they waiting in the wings to commence their studies.



The number of apprentices in training in building and construction has decreased. In September 2022 there were 124,120, and in September 2023 there were 120,881 (-3 per cent).

The number completing their studies decreased from September 2022 from 23,680 to 21,814 in September 2023 (-8 per cent).

Commencements also decreased with 56,480 in September 2022, compared with 42,333 in September 2023 (-25 per cent).

There was a slight increase in cancellations and withdrawals between September 2022 (33,615) and September 2023 (33,695).

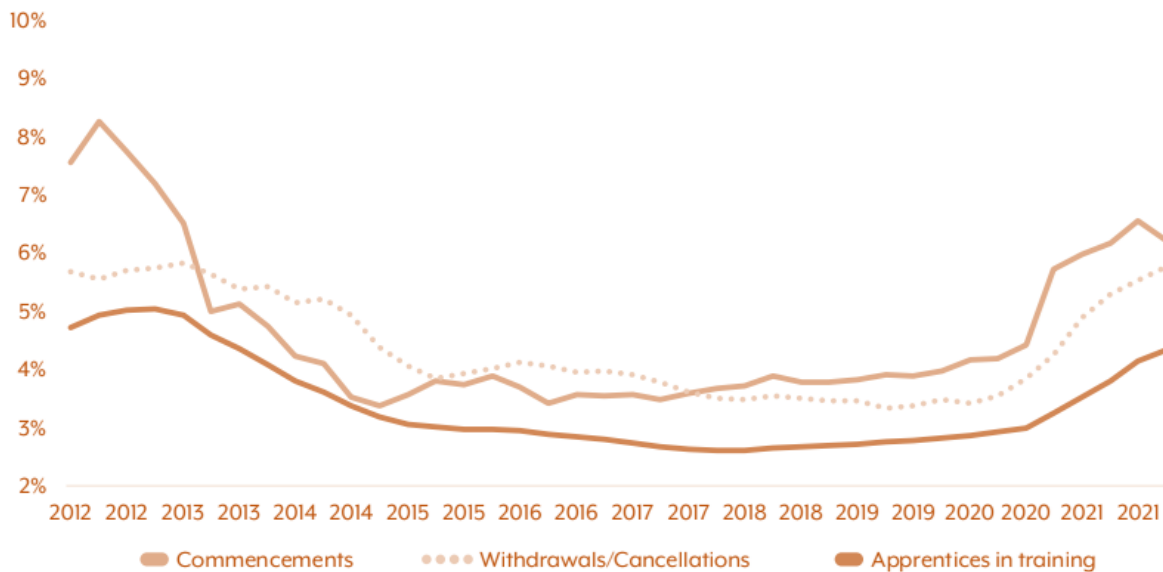
APPRENTICESHIP SNAPSHOT

	SEPTEMBER 2022	SEPTEMBER 2023	DIFFERENCE	%
COMPLETIONS	23,680	21,814	- 1,865	-8%
COMMENCEMENTS	56,480	42,333	- 14,145	-25%
IN-TRAINING	124,120	120,881	- 3,240	-3%
CANCELLED/WITHDREW	33,615	33,695	80	0%

SOURCE: NCVER

In September 2023 there were 5,880 women in training as building and construction apprentices. This represents 4.9 per cent of all apprentices in Australia. There has been a slight decrease in female apprentices in building and construction since September 2022 when there were 6,315 in training (5.1 per cent of the total).

FEMALE SHARE OF CONSTRUCTION APPRENTICE ACTIVITY - 2012 TO 2022 (MOVING ANNUAL TOTAL) (% OF TOTAL)



The majority of building and construction apprentices in training were enrolled in a Certificate III qualification. Of those still in training at the end of September 2023, about one quarter (26.0 per cent) were apprentice carpenters/joiners with a similar number undertaking electrical apprenticeships (26.1 per cent). Plumbing apprentices accounted for the third largest share (16.4 per cent) followed by air conditioning/refrigeration mechanics (4.5 per cent).

Around 70 per cent of apprentices in building and construction are 24 years of age or younger. This is slightly higher than all industries combined, where 62 per cent of apprentices commence their training before they turn 24.

