

Construction and Property Services Industry Skills Council (CPSISC)

CPSISC represents the workforce training and development needs of an extremely large and vitally important sector of the Australian economy – the Construction and Property Services Industries. The Council is led by a high level industry Board committed to providing an authoritative and industry led approach to the supply of information and intelligence relating to the Construction and Property Services Industries skill and strategic workforce development needs.

The Council provides a truly national approach to the development of quality industry owned Training Packages and products to achieve excellence in the design and implementation of nationally recognised qualifications.

Our mission is to serve the construction and property services industries by identifying and meeting their training, skill and workforce development needs.

Response to the VET Workforce Issues Paper

CPSISC fully supports the joint submission to the Productivity Commission from the 11 Industry Skills Councils. In particular CPSISC reiterates the view that Training Packages developed and maintained by industry are the backbone of VET and set the standards employers, regulators and learners expect for ongoing employment and career progression. Any initiatives for advancing the flexibility, productivity and skill level of the VET workforce should be in the context of more effective and efficient delivery of industry skill needs as specified in Training Package qualifications and competencies.

The construction and property services industries face major workforce challenges in the future, many of which are ongoing skill shortages all sectors of industry face. The construction workforce is nearing 1 million nationally and skill shortages in part reflect recruitment and retention issues in a competitive labour market where demand for skilled workers crosses multiple industry boundaries. For example the mining industry attracts many skilled workers away from residential and commercial building job roles and training of relevant tradespersons follows a traditional pattern of four year apprenticeships. Although it is easy to fill entry level positions retaining people in the jobs long term becomes difficult with the lure of high wages offered with mining companies. The latest skilled vacancy index data show construction trade vacancies rising sharply ahead of other trades by 20 points in May 2010 and 45 points above May 2009.¹ Matching skill demands and training outcomes in a timely manner is therefore a major concern.

Before considering issues with the VET workforce development it is important to understand the context of the CPSISC industries environment and requirements for skilled workers that the VET system is designed to partially supply. In this regard building activity impacts on both the construction and property industries and, more importantly on Australia' domestic economy. Housing Industry Association (HIA) projections find that Australia needs to build 1.92 million new dwellings over the coming 10 years, which is 420,000 more than were built over the last 10 years.²

¹DEEWR, *Skilled Trade Vacancies – Australia*, May 2010.

²HIA, *National Outlook*, March 2010, p. 28.

The National Housing Council was established in 2008 by the Treasurer and Minister for Housing to monitor housing demand, supply and affordability in Australia. The Council’s research shows that the gap between supply and demand for residential housing will increase significantly in the next eight years and supply is not responding to this increase in demand. Moreover, the impact of the global financial crisis on residential development in 2008-09 is likely to reduce dwelling completions in the next few years. The cumulative demand-supply gap demonstrates this dramatically³:

Date	Housing Cumulative Demand-Supply Gap
2010	202,400
2011	228,300
2012	254,800
2013	281,600
2014	308,000

The Real Estate industry has also regularly warned governments of the increasing pressure on housing affordability and rental costs due to the imbalance in supply and demand indicating the negative community and economic impacts⁴. The HIA also links improving economic conditions with skill shortages, *“many in the housing industry are once again experiencing difficulty in sourcing appropriate skilled labour.”*⁵

While there are private and industry owned training providers operating in the construction, real estate, security and other property services fields the predominant construction industry training source is TAFE, largely in provision of off-the-job training of apprentices and trainees. The CFMEU provides valuable training particularly in terms of safety and high risk units of competency in construction.

The VET sector and workforce

The VET sector should not be narrowly defined. It legitimately includes both public and private training organisation staff of all types and the many administrators and support personnel in State and Territory Training Authorities and other government agencies as they have VET leadership responsibilities. In addition many enterprises have effective on-the-job skill development strategies managed by dedicated personnel that are an important adjunct to the VET workforce in institutional settings. Even Industry Skill Council staff have an important role to play in VET in terms of research, resource development Training Package maintenance and of course as industry’s authoritative voice on skilling needs.

The relationship between school and VET has steadily improved over the years with more cooperation in preparing students for the world of work as well as ongoing formal learning. However the links between VET and higher education are problematic. Instead of seeking ways to better integrate and recognise the strengths and learner outcomes of each sector there appears to be ongoing rivalry and attempts to cross boundaries with competing products and services. Private training organisations can naturally expand their services into various education sectors where

³National Housing Supply Council, *State of Supply Report*, 27 April 2010

⁴Real Estate Institute of Australia (REIA), *Real News* 78, 23 July 2010.

⁵ HIA, *National Outlook*, March 2010, p. 7.

supported by a viable business case and an informed market as their funding is not tied to the public purse. However, the recent support of TAFE Directors Australia (TDA) for TAFE institutes to offer degree and master programs is an example of unnecessary overlap and a lack of concentration by the largely publicly funded training provider on its core business.⁶ Equally higher education stakeholders pay insufficient attention to the quality and value of VET outcomes which disadvantages individuals pursuing learning pathways between the two sectors.

