



**Tasmanian Building and
Construction Industry
Training Board**

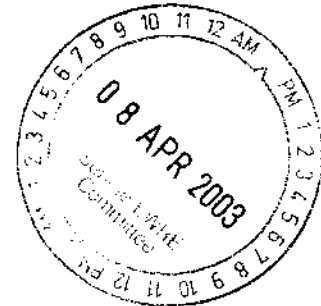
**Submission No: 53
Current and future skills needs
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2nd April 2003

Ms Loes Slattery
Inquiry Officer
Senate Employment, Workplace Relations
and Education Committee
Parliament House
CANBERRA 2600



Dear Ms Slattery,

Re: Inquiry into Current and Future Skills Needs

The Tasmanian Building and Construction Industry Training Board is a tripartite body established under the Tasmanian Building and Construction Industry Training Fund Act 1990. It is the principal adviser to the state and commonwealth ministers for employment, education and training on all matters relating to training in the Tasmanian building and construction industry.

Since inception in 1990 till June 2002, the Board has funded 3,516 training courses for 30,862 participants. Those figures are significant given that the industry only employs some 10,400 people. That corresponds to 560,014 hours of training. Industry members have suggested that one of the major factors in the growing participation in training is the accessibility of assistance and services provided by the Board. That accessibility combined with a balanced representation of industry players on the Board provides the solid base upon which to expand the range and use of services available.

In the six months to December 2002, the Board has so far funded 85 different training programs involving 1,383 participants. Training covers upskilling and multiskilling, occupational health and safety, information technology, business skills and vocational and tertiary education.

The Board would like to provide the following response to the inquiry.

- (a) *areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements;***

Funding quality training
for the industry

The Board maintains a forecasting model, a database of businesses operating in the building and construction industry as defined in the Act, and a wide range of socio-economic and training statistics. It also holds regional industry workshops every two years (at times more frequently).

The Board publishes a state of the industry report around November of each year. That report includes a forecast of activity levels and skill requirements (*see Attachment A – TBCITB State of the Industry Report, November 2002*).

Based on those research activities, the Board develops specific programs to address emerging skills needs. As an example, the Board launched its Building and Construction Employment and Training Program to create an additional 150 employment and training positions over three years from January 2002. Under the program, employers in skill shortage areas (reviewed and promoted on a rolling basis) can receive \$4,000 in additional incentive payments from the Board. That incentive is on top of all commonwealth and state government subsidies and would take the total level of funding support to \$10,000 (*see Attachment B – Training News (June and October 2002) and program brochure*). To date, 80 apprentices are involved in that program.

The Board has provided skills forecasting services to other organisations such as Construction Training Australia and Holmesglen Institute of TAFE in Victoria (*see Attachment C*).

(b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements;

Building and construction industry training funds currently exist in the ACT, Queensland, South Australia, Tasmania and Western Australia. A proposal for an industry training fund in New South Wales is under consideration. Collectively, the training funds total some \$26 million a year.

That resource enables industry members to access training that meet their needs at the local level at critical times. For example, the Tasmanian Government has recently introduced the new Traffic Control Code of Practice which requires everyone working on roads to have appropriate levels of skills in workplace traffic management by June 2002. With an estimated 4,000 industry members in civil construction needing upskilling plus workers in other industries like forestry, local government and utilities, the state government can only assist to a point (325 places). The Board is funding 1,000 to meet the initial demand. Another example is the funding assistance made available to plumbers and gasfitters for natural gasfitting training following announcements on the introduction of natural gas to Tasmania.

National building and construction industry associations and training advisory bodies and partnerships of those organisations by and large don't do any training. In many ways, the key information used by those organisations to among other things advise the commonwealth government, may be traced back to state industry and training

organisations. However, training products coming out at the national level have not been always suitable to local industry members.

(c) the effectiveness of industry strategies to meet current and emerging skill needs;

Small businesses make up the building and construction industry. According to the Australian Bureau of Statistics Construction Industry Survey 1996-97, only 0.1 percent of businesses in the industry employ 20 or more people. Majority (94.2 percent) employ less than 5 people (2 on average).

Since the release of the first construction Training Packages in 1998, less than 8 percent of industry members have chosen to use them (*see graphs in Attachment D*).