The majority of apprentices (57 per cent) commence their building and construction apprenticeship at the age of 20 or younger. Women, however, commence their studies later in life as adult apprentices.

The Current Incentive System

Apprentices are vital to the building and construction industry and the future of the workforce. However, there are chronic issues plaguing the labour force that cannot be solved through financial incentives alone. They can, however, be eased by a robust and well-functioning incentive system.

For employers, an incentive system is not about providing an incentive to hire per se. There is a desperate need for workers and employers across the country are actively recruiting.

For building and construction employers the incentive system is about mitigating risk and providing assistance with the investment they make in an apprentice. It is about implementing a safety net that allows them to invest time and money training an apprentice and giving them the skills to become a master of their trade. The incentive system releases pressure that often causes builders and other tradespeople to feel they must choose between getting the job done and teaching their apprentice thoroughly.

When asked as part of a national survey, the Master Builders network noted the following about the incentive system:

Craig Burleigh, a builder from Tasmania said, “all government assistance is appreciated. Besides a lot of time invested training apprentices, by the time they make mistake, damage gear and vehicles due to inexperience, it is costly trying to get them to the end of their apprenticeship.”

Another Tasmanian noted that incentives right now do not make much difference in the apprenticeship process, but they take on apprentices to help boost the workforce. “It’s about getting another trades[person] out there, not about money,” he said.

A builder in the ACT similarly said that Government subsidies are “not the reason we hire apprentices. It helps but with more assistance we could employ more apprentices.”

Another ACT builder noted that the subsidies currently received are insignificant compared to the cost of training the apprentice on-site and in a classroom.

Clarence Macalister in Tasmania said, “financial assistance with the last apprentice meant I was able to invest quality time in training, mentoring and upskilling him on site.”

Mark Bauer from Manteena in the ACT said, “while we do not rely on it to make a decision to employ apprentices, any subsidy assists in the costs to the business to properly train these people.”

James Miller from Roof and Balcony Solutions in the ACT said, “we claim whatever we can but it still costs us a lot of money to get them through tech and into stable employment (preferably they stay on with us...).”

A cabinetmaker who runs a prominent Sydney kitchen company said he puts on two apprentices per year, in the hope that at least one will complete their studies. He said subsidies did not make much difference when it comes to the cost of on-boarding, nor fixing mistakes or managing learning curves. This particular cabinetmaker started his apprenticeship with the same company in 2003 but has only seen three other apprentices stay on with the business after qualification in that time. He still continues to bring on apprentices every year in the hope of finding someone who will take over from him one day.

Most businesses that responded to the Master Builders national survey were clear in saying that the current subsidies are a bonus, rather than an integral part of the decision to employ an apprentice. This is why only 50 per cent of them employ an apprentice.

Many respondents noted that they take on apprentices to give back to the industry and ‘do their bit’. Apprenticeship-employer relationships should not however exist simply because of an altruistic act by the employer.

The Master Builders network was asked as part of the national survey, if they do not employ an apprentice, for the reason behind that decision:

“It’s all the time [needed] to train,” said a representative from a concreting business in NSW.

Asher Trounce from a civil construction company in the ACT said, “we would employ more, but it is hard to find people for the role. School leavers do not seem interested in trades.”

A representative from Wolfblaus Building in NSW said “I run a small business; apprentices are time consuming. I don’t have time to teach, I need qualified trades people.”

“We haven’t found the right person and also my tradesmen are too busy as we are short staffed to be training,” said Paul from SPS in the ACT.

The common theme? The time it takes to train an apprentice. It is a large commitment for a business to make.

Employing an apprentice comes at a cost. Not just their wage, but the man-hours spent teaching them, covering their training costs at an educational institution, driving them to site if they have no car or licence, managing the associated administration, fixing inevitable mistakes (which are part of the learning process) and helping them navigate the workforce.

Salary alone for an apprentice carpenter is around \$165,000 across the four-year period. Add onto this the other associated costs and some business owners calculate they spend between \$230,000 and \$250,000 on their apprentice across that four-year period.

