



MASTER BUILDERS
A U S T R A L I A

Strategic Review of the Australian Apprenticeship Incentive System

Supplementary Submission

May 2024



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Master Builders Australia

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 Review).

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.

Master Builders made a submission to the Review on 2 May 2024, and on 8 May 2024 held a roundtable discussion with Justice Ross and representatives from Master Builders Newcastle Apprenticeships. Following that roundtable, Master Builders makes this supplementary submission to provide more information on:

- The benefit of the Group Training Organisation (GTO) model.
- Funding initiatives that could lift retention rates.
- Changing the way tradespeople are taught how to run a business.
- Ways to make work experience opportunities more prevalent.
- Injecting more flexibility into the Award.
- Putting Vocational Education and Training (VET) on equal footing with higher education.
- Providing more support to careers advisers.

Summary of Recommendations

Master Builders makes the following recommendations:

- 1) Government funds a pilot program to roll out a national industry-run GTO boost program to the effect of \$5,000 per apprentice per year for a four-year period.
- 2) Government provides financial incentives to apprentices to encourage them to complete their Certificate IV.
- 3) BuildSkills Australia must ensure that building and construction training packages are fit for purpose and not only teaching people how to be skilled in their trade, but also how to run a business.
- 4) Government funds a pilot partnership with the Master Builders network to support work experience placements.
- 5) All Modern Awards must enable flexible work arrangements and practices that are otherwise a barrier to, or disincentive for entry for apprentices.
- 6) Government must recalibrate skills and training priorities to level the playing field not just regarding the perception of VET compared with higher education, but in the way it allocates funding to these two different pedagogical pathways.
- 7) Government must invest in developing an online, interactive resource that helps students, parents and careers advisers alike get an in-depth, realistic and relevant understanding of what a career in building and construction looks like.

Group Training Organisations

The Master Builders' full submission to the Review noted the advantages of the GTO model. A GTO hires apprentices and places them with host employers. They take on all the responsibilities of an employer so the host does not have to.

GTOs offer support and expertise to apprentices and their host employers alike. These apprentices have a higher chance of completing their studies than their directly employed counterparts. The model is proven to work.

In the past, GTOs employed around 30 per cent of Australia's apprentices. Now, they employ around 7 per cent with about 50,000 students and 35,000 host employers. The main reason for this decrease in building and construction particularly is because GTOs are expensive to operate and come with significant legal and regulatory requirements that require administrative and governance expertise. For many, the business model was simply not viable without government support.

Within the Master Builders network there are four GTOs. They are in Newcastle, New South Wales, South Australia and Tasmania. Within those organisations are almost 1,000 apprentices hosted by around 500 employers. Apprentice completion rates in the Master Builders network hover between 60 and 70 per cent.

The main benefit of the GTO model, and one that is routinely cited as the key to retention is pastoral care.

The first year of an apprenticeship in particular is critical. It is when the largest number of apprentices discontinue their studies. For many, this is because their expectations were not managed prior to commencement, or they did not gel with their employer. A lot of them do not have anyone they can turn to for support, guidance, re-employment or advice. They simply leave the industry.

In the GTO model, this is less common. The GTO is a safety net to catch the apprentice before they fall away.

Case Study: Master Builders Association of South Australia

Troy Aitken, General Manager of Apprenticeships at Master Builders Association of SA says, "when you contact a GTO, you have access to unbiased information and assistance in finding the right apprenticeship or traineeship for you.

"GTOs have vast industry experience and connections. As an apprentice, you have more choice and opportunities. You receive ongoing mentoring and support by highly qualified and dedicated staff who are committed to ensuring the best fit between apprentices and host employers.

"GTOs can act as a mediator to resolve workplace disputes or issues and they can also provide an alternative placement if needed. As an apprentice, you get all of these services and you don't have to pay a cent!"



One of the host employers in South Australia says, "Master Builders helps by providing apprentices when needed, quickly and efficiently. They are easy to deal with.

"Cascade Construct focuses on custom framing and custom cladding finishes. We like to work for builders who require perfection and work closely with their clients.

"We love seeing the young ones coming up through the ranks, as we were all like that once upon a time. Seeing apprentices who are keen and eager to learn the carpentry trade is great. We also like to be able to help apprentices by showing and training them on how to do things properly."

Brad is a host employer who says, "having an apprentice through Master Builders is very rewarding. I enjoy the aspect of training and teaching them the ins and outs of the bricklaying trade.

"I also completed my apprenticeship with the MBA, so I can pass on my knowledge to the apprentices coming through. All the staff at Master Builders are a great help."



Some of the apprentices employed through Master Builders NSW say:



“
I'm really grateful for the encouraging words and practical support I have received in my training so far.
”

Zach Ellis, 20 years old, 3rd year Master Builders Carpentry apprentice

“
No two days are ever quite the same. I love how I am learning new Carpentry skills and techniques every day.
”

Tarsha Wayne, 19 years old, first-year Master Builders Carpentry apprentice

“
It's important for me to forge relationships at work, so it's more than just work for me.
”

Duc Thanh Dinh, 30 years old, 2nd year Master Builders Carpentry apprentice

More information on the benefits of using a Master Builders GTO is available online [here](#).

According to the Apprentice Employment Network NSW and ACT¹:

- GTOs in NSW are achieving up to 15 per cent higher completion rates than direct employers.
- 94 per cent of all trade apprentices find a permanent job after their apprenticeship.
- 76 per cent of trade apprentices are employed in the same occupational grouping as their apprenticeship.


