



**MASTER BUILDERS**  
A U S T R A L I A

Submission to the Productivity Commission  
Interim Report

***Review of the National Agreement on Skills and  
Workforce Development***

July 2020



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**Australian apprentices** have the potential to **graduate** from training nearly **\$150,000 financially ahead** of university students when accounting for apprentice earnings and university debt.<sup>1</sup>

**Key issues and Solutions:**

Careers education in schools is bias toward university.

- Develop comprehensive, unbiased and up-to-date resources and fund delivery in schools through a new National Partnership Agreement on Quality Careers Education.

Informed decision making is constrained by a lack of independent information on training provider quality.

- Link MySkills to sources of independent data on training providers. For example, the unique student identifier database for completion rates and training.gov.au for date of first registration.

VET funding is low, volatile and weighted to public providers.

- The new VET agreement needs to increase funding, specify the contribution of all parties and require competitive neutrality in contestable markets.

Competency assessment varies between providers

- Pilot standardised, independent and proficiency-based assessments.

**Trade apprentices are...**



**More satisfied with training**

88.9% of trade apprentices are satisfied with their apprenticeship.  
80.1% of university graduates are satisfied with their studies (74.4% for engineering and 74.5% for architecture & the built environment).



**More likely to be employed**

91.5% of trade apprentices are employed on completion. 92% in positions relevant to their training and 94.6% report their trade skills are directly relevant.  
72.2% of university graduates gain full-time employment. Of these, 28.3% are not fully using their skills or education.



**Employed at higher starting wages**

Construction, Plumbing and Services vocational education and training (VET) graduates have starting wages of \$65,000.  
The average starting wage for university bachelor degree graduate is \$62,600.

**...than university undergraduates.**<sup>2,3,4</sup>

<sup>1</sup> Year13, 2018. *After the ATAR II: Understanding how Gen Z make decisions about their future*

<sup>2</sup> NCVER, 2020. *Apprentice and trainee experience and destinations – time series 2008, 2010 & 2019*

<sup>3</sup> NCVER, 2020. *VET student outcomes 2019*

<sup>4</sup> QILT, 2020. *2019 Graduate outcome survey*

## Introduction

Master Builders Australia welcomes the opportunity to provide input to the Productivity Commission Interim Report on the National Agreement for Skills and Workforce Development (NASWD) Review. This response is supplementary to the submission we made to the Issues Paper in December 2020 and is informed by the experience of our organisation, our state and territory member associations and the building and construction businesses we represent.

Our submission is organised into five key sections:

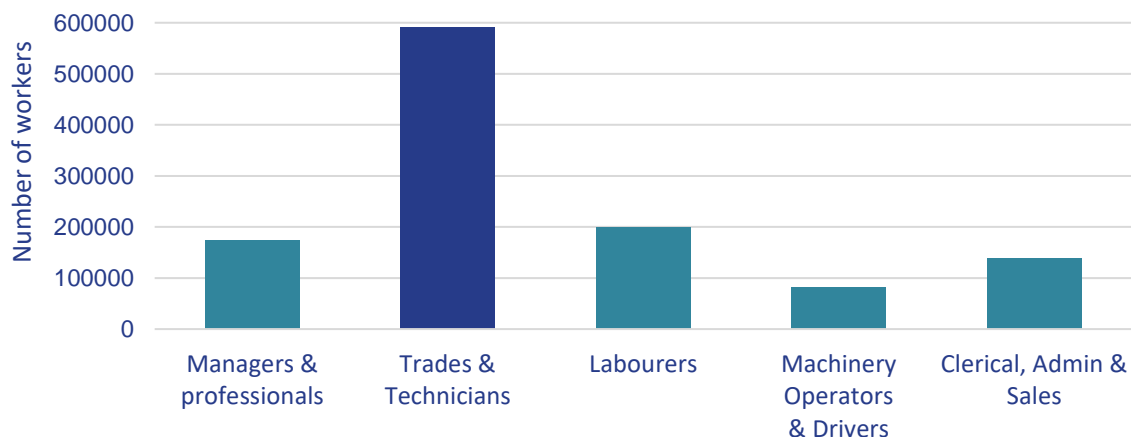
1. A new agreement
2. Employment and skills in construction
3. Vocational Education and Training (VET) in Australia
4. Funding Australia’s VET system
5. A Building and Construction Skills Organisation.

Master Builders response to the Productivity Commission requests for information and can be found at [Attachment A](#) and should be read in conjunction with this submission.

Master Builders is the nation’s peak building and construction industry association. Federated on a national basis in 1890, Master Builders’ members are the Master Builders state and territory associations. Over 130 years the movement has grown to over 33,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors – residential, commercial and engineering – of the construction industry, an industry that generates over \$200 billion for the Australian economy annually.

The building and construction industry is the third largest employing sector in Australia at 1.2 million workers – and is less than 9,000 workers behind retail in second place. The building and construction industry employs more full-time workers and more trade technicians than any other industry sector in Australia. More construction workers hold VET qualifications than university.<sup>5</sup>

**Chart 1: Construction workers by occupation group, Nov 2019<sup>6</sup>**



<sup>5</sup> ABS, 2020. *Labour Force, Australia Detailed, Quarterly, May 2020: 6291.0.55.003*

<sup>6</sup> *Ibid.*

## Section 1: A new agreement

A new agreement for VET is likely to have a similar overall objective to the current agreement, that is:

*to achieve a vocational education and training (VET) system that delivers a more productive and highly skilled workforce, enabling all working age Australians to participate effectively in the labour market and contribute to Australia's economic future.<sup>7</sup>*

The current agreement was first signed in 2009, then updated in 2012. It has a number of worthy aspirations that had the potential to improve the VET sector and its training outcomes. Unfortunately, the outcomes of the NASWD are not on track to be achieved.<sup>8</sup>

There is no singular reason for the failure of the NASWD, just as there is no silver bullet to fix the situation. We recognise that the Commonwealth, state and territory governments are well intentioned when it comes to VET and operate in environments of budget constraints and competing priorities.

Master Builders is supportive of an agreement underpinned by well-founded and well considered principles. However, this provides no assurance that the issues currently faced will be addressed and resolved. There is a need for improvements in funding, governance and transparency.

With this in mind, the quantum of funding required to achieve the overall objective must be specified in a new agreement and the contribution of each party agreed and committed to. A new agreement must also put in place the governance arrangements that will ensure the overall objective can be met and that there is transparent and justifiable expenditure of public funds.

In looking at governance arrangements, Master Builders considers not only the mechanisms within a new agreement that will trigger a payment from the Commonwealth to the states and territories, but also the broader arrangements that need to be in place to ensure that VET in Australia can operate effectively to deliver the overall objective and address current barriers and challenges.

Broadly speaking, the VET sector is not as damaged as some portray it to be. In building and construction, satisfaction with VET training, employment outcomes and graduate starting wages are comparable if not better than for university undergraduate completers. Apprentices also get paid while they train, typically do not incurring a student debt, and gain valuable workplace experience.

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<sup>7</sup> COAG, 2012. National Agreement for Skills and Workforce Development

<sup>8</sup> Productivity Commission, 2019. Performance Report Dashboard – Skills

In terms of a new funding agreement between the Commonwealth and the states and territories for the provision of VET, Master Builders recommends:

- The funding contribution of all parties be specified to provide certainty to the sector and reduce the current volatility in year-on-year funding
- Funding be for the provision of course subsidies, based on activity and efficient price (as determined by the National Skills Commission) and provided on the basis of competitive neutrality in contestable markets (with this clearly defined in the agreement)
- The roles and responsibilities of each party be clearly articulated and without overlap or joint roles or responsibilities
- Annual funding report – linked to a milestone payment – be made publicly available, with the report enabling comparison between and within jurisdictions on total funding and funding by registered training organisation (RTO) category (public, not-for-profit, private).

It will be vital to address the broader issues and concerns with the VET sector as well as implementing a new funding agreement. This includes careers education, independent information on training provider quality, work-readiness, and support for students and employers.