The majority of building and construction businesses (98.6 per cent) are small with fewer than 20 employees. 55 per cent of all businesses turn over less than \$200,000 per year and 37.2 per cent turn over between \$200,000 and \$2m per year. Expenditure on an apprentice is not insignificant. For those 55 per cent of businesses turning over less than \$200,000 per year, an apprentice could represent around 30 per cent of their total turnover in that four-year period.

This should be viewed in the context that half of all apprentices (61,566) in September 2023 were working for small businesses with fewer than 9 employees.

A Future Incentive System

A robust incentive system must provide assurance and minimise risk. It should mean that the employer does not shoulder the entire cost burden for the 50 per cent of apprentices who do not complete their studies. It should free up an employer to focus on training and teaching rather than feeling like it would put their workload behind schedule – this is especially important in the first and second apprenticeship years. It should give employers peace of mind that if their apprentice moves to another employer during or right after their apprenticeship – or out of the industry altogether – their investment was not too significant a loss.

A robust incentive system gives the same assurance to the apprentice. It helps them live comfortably on their award wage, allows them to purchase the tools and resources they need to be effective in their years of study and it compels them to finish their apprenticeship and seek a trade career. It gives them comfort that their employer will take time to train them properly.

There must be different thresholds and incentives for different types of apprentices. For example, it is vital to find ways to bring more women into building and construction apprenticeships. A Master Builders paper on women in building and construction, [Breaking Ground](#), released in March 2024 notes that women are most likely to come to the industry in their early 30s. They are usually mothers returning to work, or women seeking a career change. The majority are highly educated with 60.5 per cent of women in the industry holding a Certificate III or IV or higher. They need a different financial incentive to commence an apprenticeship – and draw award wages – than a young person beginning their career and perhaps still living at home.



Candice Arnall, a second-year carpentry apprentice with Master Builders Association NSW is an example of the kind of women coming into the industry. Candice started her apprenticeship later in life through Master Builders Association NSW after loving her experience renovating her own home.

Candice's story can be followed [here](#).

Given many women come to the industry later their career, a valuable commencement bonus reduces the concern about a wage decrease. It also helps offset childcare costs for mothers returning to work after parental leave, particularly in roles that are historically male dominated.

Jobs and Skills Australia notes that occupations that have a strong gender imbalance are more likely to be in shortage. Of male dominated occupations, 54 per cent are in shortage, compared with 40 per cent of female dominated occupations. By comparison, only 25 per cent of occupations with better workforce gender balance are in shortage.

An incentive system that recognises and actively seeks to right these gender imbalances, while meeting chronic skills needs is important.

In recent years, Master Builders has advocated for an incentive system that applies a 30 per cent employer subsidy in the first year and 10 per cent in the following years, as well as financial incentives to apprentices to ease cost of living pressures, irrelevant of the type of apprentice.

After detailed consultation with members, this is not enough. More needs to be done.

Master Builders makes the following suggestion for a new financial incentive system:

Male apprentices 29 years and younger

	APPRENTICE	EMPLOYER
COMMENCEMENT BONUS	\$1,000	\$2,000
FIRST YEAR	\$2,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher
SECOND YEAR	\$2,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher
THIRD YEAR	\$2,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher
FOURTH YEAR	\$2,000 per year	\$500 or 10% of award wage per quarter, whichever is higher
COMPLETION BONUS	\$2,000	\$2,000 if the apprentice has been employed by that employer from year one or two \$1,000 if the apprentice has been employed from year three or four

Commencement bonuses are important to ensure the upfront cost of beginning an apprenticeship can be managed. This is particularly true for an apprentice who may need to buy tools, obtain a drivers' licence or purchase other resources to assist them during their studies. Similarly for employers, this assists in the cost of administration and onboarding a new employee.

Completion bonuses provide an incentive to apprentices to continue their study, but particularly they help employers recover some of the costs incurred through the apprenticeship process.