At Master Builders Tasmania, more than two thirds of their apprentices go on to complete their journey with the GTO. Of those who resign, the most common reasons are because they have decided to become directly employed, or they have moved to mainland Australia to complete their apprenticeship.

The success of the apprentice is the success of the GTO. Their sole purpose is to help apprentices succeed in their chosen trade to become fully qualified. For this reason, their focus is on helping that apprentice through their journey. This might mean pairing them with a different employer, moving them to a different type of business, providing them with learning or digital literacy support or assisting in resolving conflict.

Wes Parker, of Parkwood Modular Buildings, a GTO host employer, says, “we provide the workplace but Master Builders looks after them and mentors them. They have site visits, they assess their progress, both academically and mentally as well. We submit time sheets and they submit an invoice. They take care of everything else.”

Nathan Brown, another host employer from Newcastle says, “I know, 100 per cent that if anything happens to one of the apprentices, they’re covered. Workers’ compensation is covered, superannuation is covered, their tax is paid, and everything is done for you. It just makes sense.”

Michael Wright is a host employer with Master Builders NSW:



“

The amount of administration work that Master Builders takes off our hands frees up a lot of time, so we can be onsite a lot more. The fact we simply get an invoice every week from Master Builders is amazing. We do not have to worry about processing sick pay, holiday leave, superannuation entitlements, or workers’ compensation. Master Builders does it all for us. This makes it a lot easier for us to focus on the apprentices to teach them on-the-job skills and grow into quality tradespeople.

**Michael Wright, Co-Director
Wright Construction Sydney**

In addition to managing the relevant financial, legal and pastoral support elements of an apprenticeship, the GTO model brings another significant benefit: it reassures parents.

Parents remain the biggest influence on a young person’s career decision.

Felicity is a mother of a third-year carpentry apprentice with Master Builders NSW. [She talks in this video](#) about her concerns with safety before her son started his apprenticeship. Felicity said, “with his apprenticeship, my son is taught all the safety features and they’re not allowed on site without the safety equipment, and they are very strict. They do look after their

¹ Australian Employment Network (May 2022) *The GTO Advantage* at <https://drive.google.com/file/d/1XpfLU5cT6F7obbsfllliQD7O-vU1M2NR/view>

apprentices, even as far as sunscreen! They make sure they put sunscreen on in the morning!"

For a young person – say 13 or 14 years old – considering a career in building and construction, their parents will be the most influential figures in deciding whether to pursue it or not.

Industry and Government must ensure that parents are informed, prepared and have their expectations managed so they can support their child in their career aspirations. Programs and information directed at parents are vital to increasing participation and retention rates.

Master Builders GTOs do this well.

For example, [Master Builders NSW has minimum safety standards that all host employers must meet](#). Master Builders NSW provides a safety service to ensure host employers are meeting their legislated, regulated and industry standards and a safety coordinator is on call to assist with this.

The GTO model brings comfort to parents that their child has someone watching out of them. It gives them someone to talk to if they are concerned and it ensures their child has a support system in place outside of their home.

This is invaluable.

It is disappointing that the number of apprentices employed through GTOs is decreasing given it is a proven model for success. Industry-run GTOs like the four in the Master Builders network are impeccable citizens in this space, with the purpose of supporting apprentices at the core of everything they do.

Boosting GTOs and encouraging tradespeople to host apprentices in this way, rather than employ directly, will no doubt increase completion rates.

For some, the cost of using an apprentice through a GTO is a disincentive.

Calculating the actual difference in cost is complex. There are multiple trades and various stages of an apprenticeship. There are different awards for juniors who have completed year 12, juniors who have not completed year 12, adults, and apprentices in residential or commercial building. Some are on awards and some are under enterprise bargaining agreements (EBA). There are various site, general and special allowances that the apprentice may be entitled to.

It is impossible to make a simple like-for-like comparison of the financial difference. However, this demonstrates another benefit of the GTO system – the GTO navigates all of the complexities in the relevant award and salary requirements so the host employer does not have to.

In an effort to illustrate the cost differential, below is a breakdown of average costs from GTOs across the Master Builders network for a first-year junior residential carpentry apprentice who completed year 12, is working under the award on a 38-hour week (without any overtime included in the calculation).

Directly Employed	
Apprentice wages (hourly rate – including tool and fare allowance)	\$18.73/h
Additional costs above wage expenses	Superannuation
	17.5% annual leave loading
	Personal leave
	Payment for non-workdays due to weather or other restrictions and RTO days
	Workers' Compensation premium
	Personal Protective Equipment
	Recruitment costs
	Payroll and administration costs
Employed through a GTO	
Hourly rate billed to host employer	\$32.00/h
<p>The host employer is only invoiced for the apprentice's time. Host employers do not pay for rostered days off (RDO), leave entitlements (annual, personal, compassionate, LWOP) or RTO days. The GTO pays the superannuation guarantee, workers' compensation premiums, insurance, annual leave loading. They provide PPE and manage all recruitment costs, payroll, HR, apprenticeship and RTO administration all as part of the hourly invoiced rate.</p>	

When broken down to an annual amount paid, the difference between employing directly or through an industry-run GTO is around \$5,000 depending on the organisation and the apprentice. For some, it is more, and for some it is slightly less. For adult apprentices, or those on an EBA in particular, the amount would be significantly higher.