- One of the fundamental challenges facing the VET sector is the bias toward university pathways which are engrained into students by parents and schools. Young people, in particular, need access to comprehensive, unbiased and up-to-date careers education in secondary school and senior-secondary school

The Commonwealth and the states and territories should enter into a new jointly funded National Partnership Agreement on Quality Careers Education to reform and properly fund careers education in secondary schools and senior secondary schools

- Currently there is a lack of independent information available on the quality of training providers. To ensure potential students and their advisers can make informed decisions when selecting the most appropriate training provider for their needs, the MySkills website should be expanded to include information on provider quality using available sources of government data such as the Unique Student Identifier database



- Master Builders is supportive of the need for better coordination of publicly available digital information relating to VET and careers. However, establishing the National Careers Institute as a one-stop-shop needs to be rethought. Governments' need to realise there is no such thing as a one-stop-shop and instead need to focus on a single point of data entry. A single platform where governments, training funds, training providers, etc. enter information that can then be automatically disseminated to government, associations, employment providers, etc. will go far further to ensuring consistent and up-to-date information is available for all
- To improve retention and completion, an initial suitability assessment looking at language, literacy and numeracy skills as well as work-readiness attributes and resilience should be developed to assist individuals, schools, training providers and employers to understand and assess if a potential learner is study and work ready or requires additional support or training such as an industry introduction course, pre-apprenticeship, foundation skills or pastoral care. Where additional support is required, this should be subsidised.
- To better support VET students, pilots should be undertaken to test a range of pastoral care and mentoring initiatives with the view to implementing the best performing options longer-term
- To ensure apprentices and trainees who are directly employed in a construction business are supported in the workplace, employers and supervisors should have access to support services to understand their role, expectations and to address potential issues and concerns early, as is available for host businesses under the Group Training Organisation (GTO) model
- The JobKeeper scheme has shown the Australian Taxation Office has the infrastructure to provide large scale and frequent reimbursements to employers through the single touch payroll system. To encourage employers to hire and retain apprentices, the Commonwealth should implement a reimbursement scheme through single touch payroll for employers of apprentices. For example, to reimburse an amount equivalent to the cost of supervising an apprentice, or to reimburse the pay as you go withholding for the apprentice wages
- Establishing a Building and Construction Skills Organisation pilot will enable the industry to develop and test new and innovative solutions to overcome challenges in the pre-, in-, and post-VET environments.

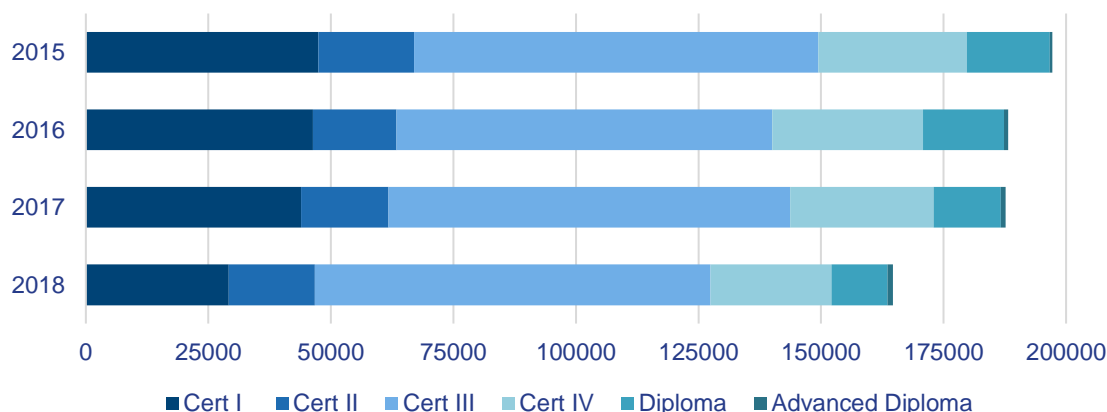
## Section 2: Employment and skills in construction

Quality training outcomes through Australia’s VET system are fundamental to the future of the building and construction industry. More building and construction workers are trained in the VET sector than in higher education.

Over half of the current building and construction workforce hold a VET qualification, while only 11 per cent have a university degree.<sup>9</sup> In carpentry and plumbing – two of Australia’s largest employing occupations, collectively accounting for nearly 170,000 workers – over 75 per cent of the workforce hold a VET qualification.<sup>10</sup>

From 2015 to 2018, inclusive, over 700,000 students enrolled in Construction, Plumbing and Services (CPC) qualifications across the full spectrum of VET qualification bands.<sup>11</sup>

**Chart 2: Total CPC enrolments by year, 2015–2018**



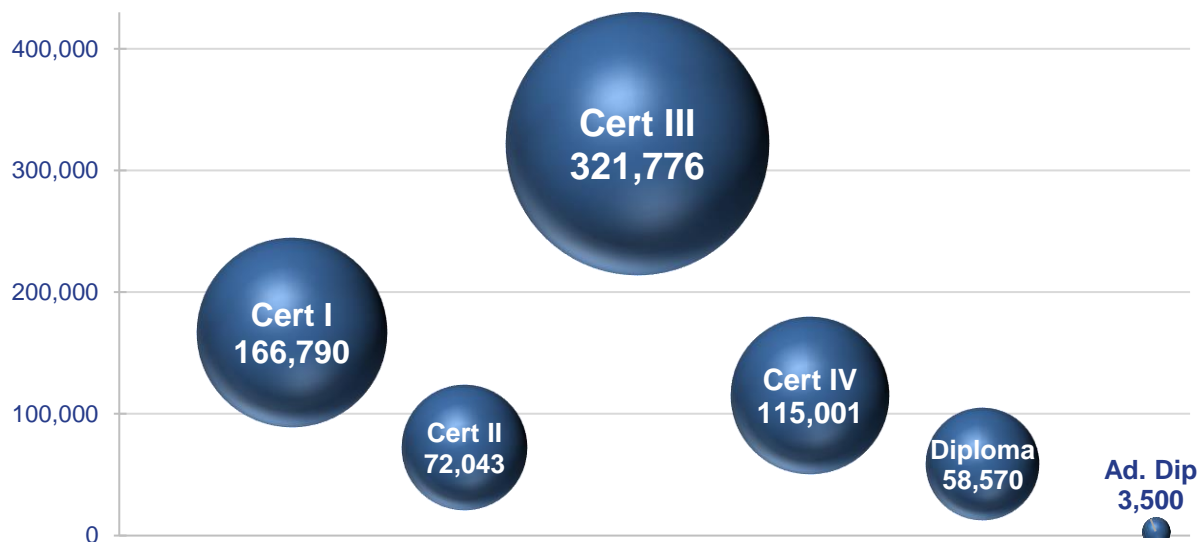
<sup>9</sup> Labour Market Information Portal, 2019. Industry Characteristics. Accessed: 11/12/19

<sup>10</sup> NCVET 2019, Australian vocational education and training statistics: *Total VET students and courses 2018 - data slicer*

<sup>11</sup> VOCSTATS, 2020. Total VET students and courses. Accessed: 7 July 2020

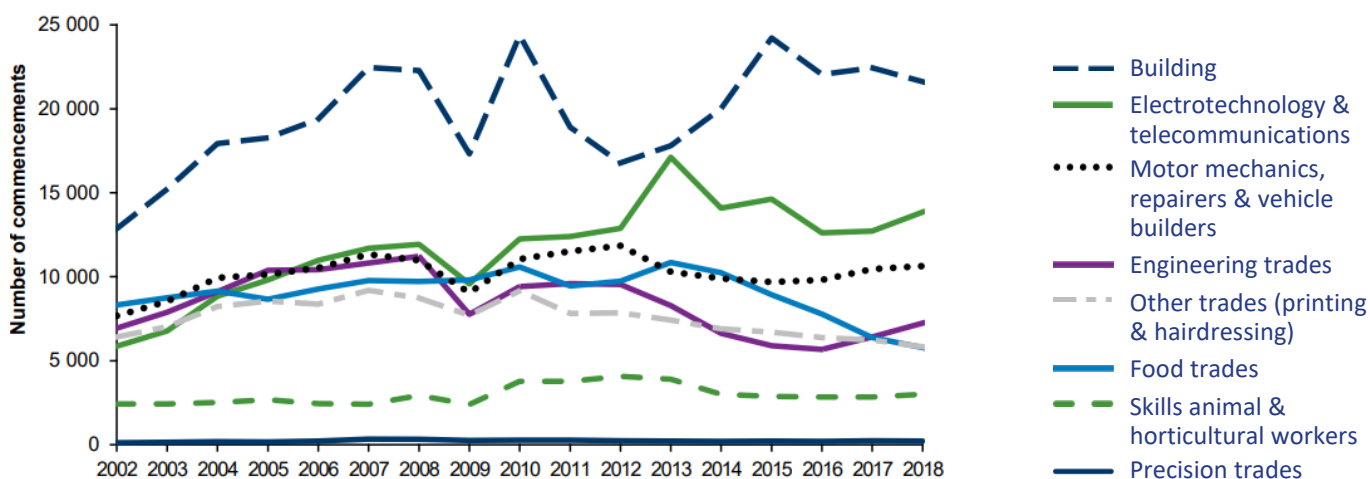


**Chart 3: CPC enrolments by qualification band, 2015-2018**



There are significantly more enrolments at the Certificate III level in building and construction, this reflects that, by and large, apprenticeships are Certificate III qualifications. Building and construction is the largest industry employer of apprentices. In 2019, 54,435 apprentices were in-training in CPC qualifications. This is more than 20 per cent of all apprentices in-training in 2019 and almost a third of all trade apprentices. The table below shows that in each year since 2002 there have been more apprentices in building than in any other trade occupation.