VET, the economy and society

VET is a vital national system that should contribute to productivity and individual and community benefits. Largely this is the case although it is not well quantified. Satisfaction surveys of students are a common gauge of educational provider effectiveness but are not a reliable or comparable measure between and across providers and education systems. Measuring a learner's satisfaction with what has just been delivered to them by a VET organisation lacks a valid point of reference and does not predict employment success that the training should lead to. The National Centre for Vocational Education Research (NCVER) Employer Satisfaction Surveys and other related research projects are useful tools but too infrequent and historical in nature to contribute to innovative VET workforce improvements in real time.

The VET system in Australia tends to polarise between private provision with a strong business profitability motivation and TAFE institutes with a strong community service dimension and also a growing fee-for-service focus. Competition is usually healthy and should lead to better work practices and client service delivery as long as this benefits the community service component of VET as well as the income producing aspects. Fighting to gain enrolments from the same potential student cohort and the fees that came with them should be secondary to building the skills of the Australian workforce.

Characteristics of the VET workforce

In terms of the VET workforce servicing the construction and property services industries there are particular factors showing up. Firstly the VET trainers delivering trade training tend to be older than the rest of the workforce and this is not being offset by sufficient intake of new staff. Many trainers are ex-tradespersons who no longer want, or are able to work in the physically demanding industry workplace. Their skills and experience are, however, invaluable in assisting learners to understand both the technical and cultural demands of industry occupations. The pathway from trade work to VET workforce should be made more obvious and attractive to maintain and build up sufficient teachers and not solely concentrate on older workers who want to move 'off the tools'.

The second difficulty is not VET working conditions, which are attractive in a training environment, but remuneration. Skilled plumbers and carpenters can earn in excess of \$100,000 pa. and are constantly in demand. It therefore becomes difficult to attract younger and well skilled tradespeople into VET occupations with much lower pay rates and limited opportunity for advancement in the teaching field.

⁶TDA, *A Blueprint for Australia's Tertiary Education Sector*, Position 8, July, 2010, p.25.

This leads to a growing reliance on full-time VET teachers largely managing training program delivery with sessional teachers providing the direct training. This at least brings in current experience of work practices, materials and equipment but raises questions over the training and assessment expertise of the part-time staff. Plus, even with more attractive pay rates for part-time VET work the industry rewards and time demands militate against getting the best, most skilled workers to impart their skills to others.

Demographic and economic change and VET workforce planning

As noted earlier in this response the construction and property services industries have a growing demand for skilled labour. This must impact on the provision of VET services and the size and skill level of the VET workforce. Planning of VET systems is the responsibility of individual organisations in private training provision and State and Territory training authorities for TAFE and other publicly supported delivery programs. However, there is no obvious evidence that recruitment and skill development of the VET workforce is driven, as it should be, by forecast industry growth and subsequent workforce skill needs.

Certainly at the institutional level a largely static VET workforce of full-time teachers and front line managers tends to drive what can be delivered to utilise existing personnel and infrastructure rather than what should be delivered to meet emerging skill needs. Developing training demand data at the State and Territory level tends to be a black art rather than a systematic, statistical process and, even where valid, is not necessarily translated into program delivery on the ground.

In partial defence the VET system, industry demand for skilled personnel does have peaks and troughs and new technologies can arrive swiftly to change the skill outcomes required. But this is the nature of all 21st century business and the VET system should be seeking ways to accommodate industry demand cycles and develop Just In Time responses rather than protecting out-dated ways of working and service delivery. The constraints imposed by VET workforce awards, institutional structures and over reliance on replicating/simulated expensive industry conditions in an institutional setting have to be addressed to make the VET system productive and responsiveness. That does not mean we throw the baby out with the bathwater but we need to do things better than we are at present.

Government policy and the business of VET

Inevitably an emphasis on improving the participation of people disadvantaged in employment opportunities, including Indigenous citizens, will require a solid response from VET. CPSISC research has consistently shown that the construction and property industries find potential workforce entrant's language and literacy levels an issue in employment and workplace safety. Dealing with disadvantaged learners and those with LLN deficiencies requires special teaching and learning techniques and skills to be brought to bear that are not sufficiently well developed or readily available in VET.

In a similar vein the laudable government emphasis on all learners having skills and knowledge in sustainable work practices is a significant challenge to VET personnel in terms of their own skills in this area and best practice methods of inculcating environmental awareness in learners.

The construction and property services industries unreservedly require that their Training Packages remain the industry developed and driven specification for VET outcomes. Consistency and reliability of learner skills and knowledge are paramount for VET and must be based on what industry determines is necessary and valued.

International students, demographic factors and pay and conditions.

Primary consideration should be given to local VET needs rather than servicing an international market. This is not to say there is not a role for VET to play in training for overseas students but it should not be at the expense of diverting vital human and physical resources from Australian skill development. Even with potential reduction in immigration the Australian population will continue to grow and demographic projections show an aging workforce that must be replaced by new entrants sufficiently skilled to maintain and build a productive economy.

In a growth economy with many career opportunities the VET system is competing with other attractive industry occupations that pay well and have options for progression. The requirements for VET practitioners will remain both industry and training skills. While training skills can be developed through tried and tested programs, sufficient industry experience to train others is gained over time so most entrants to VET will be essentially undertaking a second career unlike teachers in the school system who undertake tertiary education and enter the profession directly.

