



MASTER BUILDERS
A U S T R A L I A

16 January 2025

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Free TAFE Bill 2024

Master Builders Australia (Master Builders) welcomes the opportunity to respond to the *Free TAFE Bill 2024*.

Master Builders is the nation's peak building and construction industry association. It is the only representative for all three industry subsectors: residential, commercial and civil. Over 130 years, the network has grown to over 32,000 businesses nationwide, including the top 100 construction companies.

With Master Builders Associations in each state and territory, offices in all capital cities and 34 locations throughout metro and regional Australia, Master Builders is the authentic voice of the nation's building and construction sector.

Australia's building and construction industry faces the enormous task of building enough homes, commercial premises and infrastructure to meet increasing demand and a growing population.

Labour shortages are the biggest source of pressure on and disruption to delivering against these goals. Despite a sizeable workforce of 1.35 million, the industry has an annual exit rate of eight per cent and is currently only replacing about half of those losses.


Apprentices are the future of the building and construction workforce. At Master Builders, the aim is simple: to bring more apprentices to the industry, provide them with high quality training, education and on the job experience, give them support, help them thrive and provide them with a rewarding, financially viable and satisfying career. This is and will always be the priority of the building and construction industry.


While Master Builders is supportive in principle of the intent of the *Free TAFE Bill 2024*, and of the Government's skills and training agenda in general, we stress that committing the Free TAFE agenda to legislation is unnecessary and will have an unintended impact on private registered training organisations (RTO)s.

As yet, there is no adequate data to show that the Free TAFE initiative has worked as it is still too early in the piece.

 +61 2 6202 8888
+61 2 6202 8877

 enquiries@masterbuilders.com.au
www.masterbuilders.com.au

 Level 1, Building 4, Equinox Business Park
70 Kent Street, Deakin ACT 2600

 PO Box 7170
Yarralumla ACT2600

Building and construction remains by far the largest employer of apprentices of any industry. Latest figures show that 121,335 building and construction apprentices were in training at the end of June 2024 – representing 35 per cent of all Australian apprentices (348,635).

However, commencements, completions and the number of apprentices in training in building and construction all decreased very slightly between June 2023 and 2024.

The number of apprentices in training decreased by -1.83 per cent from 123,545 in June 2023 to 121,335 in June 2024.

Commencements increased slightly by 0.28 per cent from 41,315 to 41,430. Completions decreased from 23,270 to 23,056 or 0.89 per cent.

Cancellations/withdrawals decreased slightly from 33,340 to 32,750 (-1.80 per cent). It should be noted that withdrawals to commence another apprenticeship are counted as incompletes and new commencements in these numbers.

Despite the introduction of Free TAFE, the number of people completing building and construction apprenticeships has not increased.

To that end, Master Builders holds the view that the initiative should not be committed to legislation until such time as robust data can show that it works.

Furthermore, the Free TAFE initiative has the effect of unfairly distorting the market towards TAFE-delivered courses.

In the building and construction industry, most apprentices are in training at TAFE (63 per cent) followed by private providers (30 per cent).

APPRENTICES IN TRAINING BY PROVIDER TYPE, JUNE 2020 to JUNE 2024

	2020	2021	2022	2023	2024
TAFE institutes	60,185	71,075	77,620	75,920	76,195
Universities	7,030	7,605	7,840	7,545	7,480
Schools	125	135	140	160	210
Community education providers	255	460	560	510	410
Enterprise providers	15	75	90	95	50
Private training providers	23,860	32,445	42,735	39,320	36,995
Totals	91,465	111,795	128,985	123,545	121,335

Source: Master Builders Australia analysis of NCVER Vocstats, June 2024 quarter

The impact Free TAFE has on those private providers, particularly those not-for-profit RTOs run by industry is significant. Free TAFE does not seem to have the effect of bringing more people to building and construction apprenticeships, rather it has simply reshuffled the deck. The students who have increased TAFE attrition numbers have come at the detriment of private RTOs.

This proposed Bill is anti-competitive and creates a market distortion to the detriment of highly successful not for profit industry-run RTOs and should not be committed to legislation as such.

If Government does pass the Free TAFE Bill, despite the lack of supportive data, it must be amended to include rollout across not-for-profit industry-run RTOs.

Master Builders released its blueprint for increasing the attraction, completion and retention of apprentices in the industry which can be [read here](#).

If the Department requires any further information, please contact Liz O'Grady at liz.ogrady@masterbuilders.com.au.

Kind regards,



Denita Wawn
Chief Executive Officer
Master Builders Australia



+61 2 6202 8888



enquiries@masterbuilders.com.au
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