**Chart 4: Traditional trade commencements by trade occupation, Australia 2002–2018<sup>12</sup>**

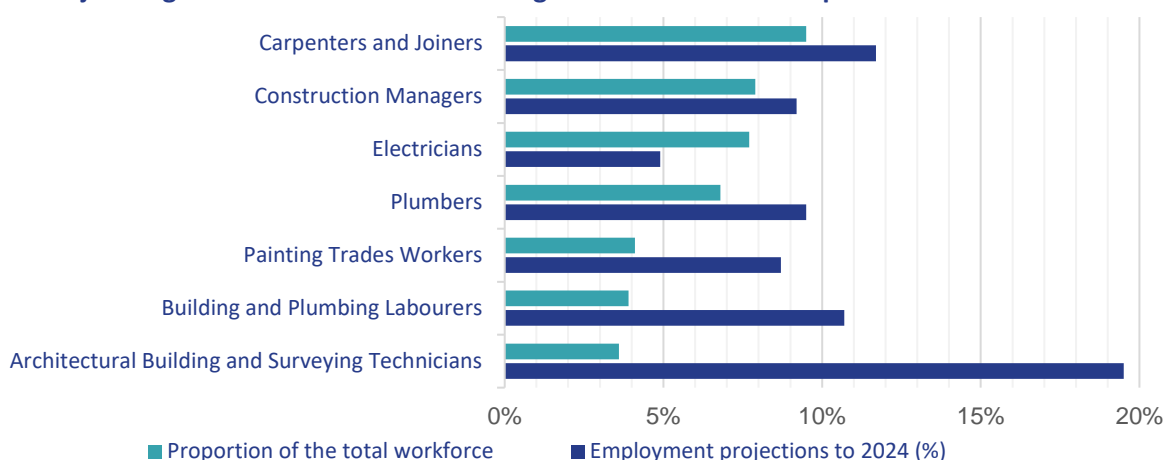


<sup>12</sup> NCVET Apprentice and Trainee Collection, 2002-18, unpublished data. In: NCVET, 2020. *Traditional trade apprenticeships: training activity, employer incentives and international practice*

The building and construction workforce is anticipated to grow by 9.7 per cent in the five years to May 2024.<sup>13</sup> Based on the qualifications currently held, we anticipate that the majority of skilled workers coming into the sector over the next five years will hold or be working toward a VET qualification.

Employment in carpentry occupations is anticipated to grow by nearly 12 per cent over the same period. Other occupations with VET pathways are also anticipated to experience above average employment growth, including architectural, building and surveying technicians (nearly 20 per cent) and building and plumbing labourers (nearly 11 per cent).<sup>14</sup>

**Chart 5: Projected growth for VET-related building and construction occupations to 2024<sup>15</sup>**



In addition to overall growth in the building and construction workforce, the industry is also facing an aging workforce which will add significantly to the skills replacement gap. As at the 2016 Census, 74,117 workers in building and construction were aged 60 or over, equivalent to 8.1 per cent of the workforce at the time. These highly skilled workers will need to be replaced in the coming years, as will workers lost through attrition.

Workforce and skills needs within the industry are compounded by the fact that apprentice enrolments have not kept pace with workforce growth over the last 30 years. Apprentice enrolments in the 12 months to June 2019 represented 1.64 per cent of the total construction industry workforce. In 1990, apprentice enrolments were 2.45 per cent of the workforce.

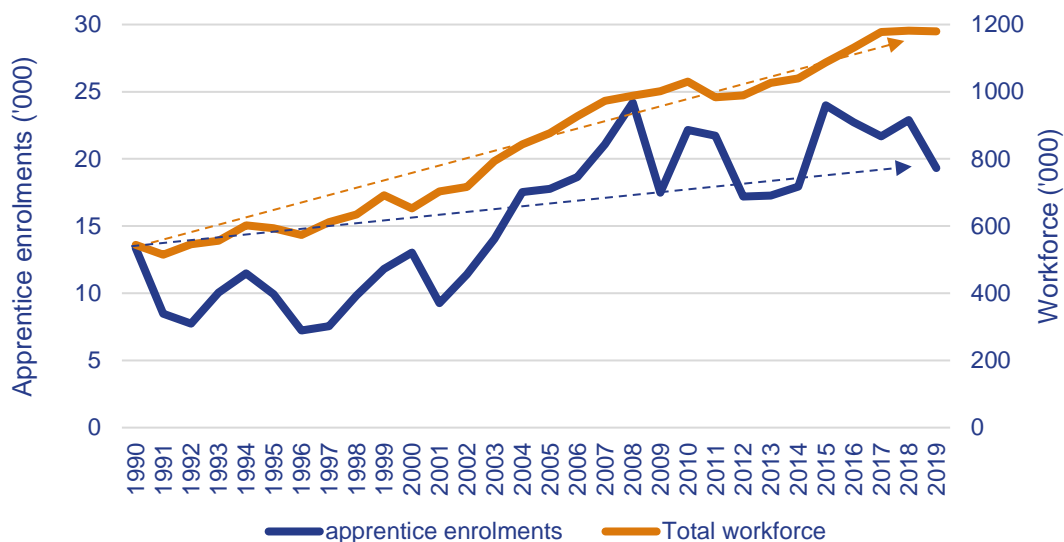
<sup>13</sup> Labour Market Information Portal, 2019. *2019 employment projections*

<sup>14</sup> Australian Industry Skills Council, 2019. *National Industry Insights – Construction*

<sup>15</sup> *Ibid.*

The chart below shows apprentice enrolments and the total workforce in the building and construction industry over the last 30 years. During this time, the building and construction workforce has more than doubled from 544,500 workers to 1,179,600 workers,<sup>16</sup> however, over the same period apprentice enrolments have only increased by 5,900, from 13,400 to 19,300.<sup>17</sup>

**Chart 6: Growth in industry workforce and apprentice enrolments since 1990**



To meet workforce skills needs it will be essential to increase the number of people commencing and completing training in the building and construction industry. To do this we need to understand why enrolments have not kept pace with workforce growth and, more broadly, why VET is undervalued in the Australian education system.

<sup>16</sup> ABS, 2020. *Labour Force, Australia, Details, Quarterly, May 2020. Data cube: EQ06*

<sup>17</sup> NCVET, 2019. *Historical time series of apprenticeships and traineeships in Australia from 1963 to 2019*

## Section 3: VET in Australia

### 3.1 Reputation

#### *The battle for young hearts and minds*

“ Vocational education has been steadily losing the battle for the heart and minds with the university sector. Fewer young people aspire to undertake vocational education courses. Many consider VET as less prestigious and only for students who are of low academic ability.<sup>18</sup>

– **The Hon Steven Joyce**

It is disappointing that the perception of VET in young minds compares poorly to university. Especially, as this does not always match the reality of the experience and outcomes for those who do follow a VET pathway. In the building and construction industry, for example, outcomes for trade apprentices compare favourably to higher education graduates in terms of satisfaction, employment and income.

#### **Trade apprentice and university undergraduate outcomes<sup>19,20, 21</sup>**

##### Trade apprentices are...



##### **More satisfied with training**

88.9% of trade apprentices are satisfied with their apprenticeship.

80.1% of university graduates are satisfied with their studies (74.4% for engineering and 74.5% for architecture and the built environment).



##### **More likely to be employed**

91.5% of trade apprentices are employed on completion. 92% in positions relevant to their training and 94.6% report their trade skills are directly relevant.