The \$5,000 figure aligns with the GTO Boost Funding that was made available through the South Australian Government when it was seeking to bridge the cost gap between employing through a GTO and employing directly. The funding was delivered as a \$100 wage subsidy that was passed onto an employer weekly for the first year of the apprenticeship.

Master Builders welcomed the announcement in the 2024-2025 Federal Budget for \$1,500 per apprentice, per year paid to GTOs in the building and construction industry that would pass that cost saving on to host employers of priority occupation apprentices. The recognition of GTOs as a valuable and successful model for apprenticeship support is an excellent step to increase the number of apprentices and host employers using these organisations.

Master Builders recommends that Government further fund the cost differential for an employer on a national basis so the overall cost for an apprentice is the same when employing through an industry-run GTO as it would be to employ directly.

Funding industry-run GTOs like those in the Master Builders network would incentivise more employers to use the model, which has been proven to increase completion rates and provide valuable and necessary pastoral care to apprentices.

Master Builders recommends Government fund a pilot program to roll out a national industry-run GTO boost program to the effect of \$5,000 per apprentice per year for a four-year

period. To roll out a pilot of this kind across the four GTOs in the Master Builders network, the cost to Government would be around \$5m per year for four years.

Master Builders would welcome an opportunity to work with Government to design and implement a pilot of this kind to increase the reach of the GTOs within the Master Builders network and incentivise more employers to host apprentices through this model.

Funding the Gap Between Juniors and Adults

Hiring an adult apprentice is more expensive than a junior. As noted above, there is a different award rate applicable to apprentices who are year 10 graduates, year 12 graduates or 25 years or older.

Of the 120,881 building and construction apprentices in training in September 2023, 85,905 (71 per cent) were 24 years or younger, while 35,976 (29 per cent) were 25 years or older.²

For a first-year carpentry apprentice on the general on-site award who has completed year 12, the hourly rate of pay is \$16.95³. For a first-year adult apprentice in the same trade on the same award, the hourly pay rate is \$26.26 (see **Appendix A** (note that this document is shared on a confidential basis and must be redacted for any public use)). Over the course of that first year, the adult apprentice would cost approximately \$18,000 more than the junior.

This is a significant difference.

Master Builders members overwhelmingly say adult apprentices are more willing to learn and tend to work harder than their younger counterparts. Many of them come to a building and construction apprenticeship having held previous roles and their expectations of the industry are usually well-managed. For many employers, an adult apprentice is worth the additional cost. But for others, it is simply not financially viable.

As noted in Master Builders' main submission to the Review, 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 institution⁴, 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 a junior apprentice residential 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 junior apprentice across that four-year period.

The salary for an adult apprentice residential carpenter across that period is more like \$207,000. When associated costs are added, the total output over a four-year period for an adult apprentice of this kind is pushing \$300,000.

The majority of building and construction businesses (98.6 per cent) are small with fewer than 20 employees. Fifty-five 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.

Master Builders recommends that Government fund the difference between employing a junior and an adult in an effort to incentivise more businesses to take on adult apprentices in building and construction.

² NCVER Data Builder <https://www.ncver.edu.au/research-and-statistics/data/databuilder> accessed 13 May 2024.

³ This hourly rate includes tool allowance.

⁴ Master Builders notes that in some states and territories Fee-Free TAFE or RTO training may apply to cover this cost currently.

Master Builders suggests that as a start, this could easily be done through the GTO model by providing funding to close the financial gap so the cost to the host employer is negligible.

For wider reach, this could also be done through Government programs that allow employers to access a rebate on the wages paid to their adult apprentice across the four-year apprenticeship period.

Getting Across the Certificate IV Line

Master Builders is aware of many instances – particularly in non-licensed trades – where apprentices will complete their Certificate III and close the book on their studies, rather than undertaking a further year to graduate with a Certificate IV. For the purpose of having a well-skilled and highly qualified building and construction workforce, this is less than ideal. The industry needs more people completing their Certificate IV and becoming licensed tradespeople.

Of the 4,925 apprentices who completed their training in building and construction trades in September 2023, 4,625 (94 per cent) graduated with a Certificate III or below. Completing with a Certificate IV were 255 apprentices (5 per cent) and 45 graduates completed with a Diploma or Advanced Diploma (1 per cent).⁵

For Australia to meet its chronic and critical skills shortages in building and construction, more apprentices must graduate with at least a Certificate IV, in many cases this will enable them to seek relevant trade licensing in future.

Master Builders recommends that Government provide financial incentives to apprentices to encourage them to complete their Certificate IV.

This should be in the form of an incentive payment upon completion of a Certificate IV in a building and construction trade, and/or a complete fee subsidy for the final year of study.

Teaching the Business of Business

Further to the need to incentivise more tradespeople to complete their Certificate IV it is vital that education in this space does not just teach how to work on the tools, but also how to run a business.

Apprentices within the Master Builders network report completing their apprenticeship with very little exposure to the business side of building and construction. They are not taught how to run a business – be it their own, or someone else's.