For female apprentices, Indigenous apprentices and/or those in regional or remote areas and the employers of such, Master Builders suggests the following incentive structure:

Female apprentices, Indigenous apprentices and apprentices in regional or remote areas

	APPRENTICE	EMPLOYER
COMMENCEMENT BONUS	\$3,000	\$3,000
FIRST YEAR	\$2,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher
SECOND YEAR	\$2,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher
THIRD YEAR	\$2,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher
FOURTH YEAR	\$2,000 per year	\$500 or 10% of award wage per quarter, whichever is higher
COMPLETION BONUS	\$4,000	\$2,000 if the apprentice has been employed by that employer from year one or two \$1,000 if the apprentice has been employed from year three or four

For female, Indigenous and/or remote apprentices, Master Builders suggests a more significant commencement bonus to offset some of the cost involved in taking up an apprenticeship – noting that remote students would likely have to travel and female students are generally commencing their apprenticeship later in life. This cohort of apprentices is particularly susceptible to increased cancellation rates and needs additional support to complete.

Employers could be incentivised by a larger up-front bonus for taking on a female or Indigenous apprentice, thereby encouraging them to seek these potential apprentices out for employment, thereby increasing participation.

For apprentices who are 30 years or older (irrespective of gender) and the employers of such, Master Builders suggests the following incentive structure:

Apprentices 30 years or older

	APPRENTICE	EMPLOYER
COMMENCEMENT BONUS	\$3,000	\$3,000
FIRST YEAR	\$4,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher
SECOND YEAR	\$4,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher
THIRD YEAR	\$4,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher
FOURTH YEAR	\$4,000 per year	\$500 or 10% of award wage per quarter, whichever is higher
COMPLETION BONUS	\$1000	\$1,000 if the apprentice has been employed by that employer from year one or two \$500 if the apprentice has been employed from year three or four

Apprentices who are 30 years or older require a significant boost at the commencement of their apprenticeship to help them with career change and living costs. For most mature aged apprentices, commencement would mean a decrease in pay which should be offset to some degree by a bonus.

Government should consider a post-qualification employment bonus. An issue that regularly arises – and can make employers hesitant – is that many apprentices move on to other businesses once they have been signed off for qualification. While this is absolutely their right and should not in any way be hindered, for an employer who has spent four years training that person not only in their trade but also their business practices, this can be disappointing.

Master Builders suggests a post-qualification employment bonus of \$2,500 to the employer and \$2,500 to the apprentice if their employment relationship remains in place for 12 months from the date the apprentice is signed off for qualification.

Master Builders also suggests that any bonus or incentive payments are not subject to tax.

A Holistic View of the Apprenticeship System

Incentives are appreciated by the building and construction industry and their proper implementation is vital to workforce development. However, more can be done to the apprenticeship system holistically to bring people into trade careers.

Introductions must start early. Most people do not know what a career in building and construction in 2024 looks like – and parents and teachers are not equipped to help young people unless they have a connection to the industry. For many, these jobs conjure images of hard labour in the hot sun, rapidly ageing bodies and long hours for low wages. This simply is not the case anymore.

Building and construction today is more technology-based. There is still labour and on-site skill required – and it always will be – but there are also drones, modern methods of construction, 3D printing, factories, design software and pre-fabricated buildings going up in warehouses. Wages are on par or surpassing their white-collar counterparts with the average taxable income for tradespeople at \$81,608 per year.

Average Taxable Income by Occupation

OCCUPATION	AVERAGE TAXABLE INCOME PER PERSON
3311 Bricklayer or stonemason	\$63,131
3312 Carpenter and joiner	\$71,716
3321 Floor finisher	\$59,993
3322 Painting trades worker	\$54,828
3331 Glazier	\$65,836
3332 Plasterer	\$62,347
3333 Roof tiler	\$57,062
3334 Wall and floor tiler	\$55,778
3341 Plumber	\$79,156
3411 Electrician	\$100,611
3421 Air conditioning and refrigeration mechanic	\$85,252
3422 Electrical distribution trades worker	\$119,432
3423 Electronic equipment trades worker	\$85,965
3424 Telecommunications trades worker	\$77,175
Average	\$81,608

Source: Master Builders analysis of Australian Bureau of Statistics income data
 Note: Apprentice wages are included in determining these averages

Apprentices are paid to learn, unlike their higher education counterparts who pay to learn. As is clear from the table below, apprentices come out ahead and their capacity to earn increases year on year.