72.2% of university graduates gain full-time employment. Of these, 28.3% are not fully using their skills or education.



##### **Employed at higher starting wages**

Graduates of Construction, Plumbing and Services VET qualifications have starting wages of \$65,000.

The average starting wage for university bachelor degree graduate is \$62,600.

**...than university undergraduates.**

<sup>18</sup> Joyce, 2019. *Strengthening Skills: expert review of Australia’s vocational education and training system*

<sup>19</sup> NCVET, 2020. *Apprentice and trainee experience and destinations – time series 2008, 2010 & 2019*

<sup>20</sup> NCVET, 2020. *VET student outcomes 2019*

<sup>21</sup> QILT, 2020. *2019 Graduate outcome survey*

The VET system is poorly understood, Year13 reports that many young people feel they are not provided with a deep understanding of post-school options and are instead pushed toward university. 46 per cent of survey respondents claim they face ‘too much’ pressure from their school to enter university, while only 10 per cent report facing no pressure at all.<sup>22</sup>

The impact of the bias in schools toward university pathways is compounded by the views and perceptions of parents. For young people, their most trusted careers advice comes from their parents (56%) followed by the internet (42%), teachers (40%), and career advisors (38%). However, young people also acknowledge that their parents have a poor understanding of non-university pathways.<sup>23</sup>

“*Since getting my apprenticeship... people I thought were friends now look down on me... I feel judged whenever I say that I have an apprenticeship even though it is something I am extremely proud of. This stress was furthered when numerous parents from the school have openly displayed their disgust at my choice to my face and to my parents.*”<sup>24</sup>

– **Male, 18, Victoria**

The gap in unbiased and up-to-date careers education is contributing to the 43 per cent of young people who self-report having ‘no idea’ what they want to do when they leave school.<sup>25</sup> A major constraint on the quality of careers education in schools is a lack of funding and resources. The Career Industry Council of Australia report that half of schools with a student population over 1,000 have less than \$3 per student to spend on careers education.<sup>26</sup> This is not acceptable.

In August 2019, the Council of Australian Governments (COAG) agreed that vocational and higher education are equal and integral parts of a joined up and accessible post-secondary education system.<sup>27</sup> To achieve this we need to address the bias, overcome misconceptions and overhaul the quality, funding and availability of careers education in secondary and senior secondary schools.

For example, research by Year13 showed that:

**Australian apprentices** have the potential to **graduate** from training nearly **\$150,000 financially ahead** of university students when accounting for apprentice earnings and university debt. 64% of young people said knowing this would make them consider an apprenticeship pathway more seriously.<sup>28</sup>

<sup>22</sup> Year13, 2017. *After the ATAR: Understanding how Gen Z transition into further education and employment*

<sup>23</sup> Year 13, 2018. *After the ATAR II: Understanding how Gen Z make decisions about their future*

<sup>24</sup> *Ibid.*

<sup>25</sup> Year13, 2017. *After the ATAR: Understanding how Gen Z transition into further education and employment*

<sup>26</sup> Clarke, 2015. *Careers education must be for all, not just those going to university*

<sup>27</sup> COAG, 2019. *Vision for Vocational Education and Training*

<sup>28</sup> Year13, 2018. *After the ATAR II: Understanding how Gen Z make decisions about their future*

Students need access to comprehensive, unbiased and up-to-date careers education in order to understand their options and to choose the most appropriate pathway for their interests and aptitudes as they transition from school to work, further education and training. A new National Partnership Agreement is needed to improve the quality and accessibility of careers education in secondary and senior secondary schools.

**Master Builders recommends:**

**The Commonwealth and the states and territories enter into a new jointly funded National Partnership Agreement on Quality Careers Education to provide comprehensive, unbiased, and up-to-date careers education in secondary and senior secondary schools.**

***Busting unHELPful myths***

The Skilling Australia Foundation, in their 2017 report *Perceptions are not reality*, identified and busted three common but misinformed myths about the VET sector.<sup>29</sup>

**✘ Myth 1: VET graduates earn low wages**

20% of Australians believe that people choose university over VET is because VET graduates earn less. Of these, 31% believe the difference is at least \$20,000.

**✔ Truth: VET graduates earn comparable wages**

Median full-time income for VET graduates in 2017 was \$56,000. For university bachelor degree graduates the average was \$54,000.

**✘ Myth 2: VET graduates struggle to find work**

28% of Australians believe the main reason people choose university over VET is because university graduates find work more easily.

**✔ Truth: VET graduates are more likely to be employed**

78% of VET graduates are employed after training, 69% of university bachelor degree graduates are employed full-time after training.

**✘ Myth 3: VET is stuck in the past**

59% of Australians believe that in a globally competitive world university is needed more than VET. Nearly half suggested VET is less relevant than university.

**✔ Truth: VET adapts to changing workforce needs**

VET provides training in 9 of 10 occupations predicted to have the greatest growth in new jobs over the next five years.

<sup>29</sup> Skilling Australia Foundation, 2017. *Perceptions are not reality: myths, realities & the critical role of vocational education & training in Australia*



Despite this, the VET sector struggles with a poor reputation.

“*poor provider behaviour, unduly short courses and variability in the quality of training have tarnished the sector’s reputation. The fallout from the now closed VET FEE-HELP scheme in particular was regularly raised as an issue.*”<sup>30</sup>

– **The Hon Steven Joyce**

Despite VET FEE-HELP being closed, the reputational damage it caused continues to haunt the VET sector. The language of “dodgy providers” tarnishes all training providers, the vast majority of which deliver high quality and industry relevant training.

Additionally, the perception of quality is not helped by people and organisations that try to use the training package update processes to address their concerns with the quality of specific providers. In our view, including additional requirements in units of competency that do not improve outcomes and can create barriers for the majority of high-quality training providers is not the right approach to address such concerns. Instead, concerns about the quality of individual training providers should be raised through the appropriate channel, which for VET is the Australian Skills Quality Authority (ASQA).

Master Builders is hopeful that the establishment of the National Careers Institute will go some way toward improving the reputation of VET by dispelling the misconceptions and highlighting the diverse and rewarding careers and career pathways available through VET.

### **3.2 Making informed decisions**

At the same time as addressing misconceptions about the VET sector and improving careers education in schools, we need to make sure people can make informed decisions when selecting the most appropriate qualification level and training provider to meet their needs.

#### ***Assessing the work-readiness of apprentice candidates***

Apprenticeships are a key entry pathway into skilled trade occupations in the building and construction industry. Undertaking an apprenticeship allows the participant to reap the benefits of formal training while gaining practical work experience and earning a wage. As apprenticeships combine work and training it is important that apprentice candidates are work-ready.

“*Pre-vocational programs give insight into work-readiness and if a trade is suitable prior to commencing a formal contract of training. Programs typically involve two weeks at trade school and two weeks in industry, with many also providing mentoring.*”

– **Master Builders SA**

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<sup>30</sup> Joyce, 2019. *Expert Review of Australia’s Vocational Education and Training System*

In 2016, Master Builders conducted four pre-apprenticeship pilots with grant funding from the Commonwealth. The pilots provided participants with introductory skills and knowledge in a range of construction trades and job roles, many went on to undertake apprenticeships. The pilots also identified that employers look for apprentice candidates with broadly similar interests and aptitudes, including a good work ethic, interest in the industry, basic social and communication skills, a good attitude to safety, a willingness to learn and follow directions, and realistic expectations.

### Successful MBA apprentices:



Source: Master Builders ACT

Learners that commence without being work-ready are less likely to complete their training and apprenticeship. This costs employers, trainers and governments time and money, and can create issues for the apprentice’s future work prospects.

Our view is that learners sit on a continuum of work-readiness. As such, we believe that developing a work-readiness assessment tool would be beneficial to individuals, schools, training providers and employers to understand and assess if a learner is work-ready or requires additional support and training, such as a pre-apprenticeship, foundation skills or pastoral care support.

Apprentices that undertake prevocational training, such as VET in school or a pre-apprenticeship are more likely to complete their apprenticeship. Prevocational training enables participants to gain confidence and to become familiar with an industry sector and VET.<sup>31</sup> A work-readiness assessment tool has the potential to improve education, training and employment outcomes.