When looking at the required units across trades, this is not surprising. Take, for example, the CPC40120 Certificate IV in Building and Construction. Of the 11 core units in this training package, two might be mildly considered to regard operating a business. They are highlighted in red:

CPC40120 Certificate IV in Building and Construction

<i>CPC40120- Apply building codes and standards to the construction process for Class 1 and 10 buildings</i>	Core
<i>CPC40120- Apply structural principles to residential and commercial constructions</i>	Core
<i>CPC40120- Apply site surveys and set-out procedures to building and construction projects</i>	Core

⁵ NCVET Data Builder <https://www.ncvet.edu.au/research-and-statistics/data/databuilder> accessed 13 May 2024.

CPCBC4007- Plan building and construction work	Core
CPCBC4012- Read and interpret plans and specifications	Core
<i>CPCBC4008- Supervise site communication and administration processes for building and construction projects</i>	Core
<i>CPCBC4002- Manage work health and safety in the building and construction workplace</i>	Core
CPCBC4009- Apply legal requirements to building and construction projects	Core
CPCBC4053- Apply building codes and standards to the construction process for Class 2 to 9 Type C buildings	Core
CPCBC4021- Minimise waste on the building and construction site	Core
CPCBC4014- Prepare simple building sketches and drawings	Core

Of the 32 available electives, nine relate to running a business. They are highlighted in red:

CPC40120 Certificate IV in Building and Construction

BSBPMG426- Apply project risk management techniques	Elective
CPCSUS4002- Use building science principles to construct energy efficient buildings	Elective
<i>BSBESB406- Establish operational strategies and procedures for new business ventures</i>	Elective
BSBLDR413- Lead effective workplace relationships	Elective
CPCSUS4003- Maximise energy efficiency through applied trade skills	Elective
<i>CPCBC5019- Manage building and construction business finances</i>	Elective
<i>BSBWRT411- Write complex documents</i>	Elective
<i>BSBPEF501- Manage personal and professional development</i>	Elective
CPCCO4001- Supervise concreting work	Elective
<i>CPCBC4003- Select, prepare and administer a construction contract</i>	Elective
<i>BSBPMG422- Apply project quality management techniques</i>	Elective
CPCBIM4003- Contribute to BIM deliverables for construction work	Elective
CPCBC4020- Build thermally efficient and sustainable structures	Elective
CPCBC4019- Apply sustainable building design principles to water management systems	Elective
CPCBC4006- Select, procure and store construction materials for building and construction projects	Elective
CPCBC4017- Arrange resources and prepare for the building and construction project	Elective
CPCBC4026- Arrange building applications and approvals	Elective
CPCBC4028- Prepare design brief for construction works	Elective
CPCBC4005- Produce labour and material schedules for ordering	Elective
BSBPMG430- Undertake project work	Elective
<i>CPCBC4052- Lead and manage teams in the building and construction industry</i>	Elective
<i>CPCBC4024- Resolve business disputes</i>	Elective
BSBESB407- Manage finances for new business ventures	Elective
CPCBC4022- Supervise tilt-up work	Elective
<i>BSBESB402- Establish legal and risk management requirements of new business ventures</i>	Elective

CPCBC4013- Prepare and evaluate tender documentation	Elective
CPCBIM4001- Plan to comply with BIM requirements for construction work	Elective
CPCBIM4002- Use BIM processes to carry out construction work	Elective
CPCSUS4001- Implement and monitor environmentally sustainable work practices	Elective
CPCBC4015- Prepare specifications for all construction works	Elective
CPCBC4004- Identify and produce estimated costs for building and construction projects	Elective
CPCPRE4001- Inspect the erection of prefabricated concrete elements	Elective

Compare this with the CPC40920 Certificate IV in Plumbing and Services where three of the 10 core units in the training package relate far more strongly to learning how to run a business. Of the 24 electives available, four of them are business related – particularly BSBSB403- Plan finances for new business ventures and CPCBC4024- Resolve business disputes.

CPC40920 - Certificate IV in Plumbing and Services

<i>CPCPCM4015- Access and interpret regulatory requirements for the plumbing and services industry</i>	Core
CPCPGS4011- Design and size consumer gas installations	Core
CPCPWT4011- Design and size heated and cold-water services and systems	Core
CPCPSN4011- Design and size sanitary plumbing systems	Core
CPCPDR4012- Design and size stormwater drainage systems	Core
<i>CPCPCM4012- Estimate and cost work</i>	Core
CPCBC4012- Read and interpret plans and specifications	Core
CPCPCM4011- Carry out work-based risk control processes	Core
CPCPDR4011- Design and size sanitary drainage systems	Core
<i>BSBSB402- Establish legal and risk management requirements of new business ventures</i>	Core
CPCPMS4023- Design compressed air systems	Elective
CPCPGS3053- Disconnect and reconnect Type A gas appliances	Elective
CPCPFS3037- Install residential life safety sprinkler systems	Elective
CPCPGS4023- Install, commission and service Type B gas appliances	Elective
CPCPDR4013- Design and size domestic treatment plant disposal systems	Elective
UEERL0004- Disconnect - reconnect electrical equipment connected to low voltage (LV) installation wiring	Elective
CPCPFS4021- Commission domestic and residential fire suppression sprinkler systems	Elective
CPCBC4019- Apply sustainable building design principles to water management systems	Elective
CPCPCM4013- Produce 2-D architectural drawings using design software	Elective
CPCPWT4023- Commission and maintain hot and heated water temperature control devices	Elective
CPCPWT4022- Commission and maintain backflow prevention devices	Elective
CPCPWT3022- Install and commission water heating systems and adjust controls and devices	Elective
<i>CPCBC4002- Manage work health and safety in the building and construction workplace</i>	Elective
<i>BSBSB403- Plan finances for new business ventures</i>	Elective
CPCPRF4011- Design and size roof drainage systems	Elective