Apprentice Wages Compared with University Fees

	CARPENTRY APPRENTICESHIP*	BACHELOR OF BUILDING AND CONSTRUCTION (HONOURS)**
1ST YEAR	\$ 32,881	\$ - 8,948
2ND YEAR	\$ 38,055	\$ - 8,948
3RD YEAR	\$ 43,229	\$ - 8,948
4TH YEAR	\$ 50,990	\$ - 8,948
GRADUATING POSITION	\$ 165,156	\$ - 35,792
QUALIFIED STARTING SALARY	\$ 70,000	\$ 65,000

Source: Carpentry apprentice award wage compared with University of Canberra Bachelor of Building and Construction (Honours) fees in 2024

* Base wage for a full-time carpentry apprentice under the Building and Construction General On-Site Award (MA000020) who is not in Queensland nor an adult apprentice and who completed year 12, but is not required to work underground

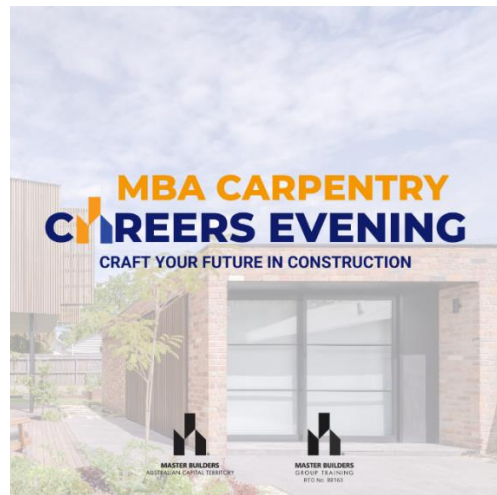
** Full-time student with a Commonwealth Supported Place

It is also important that the industry is allowed to provide more flexibility to workers – including diverse core hours and part-time work. Currently, the award for apprentices is rigid and does not invite the flexibility that young people and people in other parts of the workforce have come to expect in their careers. This must change if building and construction is to become an attractive option for the next generation of workers.

Further to this, streamlining the process through which licensing is obtained after qualification is an important part of the early career journey for tradespeople. Applying mutual recognition of trade licensing across states and territories allows for more national mobility and encourages tradespeople to follow opportunities that may be out of their current jurisdiction. Licensing and continuing professional development are important for maintaining fit for purpose trades people and meeting regulatory requirements, but balancing this against career progression and mobility is important.

Master Builders has been advocating for a system that provides comprehensive career advice to young people early in their school journey, as well as to parents. A system where careers advisers have access to up to date and useful information that helps them explain to people interested in a building and construction career how they can pursue that interest. The [Women Building Australia Jobseeker Handbook](#) has been particularly useful for young women seeking a trade career.

Case Study: Master Builders ACT Carpentry Careers Evenings



Master Builders ACT has mastered the art of managing the expectations of all three stakeholders: parents, apprentices and employers. To do this, they run biannual Carpentry Careers Evenings at their training facility in Fyshwick.

Master Builders ACT CEO Michael Hopkins says the success of these events is all about preparation.

“We work closely with schools in Canberra and its surrounds to help careers advisers connect us with students who might have an interest in an apprenticeship. From there, we provide lots of information on how a career in building and construction could look, what you need to do to secure an apprenticeship, what kind of subjects you’ll need to be doing at school, how to write a short CV, presenting yourself to an employer and even how to get your white card or asbestos awareness qualification.”



The work Master Builders ACT does with prospective apprentices up front – through their schools, careers advisers and directly – means when the Carpentry Careers Evening comes around, the student is prepared with questions, information and arrives ready to engage.

Master Builders ACT invites employers from the region to attend and makes sure to facilitate a fruitful networking environment. There is pizza and soft drink out in the workshop for the potential apprentices and employers. They network, get to know each other, and spend a few hours together chatting. Some of them organise work experience or start the apprenticeship process.