<sup>31</sup> NCVET, 2019. *Completion rates for group training organisations and direct employers: how do they compare?*

**Master Builders recommends:**

**The Government task the National Careers Institute with developing a work and study readiness assessment tool.**

### ***Choosing a training provider***

On 26 May 2020, the Prime Minister’s address to the nation focused on the need to reform the VET sector, a key point in his address related to the availability of information on quality. He stated:

“*For prospective students, the large number of choices that they face for qualifications can be bewildering and overwhelming. Compounded by a lack of visibility over the quality of training providers and the employment outcomes for those courses.*”<sup>32</sup>

– ***The Hon Scott Morrison***

According to training.gov.au there are 4030 RTOs delivering 1433 qualifications, 1424 skill sets, and 16,791 units of competency.<sup>33</sup> That presents potential VET students, their parents, employers and career influencers with a lot of options to consider.

The MySkills website is touted as the principle source of information on VET courses and training providers. Their website states that it is an: *Australian Government initiative to ensure training consumers have access to current, straightforward, independent and trustworthy information to help them make choices about their training options.*<sup>34</sup>

The MySkills website has the potential to be a really valuable resource. However, at present, there is no independent information available on the quality of training providers, meaning that it is not possible to compare the quality of one training provider against another offering the same course or qualification. The points of comparison available on the MySkills website are location, cost, duration and whether subsidies, VET student loans or online learning are available. Reporting of cost and duration of courses is at the discretion of and provided by the training provider. Without independent information on quality potential students may use cost and duration as a proxy, which is problematic.

Looking at the Certificate III in Carpentry, CPC30211, the MySkills website identifies 122 training providers offering this course.<sup>35</sup> 20 providers self-report cost and duration, which elevates them to the top of the list of training providers. There is considerable variation in the cost (minimum \$2,500, maximum \$24,000) and duration of the course (minimum 3 months, maximum 48 months).

<sup>32</sup> Morrison, 2020. *Address, National Press Club 26 May 2020*, [www.pm.gov.au](http://www.pm.gov.au), accessed: 27 July 2020

<sup>33</sup> Training.gov.au figures as at 21 July 2020

<sup>34</sup> [www.myskills.gov.au/more/about](http://www.myskills.gov.au/more/about), accessed 21 July 2020

<sup>35</sup> [www.myskills.gov.au/registeredtrainers/search?CourseCode=CPC30211](http://www.myskills.gov.au/registeredtrainers/search?CourseCode=CPC30211), accessed 21 July 2020

**Diversity in the cost and duration of undertaking a Certificate III in Carpentry**

<p><b>\$2,500</b>  <b>3 Months</b>                  Best Option Training</p>	<p><b>\$5,850</b>  <b>36 months</b>                  Wodonga TAFE</p>	<p><b>\$13,320</b>  <b>48 months</b>                  InScope Training</p>
<p><b>\$17,410</b>  <b>12 months</b>                  Holmesglen TAFE</p>	<p><b>\$19,355</b>  <b>48 months</b>                  Federation University</p>	<p><b>\$24,000</b>  <b>24 months</b>                  Liberty Construction College</p>

A range of data exists which could be linked to the MySkills website to provide independent information on the quality of training providers. For example:

- Unique Student Identifier database could provide information on completion and attrition rates by course and training provider; and average time taken to complete a qualification by course and training provider
- National Centre for Vocational Education Research (NCVER) student outcomes survey could provide information on student (and employer where applicable) satisfaction and employment outcomes by training provider
- training.gov.au registration database could provide the date of initial registration as an RTO.

Additionally, and following pilots for standardised and independent assessments, de-identified assessment outcomes could also be published on the MySkills website by course and training provider.

Making information, such as that listed above, available by training provider will assist potential students to make better information decisions and to dispel misconception about VET quality and the prevalence of “dodgy providers”.

**Master Builders recommends:**

**Independent information be made available on the MySkills website to enable users to better assess the quality of individual training providers and therefore to make more informed decisions about their training pathway and career development. For example, using the Unique Student Identifier database to identify completion rates by course and training provider, and linking this with the MySkills website to make the information publicly available.**

### 3.3 Retention and completion

#### *Completion rates and reasons*

VET and Apprentice completion rates are an enduring issue of concern among governments.<sup>36</sup> Typically completions are measured using contract completions, which for construction trade apprenticeships was 41.2% in 2018.<sup>37</sup> An alternative method is to measure individual student completions, this method takes account of students who change employer during their apprenticeship. For construction trades this was 54.7% in 2018.<sup>38</sup>

There are a range of employment, training and personal reasons for low completion rates and it is often the compounding effect of multiple reasons that leads an apprentice to withdraw. An NCVET survey of apprentice experiences and destinations in 2019 asked non-completers for the main reason they did not complete their training. The top reasons were:<sup>39</sup>

- Employment related (73.8%): issue with boss/colleague (11.9%); fired or made redundant (11.7%); changed career (8.2%); did not like the work (8.1%)
- Training related (10.8%): not happy with on the job training (3.8%); lack of interest (3.6%)
- Personal (13.5%): health reasons (5.5%); family reasons (3.8%).

#### *Addressing barriers to completion*

More can and should be done to address the barriers to completion. Action is needed at schools, before commencing an apprenticeship, during the apprenticeship, and for employers.

##### **Actions at school**

- National Partnership Agreement on Quality Careers Education to ensure all students have access to comprehensive, unbiased and up-to-date careers education
- Improve the quality of VET in school by only delivering where it can be done in a high-quality way with endorsement from local employers and industry bodies. Where this isn't possible schools should partner with RTOs.

##### **Actions pre-commencement**

- Develop an initial suitability assessment tool looking at language, literacy and numeracy skills as well as work-readiness attributes and resilience to determine if students and apprentice candidates need additional support or training such as a pre-apprenticeship, foundation skills or pastoral care, where additional support is required this should be subsidised by governments

<sup>36</sup> NCVET, 2019. *Completion rates for group training organisations and direct employers: how do they compare?*

<sup>37</sup> NCVET, 2019. *Completion and attrition rates for apprentices and trainees 2018*

<sup>38</sup> *Ibid.*

<sup>39</sup> NCVET, 2020. *Apprentice and trainee experience and destinations – time series 2008, 2010 & 2019*

- Fund industry developed introduction courses in growth sectors, such as construction, to provide displaced workers, job seekers, school leavers and others with a four-week introduction to the industry sector including training and work experience. For example, in construction this could include white card and asbestos awareness training, mentoring or life coaching, introduction to manual handling and using tools, and on-site experiences.

#### **Actions to help apprentices:**

- Funding for improved access to support services, such as mentoring and mental health, to improve student resilience and to identify and address concerns early
- Greater recognition of and support for GTOs and the role they play in providing pastoral care to apprentices and diversity of work experiences.

#### **Actions to help employers:**

- improved information and support for first time employers of apprentices
- Incentives to hire and retain apprentices delivered via single touch payroll system.

**“** *Ongoing mentoring and support are key to the success of an apprentice and their employment outcomes. We have run specific mentoring programs in the past and these have shown great success in improving completion rates.*

– **Master Builders SA**

### **Group Training Organisations**

While the vast majority of apprentices are employed directly by a business, just over eight per cent of apprentices in 2019 were employed by GTOs.<sup>40</sup> Under the GTO model, the GTO is responsible for recruitment, matching apprentices with host businesses, all employer obligations such as wages and entitlements, arranging training and assessment, and providing ongoing pastoral care.

**“** *Apprentice wellbeing is front and centre in the mind of our GTO. Providing support through field officers and our host employers is critical, especially for our younger apprentices.*

– **Master Builders SA**

Apprentices employed by GTOs go through rigorous recruitment processes, have structured training programs, are hosted by a range of businesses and therefore have varied work experience, and also receive pastoral support and, often, mentoring.

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<sup>40</sup> NCVET, 2020. *Apprentices and trainees 2019: December quarter*



Compared to apprentices employed directly, GTO employed apprentices are more likely to be:<sup>41</sup>

<p><b>Young</b></p> <p>88.6% are 24 or less (compared to 66%)</p>	<p><b>High school graduates</b></p> <p>68.5% (vs 64.6%)</p>	<p><b>Indigenous</b></p> <p>9.6% are indigenous (compared to 4.9%)</p>	<p><b>In trades</b></p> <p>75.7% are in trades (compared to 67.1%)</p>
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Completion rates for GTOs are higher than for trade apprentices employed directly by small and medium sized businesses. At the Master Builders South Australia GTO contract completion rates are around 63 per cent and individual completions are nearly 80 per cent.<sup>42</sup> This compares favourably to average completion rates, which as stated above, sit at 41.2 per cent for contract and 54.7 per cent for individual.