In cooperation with the Construction Industry Training Advisory Board in New South Wales, the Board has developed and submitted a project proposal for funding under the National VET Research and Evaluation Program, Funding Round February 2003 (*see Attachment E*).

Entitled “Evaluating Alternative Training Frameworks for Small Building and Construction Contractors”, the proposed project will not only reveal the root causes of that trend but also develop an optimum framework for packaging national qualifications that meet local requirements. The Board has developed an alternative framework (*see Attachment F*) that will be examined further as part of the project.

The key benefits of the project include:

- Substantial increase in participation of industry in members formal education and training.
- Elimination of duplication of accredited courses and Training Package pathways across the states/territories which means huge cost savings to governments and industry.
- More efficient process for the ongoing development of training for the industry. For example, varying state/territory regulatory and industry requirements can be continuously addressed without having to wait for a massive national review every three years.

As illustrated under ***(a)***, specific initiatives based on local knowledge of activity levels and occupational areas, deliver the workplace outcomes required. With some adjustments, such initiatives may be copied elsewhere. A web based information kit housing and promoting those “success stories” with links to the key organisations involved in will be useful to the states/territories.

(d) the performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements;

Research conducted by the Board shows a need for tailor-made initiatives to address not only regional skill requirements but also the industry culture.

In the building and construction industry for instance, direct employment of apprentices is still the preferred method of training, particularly where expensive pieces of equipment and established procedures are involved. Group employment (about 15 percent of building and construction apprenticeships) is often seen as a fallback position.

However, industry members have expressed concern about the information and services provided by new apprenticeship centres and group schemes. The building and construction industry is not an easy market to work in because employers have to tender for every project and apprentices would need to be moved every now and then.

What has emerged from the Board's consultation is a need for an integrated entry level training service that will offer unbiased support services for direct employment, group employment and cooperative employment.

Also while employers contribute some \$33,000 to the training of an apprentice over four years, they have little say in the content, structure and delivery of the training. Without compromising the integrity of the apprenticeship, flexible Training Packages (existing construction Training Packages are inflexible) can deal with that imbalance.

As part of its entry level training plan, the Board is aiming to give direct employers a say (through the Board) in the development of training policies and programs.

(e) strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements; and

While commitment to training remains strong within the building and construction industry, the cyclical and fragmented nature of the industry has created an environment where employers are unable to guarantee work of the term of the apprenticeship.

While policies like the Tasmanian Government's Building and Construction Training Policy (*Attachment G*) can assist the industry by producing much needed training opportunities, experience in other states (Queensland and Western Australia) suggests such initiatives are more effective in building a training culture and encouraging more local content in tenders.

A more proactive strategy is required. A major live-work training project that matches the socio-economic needs and natural capabilities of the state would provide a strategic response to emerging skill shortages. The project will be selected and funded jointly by the commonwealth and state governments with major contributions from other sources including local government and project developers. Such a "one-off" project would be sufficient to spur business investment and give rise to work and training opportunities in succeeding years.

The Board has been working on a proposal to build an Australian-French Marine Technology Park in Tasmania (*see Attachment H*). The proposal has received favourable consideration by the French embassy.

(f) consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes.

Industry training advisory arrangements have been changed. In Tasmania, industry training advisory boards are no longer recognised under the Vocational Education and Training Act.

At the national level, new arrangements involving the formation of broader industry councils are being considered by the Australian National Training Authority.

The Board has put forward options that are industry driven and will deliver outcomes to customers ie industry members at the local level (*see Attachment I*).

Those arrangements will have to take into account key industry movements toward higher qualifications and higher levels of skills. The Board foresaw such trend years back and has worked with the University of Newcastle since 1994 to bring the Bachelor of Building Degree Program to Tasmania (*Attachment J*). So far, three industry members from Tasmania have graduated with Honours beating their fellow students from the mainland to top the degree program. Complementing that program is a new Building Cadetship Program initially involving five major builders, which the Board launched on 20 November 2002.

We would be prepared to elaborate further on those points if required.

Thank you for the opportunity to provide input.

Yours sincerely,



PETER J COAD
EXECUTIVE DIRECTOR

Attachments

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