While this is happening, the parents who have accompanied their children are inside in a large training space with the Master Builders ACT executive, the Training Director, trainers, previous apprentices and other industry representatives learning about how to guide their child through the apprenticeship process.

“For parents we are aiming to provide comfort, information and practical ways they can support their child. We show how rewarding a career in building and construction can be and that their child will be safe, well paid and taken care of throughout their apprenticeship,” says Michael.

“We want to facilitate success in the apprentice/employer relationship so we can get great, qualified tradespeople out into the industry. This is why our completion rates at Master Builders ACT are so much higher than they are at non-industry RTOs and TAFEs.”

Leigh Southwell, the Careers Adviser at Marist College Canberra said, “the Carpentry Careers Evenings provided by Master Builders ACT are a valuable way for our students and parents to learn more about the wide range of opportunities available to them in the construction industry. It is a great way for students to gain information, ask questions straight to trainers and people working in the industry and for parents to support their children exploring future pathways. Master Builders ACT attending career events that I offer at my school is also invaluable as these personalised presentations and workshops broaden our students’ knowledge of their possible future. The information provided to students before they embark on their apprenticeships is very important to all Careers Advisers in Canberra and surrounds.”

Allowing young people to see building and construction in action – whether it is through site visits or ‘try a trade’ experiences – would reduce withdrawal and cancellation rates and lift completions. Many apprentices leave their studies because their expectations have not been appropriately managed – that is, they did not know what their apprenticeship would entail. Giving them a taste of what is to come and managing their expectations early is vital to reducing the 50 per cent non-completion rate. Master Builders suggests Government invests in programs that provide this experience for potential apprentices.

Case Study: Fairbrother – Commercial and Industrial Construction

Fairbrother is a commercial and industrial construction company based in Tasmania, but with offices on mainland Australia as well. The company employed their first apprentice in 1974 and since then have trained more than 450 apprentices. The Fairbrother Apprenticeship Program has been recognised on multiple occasions for excellence, including through a Minister's Award for Commitment to Australian Apprentices in 2008 and the Australian Apprenticeships Employer Award in 2020.

Matthew Scrimgeour is the Apprenticeship Program Manager and he says that a driving factor in the success of the Fairbrother Apprenticeship Program is managing expectations early and up front.

"It is vital to show young people what a trade career looks like, the kind of career pathways they can follow and what educational requirements they need to get there. This is what helps them to be job ready when they start their apprenticeship with us. They have focussed on their numeracy and literacy, and they are here, ready to learn, feeling passionate about their trade," says Matthew.

Fairbrother employs an average of 18 apprentices each year, and currently has 71 apprentices from first to fourth year in carpentry and cabinetmaking trades.

The organisation does a lot in the pre-apprenticeship stage to offer work experience, try a trade experiences, school talks and career expo appearances. This means most of their apprentices are recent school leavers, with some starting with the organisation after completing year 10.

Matthew says, "the reason we put so much energy into the recruitment process and work experience is so we can manage expectations early and ensure we are taking on apprentices who fully understand what they're signing up to. This really helps with our retention and completion rates."



Throughout a four-year apprenticeship with Fairbrother, apprentices have mentors on site who they can go to for help, guidance and support. They also have monthly appraisals where they can provide feedback, seek advice and track their progress within the company.

If an apprentice is struggling, or their mentor thinks they might need extra support in certain areas, Fairbrother works hard to facilitate this and help them flourish.

“This might mean moving them to a smaller site, giving them some extra support, pairing them with someone who can teach them a particular skill. Whatever it is, we try hard to make it happen. We want to get the best out of our apprentices because we invest a lot in them. We are training them to be the next generation of leaders and their success is our success,” says Matthew.



When asked what they like about their work with Fairbrother, this is what some of the apprentices had to say:

Angus said, “I’m learning new things every single day, and I love what I’m doing.” Brooke likes “that every day is going to be a different challenge on worksites. You get a variety of so many different tasks through the course of a project.”

Kobe said he likes “the versatility. Doing a lot of different things, meeting a lot of new people, getting to know different trades, and travelling to different areas of the state for work. A key attribute for success as an apprentice is a great attitude and a willingness to have a go, putting yourself out there, because you never know where it might lead.” For Jack, “going through work experience was a real eye-opener, showing me exactly what I wanted to do.”