Apprentice recruitment and retention are particularly sensitive to economic conditions. During economic downturns employers are hesitant to take on new employees. This is particularly true in the building and construction industry when the forward pipeline of work is uncertain or volatile, as it currently is. The GTO model is particularly valuable during these times – indeed it emerged during economic challenges in the 1970s – as apprentices can rotate between a variety of hosts when meaningful work is available within the host’s business and not be forced to stand idle or be stood down during quieter times.

### 3.4 Lifelong learning

Last year, in a speech to TAFE Directors Australia, Michael Brennan said:

**“** *It will be individual tasks, rather than entire jobs, which are most likely to be automated in the future... [suggesting] demand for training in the future could be up-skilling by workers in order to keep doing their existing jobs.*<sup>43</sup>

An AiGroup survey of employers in 2016 revealed that most employers intend to meet skills needed within their business by upskilling existing workers (58.1%); followed by hiring experienced workers (43.5%), hiring and upskilling new staff (23.6%) and hiring an apprentice (19.3%).<sup>44</sup>

The nature of work is changing, and workers will increasingly need to upskill throughout their careers. Whilst on-the-job and informal learning is likely to form the bulk of this upskilling, workers will also need to undertake formal training to complement their existing skills in response to changes in the way work

<sup>41</sup> NCVET, 2020. *Apprentices and trainees 2019: December quarter*

<sup>42</sup> Data for 2017-2020 provided by MBASA on in-training, commencements, completions, transfers and withdrawals. Analysis assumes: in-training pre-July 2017 have completed, transferred or withdrawn; all apprentice commencements from July 2017 are at first year and still in-training; all transfers go on to complete

<sup>43</sup> Brennan, 2019. *Future of Markets and TAFE*, [pc.gov.au/news-media/speeches/future-markets-tafe](http://pc.gov.au/news-media/speeches/future-markets-tafe)

<sup>44</sup> AiGroup, 2016. *Making Apprenticeships Work*

is carried out (e.g. artificial intelligence, robotics, 3D printing). The VET system and course funding needs to mature to reflect this change.

“ *As industry 4.0 begins to take hold, job roles will adapt and change, to the point where skill sets training becomes more valuable and sought after than traditional qualifications that no longer suit the needs of the industry and are not updated frequently enough to keep up with the evolution of industry.*

– **Master builders NSW**

Funding and incentives for skill sets would be particularly beneficial for small businesses. Many small businesses in the building and construction sector do not have the pipeline of work for an additional employee but do have skills needs within their business. This option would assist business owners to upskill their workforce, enhancing the overall capability of the business. This is likely to improve productivity, enable businesses to compete for larger projects, to tender for government work and to contribute more to the economy.

In addition, and off the back of the Shergold-Weir Building Confidence Report, licensing and registration will be introduced for building professionals and continuing professional development (CPD) requirements introduced in states where they do currently exist. Licensing, registration and CPD requirements may also be extended to trade technicians in the future. Developing links between CPD points and VET units of competency is, in our opinion, a no-brainer and will allow the existing workforce to upskill over time through completion of industry developed and nationally recognised training.

“ *With the extensive list of elective units in qualifications it is highly likely that they are relevant to the occupational outcome of the worker. Counting their completion toward CPD requirements would encourage workers to continue formal training throughout their working life.*

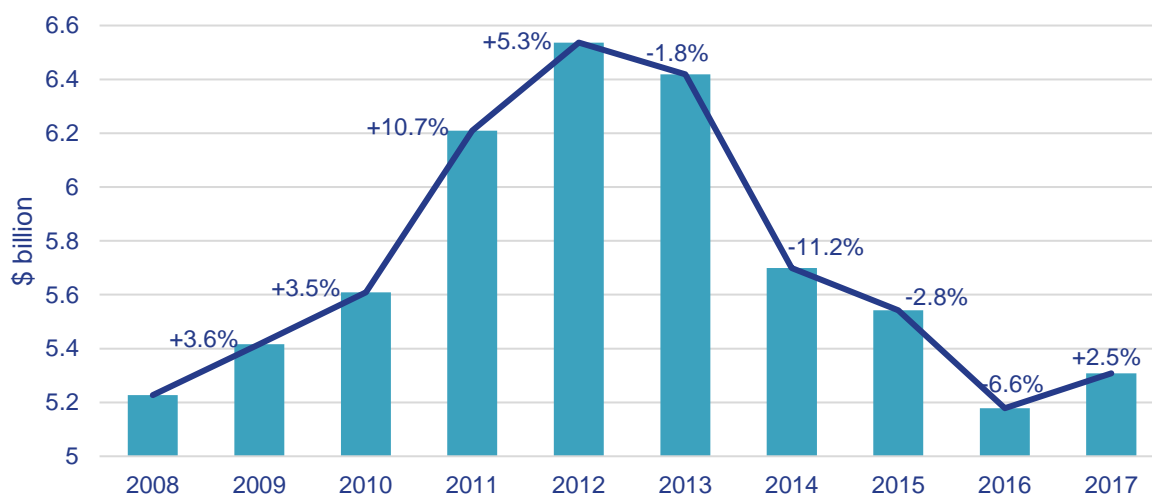
– **Master Builders Queensland**

## Section 4: Funding Australia’s VET system

### 4.1 Total funding

Commonwealth funding to the states and territories through National Specific Purpose Payments for Skills and Workforce Development has been stable over the last decade. However, total funding (Commonwealth Own Purpose Expenditure, Commonwealth Specific Purpose Payments, and state and territory funding) to VET has been volatile. The graph below shows total VET funding (recurrent expenditure excluding user cost of capital) from 2008 to 2017 (adjusted to 2017 dollars) as well as the percentage change each year.<sup>45</sup>

**Chart 7: Government spending on VET (in 2017 dollars), 2008-2017**



From 2010 to 2011 and again from 2013 to 2014, total funding for VET changed in excess of 10 per cent. Volatility in total funding and, importantly, volatility in how it is spent within each state and territory creates uncertainty for training providers and industry, which inhibits planning, growth and outcomes.

Between 2005-06 and 2015-16 funding (in real terms) for schools increased by 30 per cent and universities by 52.6 per cent. VET funding, on the other hand, decreased by 4.7 per cent over the same period.<sup>46</sup>

<sup>45</sup> Productivity Commission, 2019. *Report on Government Services 2019, Part B, Chapter 5*

<sup>46</sup> Pilcher and Torii, 2017. *Expenditure on education and training in Australia 2017*, Mitchell Institute

“ In Australia there is no cohesive post-secondary training system. VET and higher education are treated and funded separately. They are competing for the same students, but the playing field isn't level.

– **Master Builders WA**

On 9 August 2019 COAG agreed a vision that VET and higher education are equal and integral parts of Australia's post-secondary education system.<sup>47</sup> However, funding is neither equal nor equitable. If governments genuinely want to increase the number of Australians with a minimum Certificate III level qualification and the number with higher level VET qualifications, then the overall bucket for VET funding needs to increase.

## 4.2 Funding distribution and competitive neutrality

“ A move toward more consistent funding across states and territories is important, but not as critical as the difference between government, private and not-for-profit funding within a state or territory.

– **Master Builders ACT**

Increasing the overall bucket of funding is important but must coincide with states and territories committing to consistent subsidy arrangements between providers and over time within their jurisdiction.

Volatility in year-on-year intra-state funding and subsidies levels has detrimental impacts on the sustainability and quality of VET. For the most part, funding subsidies within states are relatively stable over time. However, there is no guarantee of this and subsidies can, and have, changed on a whim.

### Funding volatility in the ACT, 2020

At the start of 2020, the ACT Government – without notice – announced significant funding cuts to training course subsidies affecting many industries and training providers. Of particular concern was the cuts to User Choice funding and Existing Worker funding, meaning that both new apprentices and existing workers would be impacted. In the building and construction sector, funding cuts for training courses were approximately 70 per cent.

The ACT Government cited budgetary pressures as the rationale, and while we appreciate that, the sharp cuts in funding without consultation or a transition period would have had lasting economic and social consequences had the decision not been reversed due to COVID-19. There has been no commitment that the cuts will not be re-introduced.

In the example above it was volatility in the quantum of funding that created issues. Volatility can also occur when the distribution of the funding bucket is significantly changed, as happened in South Australia in 2015.