<i>CPCBC4024- Resolve business disputes</i>	Elective
<i>CPCPMS4022- Commission air and water systems</i>	Elective
<i>CPCPWT3027- Install backflow prevention devices</i>	Elective
<i>CPCPCM2043- Carry out WHS requirements</i>	Elective
<i>CPCPMS4011- Design, size and lay out heating and cooling systems</i>	Elective
<i>CPCPGS4022- Service Type A gas appliances</i>	Elective
<i>CPCPDR3023- Install on-site domestic wastewater treatment plants and disposal systems</i>	Elective
<i>CPCPFS4024- Design residential fire sprinkler systems</i>	Elective
<i>CPCPPS5033- Design vacuum drainage systems</i>	Elective

The plumbing training package is better – but it still does not go far enough to training future tradespeople in how to run a successful business.

Over the year to March 2024, a total of 2,758 construction businesses entered external administration. This was 35 per cent higher than the same period one year earlier. Building and construction businesses accounted for 27.6 per cent of the economy's total insolvencies over the 12 months to March 2024.⁶ Of the 1.32 million people employed in the construction industry, just under one third (32.3 per cent, or 424,900 people) are owner/managers of businesses.⁷

In a workforce of 1.32m people, made up overwhelmingly of small businesses (98 per cent), these insolvency figures are devastating.

Providing more business and business resilience training as part of the apprenticeship journey is key to reducing insolvencies and ensuring that those skilled tradespeople finishing their studies are equipped to enter an industry that is overwhelmingly made up of small businesses.

Master Builders recommends that BuildSkills Australia must ensure that building and construction training packages are fit for purpose and not only teaching people how to be skilled in their trade, but also how to run a business.

Work Experience

Work experience is a vital part of helping people, especially young people, understand what a career in building and construction is like. VET, unlike higher education, is inflexible once you are enrolled. For example, if a student has done two years of their plumbing apprenticeship, but decides they would prefer carpentry, the process for obtaining recognition of prior learning is lengthy and difficult. The credit transfer is usually minimal and means an apprentice with two years' experience under their belt in plumbing effectively goes back to square one to start again in carpentry.

The reasons for this are understandable, given the intricacies of learning a trade. However, a lack of understanding of the career into which one is entering, coupled with inflexibility during training, means many students are simply lost from building and construction apprenticeships.

Managing expectations early and upfront is key. Master Builders pointed to Master Builders ACT in its main submission to the Review as an example of how early and thoughtful career advice can make a huge difference to apprentice retention rates.

⁶ Master Builders Australia analysis of ASIC Insolvency Statistics (Series 1), see <https://asic.gov.au/regulatory-resources/find-a-document/statistics/insolvency-statistics/insolvency-statistics-current/>.

⁷ ABS (2024) Labour Force, Australia, Detailed PivotTable EQ05, February 2024

More can be done, however.

Industry can work closely with Government in this space to develop initiatives that help young people and people looking for a career change determine where they best fit. One such initiative could be a collaboration between Government and Master Builders to incentivise businesses to take on work experience seekers.

Case Study: Master Builders Newcastle Apprentices

Master Builders Newcastle started a scholarship program in 2020. The aim of the initiative is to provide work placement opportunities with Master Builders Apprenticeships GTO host employers. The program runs in the last week of school term and through school holidays with a total commitment of 10 weeks work placement over a two-year period.

The intention is to help students gain valuable on the job experience in the industry through mentoring and with some financial assistance.

Each year 10 scholarships are made available and in the early years of the program there were a large number of applicants. The scholarships cover all trades including carpentry, electrical and plumbing.

The program has been a success because it incentivises interested students to undertake work experience. They are paired with host employers who are keen to help young people learn about building and construction in the hopes they will undertake an apprenticeship when they finish school.

Megan Read, Office Manager for Master Builders Newcastle Apprentices says, “the program is great because we see a lot of the students who get the scholarship come through to do their apprenticeship with us after finishing school or they form a direct relationship with their host employer and do their apprenticeship that way. Either way, the scholarship is an excellent way for us to support future tradies and bring more young people into the industry.”

The program works but it needs to go further. In recent years, the number of applicants and host employers has decreased.

Megan says, “in recent years we have seen host employers dropping off a bit because the time it takes to really show someone the ropes is a big investment for a lot of tradespeople. Our scholarship goes to the student, not the builder and we are finding that we need to give the latter an incentive to take on work experience students too.

“It would be great if there was Government funding to help us cover the costs for the host employer too so they can really focus their attention on the student during the work experience period.”

Scholarships valued at \$2,500 each - Carpentry, Plumbing & Electrical

ELIGIBILITY

To be eligible to apply you must be:

- A full-time student commencing Year 10 or 11 in 2024 and undertaking/committed to completing the CPC 20220 Construction Pathways Cert II, UEE20220 Electrotechnology Cert II or Accelerated Construction Course.
- Able to demonstrate effective communication and numeracy skills.
- Work well in groups and as part of a team.
- Able to work independently.
- Be reliable and punctual.
- Exhibit problem solving skills.
- Students applying for the Scholarship will be required to attend an interview.
- Students that gain a position into the program must have reliable transport to and from local jobsites.