Finally, Kynan says, “I really enjoy the satisfaction of finishing a job and seeing the end product of what you’ve done. I like the quality of work at Fairbrother.”

The proof is in the pudding.

The focus on managing expectations pre-apprenticeship, and providing dedicated pastoral support throughout the journey work. Fairbrother has a completion rate of just over 90 per cent – far above the national average.

Around 75 per cent of the apprentices trained by the organisation remain employed after they qualify.

Managing expectations is important throughout an apprenticeship, for both the apprentice and employer. Many employers talk of training their apprentice and investing in them, only to have them leave for another role after qualification. Similarly, many apprentices talk of leaving their apprenticeship employer because they thought they would not be able to afford to pay them more or provide a career path. The missing piece is communication. Master Builders suggests investment in programs that help employers – small businesses in particular – learn skills that help them mentor, train and communicate with their apprentices. A Government-funded program that helps employers in this way is of huge benefit.

Group Training Organisations (GTOs) run by industry are an excellent example of how pastoral care and support systems lead to higher retention and completion rates in apprentices. Government must consider providing additional funding to GTOs and the host employers who use them so the cost burden of using an apprentice through a GTO model is less. If using a GTO cost the same – or less – to a business as employing an apprentice directly, more apprentices would benefit from the support a GTO offers.

Case Study: Newcastle Master Builders Apprentices

[Newcastle Master Builders Apprentices](#) is a GTO that currently employs 180 apprentices, with around 10 more host employers looking to take someone on.

The cost of hosting an apprentice through a GTO is slightly higher for an employer, but the output is worth it.

Brett Lester is the Operations Manager at Newcastle Master Builders Apprentices and he says the GTO does the administrative work and provides pastoral care so builders can focus on teaching their trades.

“Our entire aim is to make sure the relationship is successful. That the apprentice and the host employer work well together and at the end we have another well-qualified tradesperson out in the industry,” says Brett.

Most of the host employers are small family businesses in the Hunter region of NSW. The support the GTO provides to these businesses is invaluable and provides them with a safety net. For example, if work slows down and the business cannot afford to carry the apprentice for a period of time, the GTO can place them with another host for that time.

“This means the host knows the apprentice is well looked after and still progressing in their studies and when work picks up again they can come back together,” says Brett.

Wes Parker, a host employer with the GTO says, “they effectively manage the apprentice, 100%. We provide the workplace, Master Builders looks after the apprentice, mentors them, they have site visits, they assess their progress both academically and mentally as well. The apprentice submits timesheets, and we pay an invoice – they take everything else.”

Brett adds, “it is also great for the apprentice because it is a reason so many people leave the industry. Their employer can't afford to keep them on, so they lose their job and become so disheartened or confused about what to do next that they give up their trade altogether. This especially happens in that first year.”

The GTO model works. It has higher retention rates and happier apprentices.

Brett puts the success of Newcastle Master Builders Apprentices down to a few factors. Firstly, the GTO works hard to match new apprentices with host employers. Recruitment officers conduct interviews with hosts to get an idea of the kind of person they are looking for and would work well with. They then interview prospective apprentices until they find a match. There is usually a two-day trial period to make sure the fit is right.

After that, a Field Officer checks in with each apprentice and host every eight to 12 weeks. If there are any issues the Field Officer intervenes to provide support and solutions. This might mean helping an apprentice understand feedback, helping a host with their communication skills or – in the worst case – moving the apprentice to another host. The latter is rare.



The relationship between the GTO and their local RTOs is vital. The GTO is usually the first to know if an apprentice is struggling, not keeping up with their studies or even not showing up to class. In these instances, Brett says Newcastle Master Builders Apprentices intervene quickly and early. They provide whatever support they can to the apprentice to help them succeed in the theory side of their studies.

Each apprentice is given a 'passport' for their four-year journey where their host, Field Officer and teachers write notes, provide feedback and sign off on competencies. This is how the GTO tracks progress with the apprentice and can step in if there are signs of any issues.