<sup>47</sup> COAG, 2019. *Shared Vision for Vocational Education and Training*

### Funding volatility in South Australia, 2015

In 2015, the South Australian Government significantly increased the number of subsidised training places available to TAFE SA, at the expense of all other training providers. Under the WorkReady policy 90 per cent of subsidised places (46,000 of 51,000) were allocated to TAFE SA, previously around 55 per cent of subsidised places were at TAFE while 45 per cent went to other training providers.

The changes were implemented without consultation and took effect with minimal notice. They had a detrimental impact on the viability of training providers and led to many, including Master Builders South Australia, withdrawing as a registered VET training provider.

In thin markets, public training providers are essential to ensure equitable access to affordable training. However, in contestable markets, such as major cities where there are multiple training providers to choose from, states and territories should adhere to the principles of competitive neutrality, with funding based on activity regardless of the training provider.

*“ State and territory funding favouring government providers threatens the viability of private and not-for-profit providers. This is a key issue.*

*– Master Builders ACT*

We acknowledge there are ongoing concerns and perceptions that not all training providers are equal when it comes to quality and underlying motivation. A funding system that encourages greater competitive neutrality may need safeguards so as not to compromise the quality of training outcomes. Safeguards to achieve this are currently in operation in Tasmania.

The Tasmanian government has introduced an ‘endorsed RTO’ model. This system aims to increase and assure the quality of government subsidised training for learners and employers by requiring RTOs to be pre-vetted before being eligible for government subsidies or grants. In applying RTOs need to demonstrate quality training outcomes and learner/employer satisfaction, regulatory compliance, and links with industry and employers.

As far as possible a new VET funding agreement between the Commonwealth and the states and territories should commit parties to stable year-on-year course subsidy levels and provide quality training providers equal access to course subsidies in contestable markets.

*“ Governments must provide training opportunities for all Australians. Public providers must have access to guaranteed funding to meet the needs of regional areas, thin markets and basic access education, regardless of the cost. For mainstream courses, access to subsidies should be fully contestable.*

*– Master Builders Queensland*

“ *In thin markets – such as regional and remote locations, or specialist training areas – public providers should provide a service, irrespective of the cost. However, in metro areas where contestable markets are available public, not-for-profit and private training providers should be treated equally, allowing maximum flexibility for students to achieve their vocational outcome.*

– **Master Builders Victoria**

### 4.3 Efficient pricing

The functions of the newly established National Skills Commissioner include to provide advice to the Minister or the Secretary in relation to the development of efficient prices for VET courses. The Commission website states:

*We will work closely with the states and territories to develop and maintain a set of efficient prices for VET courses, including the cost drivers and public and private returns. An efficient and effective price is one that promotes quality teaching and creates job ready candidates. Not just the lowest price.*

On 26 May 2020, the Prime Minister spoke at the National Press Club about VET funding and need for reform. He highlighted the national hospital agreement as providing a good model for the changes he would like to see for VET funding. The hospital agreement incorporates national efficient pricing and activity-based funding.<sup>48</sup>

In looking at efficient pricing and activity-based funding the National Skills Commission needs to consider the cost of delivering training and assessment, not the level of the unit or qualifications in the Australian Qualifications Framework. For example, courses delivered online typically have a lower cost of delivery than face-to-face institutional learning and considerably lower cost than practical workshops.

Traditionally the VET sector has favoured face-to-face learning, however COVID-19 has thrown this off the scaffolding. Training providers have had to adapt, with many delivering online learning for the first time. The experience from Master Builders training providers has been generally positive for online training that would previously have been done in a classroom environment. Feedback is that online training has worked particularly well for regional and remote learners. Going forward we will likely see more training provided through mixed delivery modes – that is training that incorporates both online and face-to-face learning – than in pre-COVID-19 times.

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<sup>48</sup> Morrison, 2020. *Address at the National Press Club, 26 May 2020*



The determination of efficient pricing will need to consider:

- Mode of delivery – online, face-to-face, combination, simulated environment
- Requirements for workshop space, tools and materials
- Treatment of recognised prior learning
- Location of delivery
- As well as loadings for disadvantaged individuals and other considerations.

## 4.4 Incentives and subsidies

### **COVID-19 stimulus**

COVID-19 wage subsidy initiatives – namely, the Supporting Apprentices and Trainees and the JobKeeper – have been instrumental in maintaining employment in the building and construction industry. As mentioned above, apprentice retention is particularly sensitive to economic conditions. Master Builders state and territory associations and GTOs have on multiple occasions acknowledged the positive contribution these initiatives have made in incentivising businesses to retain their employed/hosted apprentices.

**“** *Employer incentives to hire and keep apprentices are critical. These should be increased in the short term as we move into the economic downturn.*

– **Master Builders ACT**

Master Builders is supportive of the Government’s recent JobTrainer announcement, the extension of the 50 per cent apprentice wage subsidy and JobKeeper 2.0. We call on the government to ensure that in contestable markets JobTrainer places are available to people studying at public, not-for-profit and private training providers.

### **Incentives for employers**

Financial incentives for employers to hire apprentices are a valuable carrot when making hiring decisions. From a business perspective the first year of an apprenticeship offers the lowest return on investment – it is the year the apprentice is most likely to drop out, the year in which they have the least skills, and the year in which they need the greatest level of supervision. As the apprentice progresses their skills develop and supervision requirements reduce, commensurate to this the apprentice earns more money.

**“** *Anecdotal member feedback is that employer subsidies are the tipping point for hiring/not hiring an apprentice, especially in their first year. They are an important recognition that taking on an apprentice takes time and effort.*

– **Master Builders Victoria**

The highest cost to employers is for supervision, as apprentice wages are more or less equal to their productivity.<sup>49</sup> Analysis by the National Australian Apprenticeships Association estimates that over a three year apprenticeship the average cost to supervise an apprentice is around \$27,000, with half of that coming in the first year.<sup>50</sup>

Master Builders is supportive of financial incentives to hire apprentices. In setting and reviewing incentive payments it is important to look at the intent of the money and to ensure that over time the incentive adjusts in line with rising costs.

**“** *A combination of incentives should be used and paid throughout the apprenticeship. Regular payments over the apprenticeship are better for cashflow and an incentive to keep the apprentice employed.*

**– Master Builders Queensland**

The JobKeeper scheme has demonstrated the Australian Taxation Office’s ability to use the single touch payroll system to deliver timely payments and reimbursements to employers. This process presents the opportunity to rethink how and when employer incentives are delivered. For example, a monthly reimbursement could be made to employers to cover all or part of the cost of supervising an apprentice, with the amount varying depending on the stage of the apprenticeship and the risk profile of the occupation – i.e. the reimbursement would be highest for first year apprentices in high risk occupations. Another option could be to reimburse employers the equivalent of the apprentice’s pay as you go withholding amount.

**“** *The cost of employing an apprentice is seen by many employers as prohibitive. Incentives that assist the employer to relieve this financial pressure encourages the take up of apprentices.*

**– Master Builders NSW**

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**Master Builders recommends:**

**The government implement a scheme to encourage employers to hire and retain apprentices. The scheme would operate as a reimbursement through the single touch payroll system, providing regular credits to the employer. Two possible options include a credit equivalent to the cost required to supervise an apprentice or a reimbursement of the pay as you go withholding for the apprentice’s wages.**

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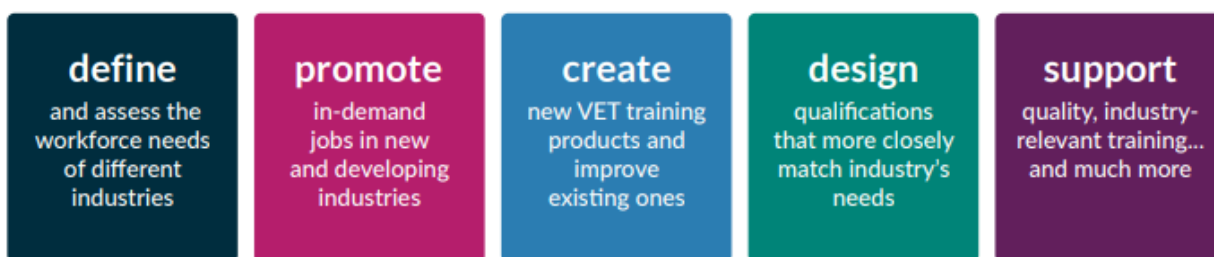
<sup>49</sup> NCVET, 2009. *The cost of training apprentices*

<sup>50</sup> Verbal update from NAAA CEO on 17 July at Productivity Commission roundtable on apprenticeships.