10 weeks' of work experience over the two years - last week of school term and the first week of school holidays:

- 2024 Terms 1, 2 and 3
- 2025 Terms 1 and 2

Provided with a selection of tools, clothing and safety equipment so you're ready to go on the job site.

EFTPOS Gift Card provided at the beginning of each onsite block to assist with travel for work placement or course expenses.

careerlinks | NSW | Education

APPLICATION FORM MUST BE SUBMITTED BY: FRIDAY 15TH DECEMBER 2023

*Please contact Gabrielle Harden on 4979 0170 or gabrielleh@mbagtp.com.au if you have any questions or troubles submitting the form.

SCAN THE QR CODE TO APPLY:

Master Builders recommends that Government fund a pilot partnership to support work experience placements. Through Master Builders, host employers and students could be matched to undertake work experience. Master Builders would require employers to meet certain standards and requirements that mean they could give the student a valuable on-site experience. Master Builders would work with schools, their students and careers advisers to pair students with appropriate businesses for a week of work experience.

A pilot program of this kind, run by an industry body that has both Registered Training Organisations (RTOs) and GTOs within its network, would ensure quality.

Employers would be paid a nominal amount for their time, which would mean they can dedicate that week to teaching and mentoring their student. At the end of the work experience process, the employer and student would undertake an evaluation to confirm they met the requirements of the program and obtain feedback from the student on their impression of the industry.

From there, a relationship can be formed with that student, their family and their school to remain in touch should they want to pursue an apprenticeship when they finish their schooling.

The cost to Government for a program like this could be a little as \$800,000 a year to cover work experience for 500 students across the country.

Ensuring that work experience students have positive interactions with the industry early on is key to helping them determine the right role and pathway for them. A pilot program of this kind would ensure high-quality interactions.

Flexibility in the Award

The primary industrial instruments that underpin the terms and conditions of employment of employees working in the sector are the *Building and Construction General Onsite Award 2020* (Onsite Award) and EBAs.

Given the project-based nature of building works, estimates vary as to the proportion of the workforce covered by these instruments. However, it is reasonable to assume that approximately one third work under EBA conditions and the remainder have other forms of arrangements underpinned by the Onsite Award.

EBAs

Building and construction EBAs comprise around one third of the total number approved by FWC each year. These instruments are:

- predominantly 'pattern' arrangements to which unions are not only parties, but also relentlessly enthusiastic promoters;
- typically involve conditions and arrangements that work to restrict or restrain any flexibility provided in the Onsite Award, resulting in set patterns and hours of work, standardised rates and conditions, and RDO calendars which apply for the life of the agreement (meaning, RDO's for 2028 are set and known in 2024);
- conventionally adopted and used mainly in metropolitan and large regional areas, and commonly used by head-contractors or larger companies working at the 'tier 2 or 3' level (although, this is changing); and
- applicable to many subcontractors (irrespective of whether they are technically a party) when working for entities or on sites covered by EBAs (either through the use of enforceable 'jump-up' clauses since December 2022, or due various other forms of persuasive techniques as forensically identified in various Royal Commissions of Inquiry)

Onsite Award

Working arrangements underpinned by the Onsite Award are almost all individual contracts of employment and/or arrangements which provide rates of pay which are significantly greater than the Onsite Award but retain its core terms and conditions.

Although the Onsite Award contains a range of provisions that encourage flexible working arrangements, these mainly exist due to National Employment Standards (such as the right to request flexible working arrangements, or consideration of family and caring responsibilities when determining if overtime is reasonably requested) or other Full Bench decisions adopted (or partly adopted) into the Award.

Historically, however, the Onsite Award has been extremely restrictive and various attempts to relax this have made little practical difference (for reasons noted hereunder) or were rejected.

One example of this was a claim to vary the Onsite Award during the 4 Yearly Review of modern awards—Construction awards (AM2016/23) proceeding to include Junior Rates of pay (based on a percentage proportion of the equivalent adult rate).

The Award mandates payment of adult rates to anyone under 21 years of age – except apprentices or trainees – and this creates an inability for young people to experience the building and construction industry unless they were employed as an apprentice.

This meant that employers were not employing young people that had not started apprenticeships through those programs, and it would be appropriate for young people to have the option of being employed on a construction site to experience what working in the industry might be like.

If an employer were to do that under the provisions of the award the young person would have to be paid at adult rates which created a disincentive for employers. It was argued that creating junior rates would encourage more young people to experience the industry and, similar to other industries, would be an alternative pathway for young people into the industry.

This claim was rejected in [2018] FWCFB 6019 on grounds that included:

- it would require 'work value' case to meet the requirements of s.157(2) of the Fair Work Act 2009 (per para 288);
- any introduction of junior rates without being accompanied by any required program of training on the part of the employer was held (at para 288) as an "a major deficiency in the case presented, particularly when we are dealing with an industry in which the acquisition of skills is critical to safety and the productive performance of work in a team environment. In this respect the building and construction industry is simply not comparable to industries such as retail and hospitality which utilise junior rates to employ large numbers of young people and in which relatively informal on-the-job training is practical;" and
- despite a decline in apprenticeship and traineeship numbers across the economy as a whole "the construction industry is by a large margin the highest user of apprenticeships and trainees of all industry sectors, and the number of apprentices and trainees in the industry has increased significantly in recent years. This again does not support the proposition that the industry has difficulty in offering employment to or attracting young people. The introduction of junior wage rates without any training requirement has the potential to undermine the extensive use of apprenticeships and traineeships in the industry, since it would provide an incentive for some employers to employ unskilled young persons in entry level positions without having to bear the expense of training them." (At para 292.)