On the host employer's side, they are given early access to training on how to manage and mentor young people in particular, as well as how to communicate effectively and manage conflict.

Brett says the final piece to the puzzle is parents, and the GTO model is an excellent way to give them comfort that their child is taken care of.

"It is important for parents to know that there is always someone watching out for their child – we are there with their best interests at heart to support them to successfully complete their studies. And the apprentices know they can come to us for support. This makes parents feel comfortable, and when they feel comfortable they're more likely to support their child's trade career choice."

"We also have a huge focus on the mental health of our apprentices and check in with them regularly. All of our staff are trained in Mental Health First Aid and we intervene early at the first sign of an apprentice who might not be okay," says Brett.



At Newcastle Master Builders Apprentices, most apprentices stay with their host employer after they are signed off for qualification, even if it is only for six to 12 months. Brett says this is because they form solid relationships and they have gone through the apprenticeship journey together in a supportive and well-managed way. In fact, 25 per cent of the host employers currently working with the GTO are apprentices who went through the Newcastle Master Builders Apprentices program for their own studies.

Summary of Recommendations

A condensed version of the proposed financial incentives scheme, which should not be subject to tax, is:

	Male apprentices 29 years and younger		Female Apprentices, Indigenous Apprentices and Apprentices in Regional or Remote Areas		Apprentices 30 years or older (male or female)	
	APPRENTICE	EMPLOYER	APPRENTICE	EMPLOYER	APPRENTICE	EMPLOYER
COMMENCEMENT BONUS	\$1,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000
FIRST YEAR	\$2,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher	\$2,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher	\$4,000 per year	\$2,000 or 30% of award wage per quarter, whichever is higher
SECOND YEAR	\$2,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher	\$2,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher	\$4,000 per year	\$2,000 or 25% of award wage per quarter, whichever is higher
THIRD YEAR	\$2,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher	\$2,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher	\$4,000 per year	\$1,000 or 15% of award wage per quarter, whichever is higher
FOURTH YEAR	\$2,000 per year	\$500 or 10% of award wage per quarter, whichever is higher	\$2,000 per year	\$500 or 10% of award wage per quarter, whichever is higher	\$4,000 per year	\$500 or 10% of award wage per quarter, whichever is higher
COMPLETION BONUS	\$2,000	\$2,000 if the apprentice has been employed by that employer from year one or two \$1,000 if the apprentice has been employed from year three or four	\$4,000	\$2,000 if the apprentice has been employed by that employer from year one or two \$1,000 if the apprentice has been employed from year three or four	\$1,000	\$1,000 if the apprentice has been employed by that employer from year one or two \$500 if the apprentice has been employed from year three or four
POST-QUALIFICATION BONUS (12 MONTHS AFTER QUALIFICATION)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500

Additional suggested reforms to the apprenticeship system are:

- Campaigns that show the reality of a career in building and construction.
- Investment in early, ongoing career advice that is informed and unbiased.
- A digital, interactive version of the [Women Building Australia Jobseeker Handbook](#).
- Investment in and funding for trade careers nights, such as those run by industry bodies like Master Builders ACT.
- Investment in and funding for prolific and wide-reaching 'Try a Trade' experiences for people in schools and those seeking a career change.
- A nationally funded program for tradespeople to give them skills in mentoring, managing and communicating with apprentices.
- More flexibility in the apprenticeship awards to encourage work-life balance and wider core hours.
- Funding or subsidies for industry-run GTOs like Newcastle Master Builders Apprentices.

The apprenticeship system – particularly as it relates to building and construction trades – is in need of support. Master Builders is keen to work closely with Government and all other interested parties to shape the future of the building and construction industry. Bringing more people into the workforce and training them to be masters of their trade cannot fall so heavily on the shoulders of employers. In the higher education practical experience space – for nurse and teachers for example – the host employers are tasked with giving on the job training but they do not shoulder the entire financial and administrative burden of doing so. Employers of apprentices in building and construction need better support, subsidies, assistance and training.

Master Builders looks forward to consulting further with Justice Ross and Ms Paul on the Strategic Review of the Australian Apprenticeship Incentive System.

Contact

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