## Section 5: A Building and Construction Skills Organisation

In the 2019-20 Federal Budget, the Commonwealth announced the piloting of national Skills Organisations to enhance the role and leadership of industry and to test new and innovative ways to improve Australia’s VET sector. To date, three Skills Organisation pilots have been announced – digital technologies, human services car, and mining.

Through Skills Organisations, industry works directly with the VET system to:<sup>51</sup>



On 26 May 2020, in his address to the nation, the Prime Minister stated:<sup>52</sup>

“ I want those trade and skills jobs to be aspired to, not looked down upon or seen as a second best option, it is a first best option. To address this challenge, we have embarked on a series of Skills Organisation Pilots... Three pilots have been established – in human services, digital technologies and mining – and they have already begun to show benefits of this system. We need to move forward on many, many more.

– **The Hon Scott Morrison**

A Building and Construction Skills Organisation has the potential to pilot initiatives that will address many of the challenges identified throughout this submission. The organisation would take a holistic view of the challenges facing the industry and explore and implement initiatives in the VET sector as well as pre- and post-VET.

In the formative stages, the organisation will identify and explore the feasibility of a range of initiatives to address challenges relating to careers education, work-readiness, training quality, publicly available information, career progression, and more. The organisation will then progress to develop and pilot initiatives.

### Building and Construction Skills Organisation:

<sup>51</sup> DESE, 2020. Skills Organisations factsheet. [www.employment.gov.au/skills-organisations-factsheets](http://www.employment.gov.au/skills-organisations-factsheets)

<sup>52</sup> Morrison, 2020. Address, National Press Club 26 May 2020, [www.pm.gov.au](http://www.pm.gov.au), accessed: 27 July 2020

## A draft plan of action

### 1. The pre-VET environment

#### **Action 1.1: Careers education in secondary and senior secondary schools**

Challenge: The VET sector is poorly understood by the public and careers education in schools pushes young people toward university pathways. See *Section 3.1: Reputation* for more information.

Solution: Prospective students and their advisors need access to comprehensive, unbiased and up-to-date information in order to make informed decisions. The Building and Construction Skills Organisation could work with industry, training providers, schools, parents and students to leverage existing and develop new industry specific careers education resources targeting educators, parents and students. While the make-up of resources would be subject to stakeholder engagement, they could include vignettes, case studies, gamification, virtual reality, or industry relevant teaching resources.

#### **Action 1.2: assessing readiness to work and train**

Challenge: Apprentice candidates that commence before they are ready are less likely to complete their apprenticeship. However, there is no clear way of assessing a readiness to work and train. It is therefore challenging to identify at the outset when additional support may be required. See *Section 3.2 Making informed decisions* and *Section 3.3: Retention and completion* for more information.

Solution: The Building and Construction Skills Organisation could work with employers and training providers across the industry to identify the knowledge, aptitudes and attitudes that employers look for when taking on a new employee and the foundation skills needed for off-site training. From this the organisation could develop an initial suitability assessment looking at language, literacy and numeracy skills, as well as work-readiness attributes and resilience. This would assist individuals, training providers, employers and others to understand and assess if an individual is study and work ready or requires additional support. Additional support could include an industry introduction course, pre-apprenticeship, foundation skills or pastoral care. Where additional support is required this should be government subsidised. Additionally, once developed, this tool could form part of the careers education resources in Action 1.1.

#### **Action 1.3: Making informed decisions**

Challenge: This challenge was well articulated by the Prime Minister on 26 May 2020 when he said: “For prospective students, the large number of choices that they face can be bewildering and overwhelming. Compounded by a lack of visibility over the quality of training providers and the employment outcomes for those courses.”<sup>53</sup> See *Section 3.2: Making informed decisions* for more information.

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<sup>53</sup> Morrison, 2020. Address, National Press Club 26 May 2020, [www.pm.gov.au](http://www.pm.gov.au), accessed: 27 July 2020

Solution: Following the outcomes of pilots identified in Action 2.1 (below), de-identified assessment outcomes could be published on the MySkills website to assist prospective students, their advisors and parents to make more information decisions.

## **2. The in-VET environment**

### **Action 2.1: Achieving consistency in training and assessment**

Challenge: There is widespread concern about the quality of VET training, inconsistency between providers and the presence of ‘tick and flick’ training providers.<sup>54</sup> One of the greatest areas of non-compliance among training providers is in assessment tools not meeting the ASQA requirements. See *Section 6: Improving the quality of VET*<sup>55</sup> in our Issues Paper submission for more information.

Solution: The Building and Construction Skills Organisation could work with industry stakeholders, training providers and ASQA to develop and pilot a range of assessment methods, including standardised, independent and proficiency-based assessment to ensure that upon completion all students meet the same minimum standard of competency.

Standardised assessment tools and assessor guides would remove the potential for variation in the interpretation of requirements in units of competency and thereby ensure that all students meet the same benchmark regardless of the training provider.

Independent assessment would mean that students are assessed by a third party, not by their training provider. Potential benefits include greater assurance of competency and reduced risk of poor training providers gaming the system. Additionally, ASQA could use this information to inform their risk-based regulatory approach by helping to identify potential low quality training providers. Further, publication of de-identified outcomes by training providers could assist prospective students to make more informed decisions.

Proficiency-based assessment, underpinned by a clear and industry endorsed assessment rubric, could be applied to standardised and/or independent assessments. Integrating one or more levels of proficiency above the base assessment of competent could benefit students, employers, training providers and regulators. For example, students would be rewarded for putting in more effort; training providers would be incentivised to deliver higher quality training; ASQA could identify potentially sub-par training providers and therefore target audit resources more effectively; and publication of de-identified data by training provider could assist students and employers to make more information decisions.

### **Action 2.2: Pastoral care and support for apprentices**

Challenge: Mental health is a significant challenge for both young people<sup>56</sup> and the construction industry.<sup>57</sup> See *Section 3.3: Retention and completion* for more information.

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<sup>54</sup> Joyce, 2019. *Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System*

<sup>55</sup> Available at: [www.masterbuilders.com.au/Submissions-2019](http://www.masterbuilders.com.au/Submissions-2019)

<sup>56</sup> Year 13, 2018. *After the ATAR II: Understanding how Gen Z make decisions about their future*

<sup>57</sup> RMIT, 2020. *Mental Health in Construction*, submission to the Productivity Commission Mental Health inquiry

Solution: The Building and Construction Skills Organisation could develop and pilot initiatives to build the resilience of young people and to foster positive workplace learning environments (i.e. environments that value on- and off-site learning, acquisition of skills over-time and innovation). Options could include, formal and informal mentoring, visits from trained external field officers (as currently exists in the GTO model), or targeted training for employers and supervisors.

### **3. The post-VET environment**

#### **Action 3.1: Building industry capacity**

Challenge: There is no long-term strategy for building the capacity of people in the construction sector to deliver Australia's future assets and to lift the standard of building quality.

Solution: The Building and Construction Skills Organisation, in collaboration with other relevant stakeholders, could contribute to the development of a national long-term construction industry workforce plan that:

- Identifies current and future skills gaps in the construction sector and ways to address these
- Identifies innovations in training resources to support a more agile workforce
- Identifies training providers and educational institutes that deliver high-quality training and employment outcomes
- Provides more support for employer mentoring of apprentices
- Requires apprentice employment, training and re-training in government stimulus investment.

#### **Action 3.2: Pathways between VET and higher education**

Challenge: There is no robust system of credit transfer between VET and higher education. Each higher education and VET provider determines which courses and providers they are going to recognise and what level of credit transfer will be granted.

Solution: The Building and Construction Skills Organisation could work with VET training providers and the higher education sector to investigate the scope to develop a national framework for building and construction credit transfer arrangements between Australian tertiary education providers.

#### **Action 3.3: Linking VET and continuing professional development**

Challenge: Increasingly workers are going to need to reskill and upskill throughout their careers to keep pace with technological advances, regulatory changes and other workplace and workforce requirements. However, at present there is no link between CPD mechanisms and nationally recognised, industry developed VET units of competency.

Solution: The Building and Construction Skills Organisation could work with state and territory training authorities and licensing bodies to allocate CPD points to units of competency in building and construction training packages.