Other parts of the Onsite Award continue to be problematic.

For example, key provisions relevant to the taking of RDOs or agreement to work on arrangements other than the RDO cycle being dependent upon agreement between the employer and the majority of employees.

The Onsite Award also requires, with respect to apprentice employees, to be read in conjunction with any terms of a contract of training registered with the appropriate State or Territory training authority. The contract of training is an approved agreement for training registered with the appropriate State or Territory training authority or under the provisions of the appropriate State or Territory training legislation, and terms set therein. Such training legislation frequently mandate terms that create certain restrictions on flexibility – for example, setting minimum hours of work for part-time apprentice workers.

Training [legislation in NSW](#), for example, requires a person undertaking a part-time apprenticeship or traineeship to be offered:

- minimum part-time hours for an apprenticeship of 21 hours per week; and
- minimum part-time hours for a traineeship of 15 hours per week for traineeships with a full-time term of less than two years, or 21 hours per week for traineeships with a full-time term of two years or more.

The same NSW legislation prevents apprentices or trainees being casual, and mandates they become permanent full or part-time immediately upon signing a training contract.

Impact of instruments on industry

The impact of both instruments, either through existing EBAs or the inflexibility of the Onsite Award (historical or otherwise) is significant.

It has created a culture in which industry retains restrictive practices, standardised conditions and terms of work, and comparatively unproductive arrangements.

Regardless of the needs of individual workplaces, most accept this culture on the basis that 'it's the way we operate' or are forced to adopt restrictive pattern arrangements which embed and spread the culture. While 'industry RDO's' and 'lockdown weekends' should be a thing of the past, they are the reality for many workers in the sector. The lack of an industry specific industrial relations regulator with strong enforcement powers is also now seeing the return of cultural practices previously consigned to the history, such as 'no ticket, no start' and increased instances of unlawful and illegal industrial activity.

This all adds to a culture which is widely known amongst other sectors and the community generally, and leads to commonly held perceptions of inflexibility, rigid employment arrangements, and no capacity for individual worker choices, needs or preferences to be adequately considered or even entertained.

There is no doubt that such perception creates a significant disincentive to many considering careers in building and construction.

Recommendation

Master Builders recommends that all Modern Awards enable flexible work arrangements and practices that are otherwise a barrier to, or disincentive for entry for apprentices.

Government Support for Higher Education and VET

Higher education students receive more support from government than VET students. While many of the support mechanisms apply to both cohorts of students, the actual fees and the way they are subsidised are different.

Master Builders notes that higher education students can access HECS-HELP and VET students can access Australian Apprenticeship Support Loans. Fee-Free TAFE and RTO Training is also

available in some states and territories for some trades. However, the overall amount government dedicates to a university student's education is significantly more than a VET student.

Take for comparison the government contribution given to a student studying a Bachelor of Building and Construction Management at the University of Canberra in 2024 and an apprentice undertaking their Certificate III in Carpentry and Certificate IV in Building and Construction and the government assistance given to each:

	Bachelor of Building and Construction Management (University of Canberra) (four years full time)	Certificate III in Carpentry and Certificate IV in Building and Construction (four years full time)
<i>Commonwealth Supported Place/Fees</i>	\$95,452	\$32,878
<i>Government Contribution</i>	\$59,660	\$12,767
<i>HECS-HELP Loan Available⁸</i>	\$35,792	\$ -
<i>Student Contribution</i>	\$35,792	\$20,111 ⁹

This is a simplistic comparison to make but it is clear: government investment in a higher education student is more significant than a VET student. In this example, government contributes 63 per cent of the higher education fees and then provides an interest free loan for the rest. For the VET pathway, government contributes 39 per cent of the fee and then the employer of the apprentice/the student are required to pay the rest.

Government wants more people to go to university.

At the 2021 census, 1,185,450 people were attending university or another higher education institution while 601,901 people were studying a VET pathway.¹⁰

Government seeks to increase the number of new students commencing degrees from 800,000 to 1,800,000 as part of the Universities Accord. However, VET-based careers are facing chronic and critical skills shortages that must be relieved if Australia is to meet its National Housing Accord and net zero transformation goals, all while easing cost of living pressures.

This is an example of mismatched Government policies. There is a finite number of people seeking to study or change their careers. The tension between higher education and VET is being felt more than ever.

Government must recalibrate skills and training priorities to level the playing field not just regarding the perception of VET compared with higher education, but in the way it allocates funding to these two different pedagogical pathways.

⁸ Note: FEE-FREE TAFE and VET might be available to the VET student but at the time of writing it is dependent on the state/territory in which they reside.

⁹ Master Builders notes that employers pay an apprentice's RTO costs, while a university student pays their own contribution. Master Builders also notes that currently some apprentices have access to Fee-Free TAFE and RTO Training depending on their state and territory/trade.

¹⁰ Australian Bureau of Statistics *Education and training: Census at* <https://www.abs.gov.au/statistics/people/education/education-and-training-census/2021>.

Master Builders notes there are additional allowances available to both cohorts of students above and beyond government contributions to fees:

- Youth Allowance for people aged 16 to 24 who are studying full time or doing a full-time Australian apprenticeship.
- Austudy is for people aged 25 or over who are studying full time or doing a full-time Australian apprenticeship.
- ABSTUDY is a group of payments for First Nations people studying or doing an Australian apprenticeship.
- Pensioner Education Supplement is a regular extra payment to help with study costs if students also get certain payments from Services or the Department of Veterans' Affairs.
- Tertiary Access Payment is a one-off payment of up to \$5,000 to help students with the costs of moving from a regional or remote area for tertiary study within the year directly after completing Year 12.
- Fares Allowance is to help students with travel costs between their permanent home and their place of tertiary study in Australia.
- Student Start-up Loan is a voluntary loan available up to twice a year for eligible students who get Youth Allowance, Austudy or ABSTUDY Living Allowance. Students have to pay the loan back once they start earning a certain amount of income.
- Education Entry Payment is a one-off payment that helps students with the costs of study or training if they have been on certain payments from Services Australia.

Career Counsellors Need Support Too

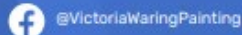
As part of its Women Building Australia program, Master Builders developed the Jobseeker Handbook. A digital version of this document [can be found here](#).

The Jobseeker Handbook gives details on the occupations available in building and construction. It is geared towards women seeking a role in the industry, but it is equally applicable to others. It breaks down each occupation and lays out average salaries, how a typical day might look, what you need to be good at to succeed and what pathways into and around the industry can look like.

For example:

**Victoria Waring, Director & painter,
Victoria Waring Painting,**

"Construction is a great industry because the harder you work, the more you get out of it."



Victoria Waring, founder of painting business Ms Fix, is a person who shows just how far hard work and ingenuity can take someone in the construction industry.

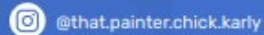
She has not only run her own business for the last 15 years but is also the first woman to win awards at the Master Painters Awards of Excellence. Starting in the industry at the relatively advanced age of 25, Victoria did not do an apprenticeship, instead studying a painting and decorating course at TAFE.

Eventually, she was able to start her own business. While noting that conditions and opportunities for women in construction are much better than when she started in the 1990s, Victoria believes that continued improvement will come from having more female role models and general cultural change in the workplace.



**Karly Gaffy, qualified painter & decorator,
Melbourne**

"After finishing Year 11 in high school and realised I didn't want to do year 12, so I got a job at Bunnings, my first job. I saw so many tradies come and go and noticed a few female tradies and realised I'd like to give a trade a go!"



"My first job was painting and decorating and I'm still doing it 6 years later. I fell in love with painting on my first two-week trial and ever since then I honestly haven't looked back or wanted to do anything else.

I believe that no matter what you do it's not always going to be easy, but that doesn't mean it won't be worth all your hard work. I think for me, one of the hardest challenges I faced was myself. I would second guess myself and most times thought I wasn't good enough. I guess it didn't really help also that one of the bosses I had didn't do me any favours in my work. But, as there was bad there was good too. I fell in love with painting and was so enthusiastic about it when I first started. You'll always face challenges, it's how you react and go about dealing with them that is important."

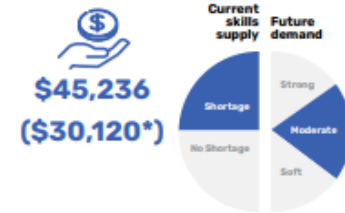


Painter

Protect and decorate surfaces of buildings and structures

As a painter, you apply paints, varnishes and stains to surfaces using brushes, rollers and sprays for a clean and professional application. You may also hang wallpaper, matching patterns and trimming edges.

Work is indoors or outdoors at residential and commercial buildings. You may get to work with customers on colour selection and styles.



Benefits	Outdoor & indoor work	Physical work	Earn while you learn
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A typical day may involve

- constructing scaffolding and ladders and placing drop sheets to prevent paint splatter
- removing old paint and wallpaper, fixing woodwork, filling holes and cracks, and sealing surfaces
- mixing paints to required colours
- cleaning equipment and work areas
- applying paint and decorative paint finishes

It helps to be good at

- physical tasks
- attention to detail
- customer service
- working at heights

Qualifications / pathway options



- Cert III Painting and Decorating
- Apprenticeship

You may be able to work in

- construction
- home improvement

Related roles	Plasterer	Interior decorator	Tiler
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***Average annual apprenticeship income**

TRADES

The Jobseeker Handbook has been an overwhelming success in the Women Building Australia program because it gives careers advisers the tools they need to help guide students considering a career in building and construction. Most careers advisers are former teachers, who are university educated. Some may have a VET qualification but few have an in-depth understanding of the building and construction sector.

To that end, many rely on industry to help them meet their students' needs. Many of the Master Builders Associations around the country attend careers expos, give presentations at schools and provide work experience. However, their reach is finite.

A resource like the Jobseeker Handbook is invaluable for careers advisers. Since it was developed, Master Builders has distributed 18,000 printed copies and more than 2,000 downloads have been made. The Jobseeker Handbook is being viewed online at least once per day on average.

Master Builders recommends Government invest in developing an online, interactive resource that helps students, parents and careers advisers alike get an in-depth, realistic and relevant understanding of what a career in building and construction looks like.

Master Builders would welcome the opportunity to work with Government to develop a resource like this, using the Jobseeker Handbook as a useful starting point.

Contact

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