There is no obvious way to fast-track this and so the VET workforce focussed on delivery of construction and property services industry skills will likely be older. The key issues then become providing remuneration and career opportunities in VET that retain them and maintain the currency of their industry skills over time. This has long been the case and no current initiatives seem to fully address either issue. A similar problem faces the school system and there must be career and financially attractive rewards for remaining at the teaching 'coalface' rather than only educational management or policy positions to gain advancement. Also as long as there is a large differential between industry pay rates and VET it will be difficult to attract the skilled and motivated personnel required and in sufficient numbers to meet demand.

Part-time and sessional personnel are already a factor in public and private VET delivery and will remain so. It has the benefit of enabling flexibility in the delivery of programs and should mean the most current skills and knowledge are being imparted to learners. The downside is possible inconsistency in the quality of delivery and more administrative burden on VET management. Teaching and learning could be improved by more attention to the quality of delivery for the base VET qualification, the Certificate IV in Training and Assessment. While the specification of the Certificate is sound delivery quality and rigour varies considerably which questions the expertise of some practitioners holding the qualification.

Interactions with industry and VET workforce capability

There should always be a close and mutually supportive relationship between VET and the industries it services. This is essential to ensure the most current skills are being taught and industry intelligence is utilised to plan programs and delivery schedules. People should be able to move more

freely between industry work roles and VET not driven by employment fluctuations but as part of a planned and industry supported development process.

The relationship is symbiotic as most new technology and work practices arise in enterprises and this must be swiftly reflected in VET delivery. Equally the expertise of VET is skill development and enterprises should take advice on the best ways to attract, retain and grow their workforces with timely and flexible VET system assistance.

High non-completions in construction and other trade apprenticeships are a major problem but not largely an issue of the training regime. Pay and conditions and adapting to the workplace culture is always a factor in retention and a matter for industry to address. Many people not completing also sat in the industry workforce as they are able to obtain higher wages for specialised work such as laying timber floors rather than remaining in an apprenticeship. The current and future generation's expectations also favour fast-track development and four years of on and off-the-job training can seem a long time to generation X. This will be made considerably worse if the current proposition by the AQFC to rate a Year 12 Qualification as the same level as a trade qualification is adopted. What would attract a person to do a qualification at the same level he already hold? Many undergraduate degrees can be achieved in less time than a trade qualification, albeit without an income. It should be possible to defer an Apprenticeship and re-enter it down the track as Generation X tend to have itchy feet and often abscond on overseas trips etc.

VET and industry must work together to find new and better ways to bring new entrants into an industry in ways that skill them up faster and maintain their interest and motivation. Lock-step-of-the-job programs for apprentices and trainees that cover territory they have already experienced far more effectively in their workplace already is a turn-off as is a division between skill development/practice and knowledge acquisition. Better integration of on and off-the-job learning with close liaison between VET practitioners and employers and unions is essential in holding onto new entrants and ensuring their learning is interesting and complete. Good experiences in a period of initial training will also lead to more favourable views of working closely with, or even in VET at a later stage.

VET employment and work practices

VET must be flexible and based on industry timetables and expectations regardless of the system or organisation providing the training and assessment services. Running any VET organisation on the basis of school or higher education system terms/semesters is unacceptable. Quite apart from reinforcing in the learner that the training environment is substantially different to industry workplaces it means considerable time that could be used for training in expensive infrastructure is wasted. Industry does not work on the timetable of school terms, close down at 4 p.m. and not operate on week-ends and neither should a responsive VET system.

There is frequently an over reliance by VET practitioners and organisations on face-to-face and institutionally based training and assessment delivery. Flexible, responsive VET, particularly in training for thin markets, requires innovative and technologically advanced work practices. Assessment in workplaces, auspicing and mentoring workplace assessors, building rapport with employers and providing reasonably priced and user-friendly RPL services are all essential features of an effective VET system.

Regulation of the VET sector and workforce planning

The VET system has what appears to be a sound and comprehensive regulatory framework. However, like all frameworks it is tested by implementation and in some cases has been found wanting. CPSISC has recently found a major interruption to security industry training because of the improper activity of a few RTOs in NSW providing inadequate RPL to security industry personnel for licensing purposes. After a NSW ICAC inquiry some RTO's registration was cancelled but not until untold damage had been done to the integrity of the training regime. Under the AQTF this conduct should have been discovered and the RTOs suspended or their registration cancelled well before it had escalated to the level of a semi-judicial inquiry and yet this did not occur.

Even without specific instances of damaging inefficiency or corruption in VET organisations many regulatory authorities have insufficient faith in the application of VET regulation and so institute their own training outcome measures. There are examples of OHS authorities, CASA, ASIC and others mandating supplementary quality processes on RTOs because they do not fully trust the effectiveness of the application of the AQTF.

Professional registration of VET practitioners is a matter for the occupational leaders but it is difficult to see how registration, whether on a State by State or national basis, would have a major impact on the quality or responsiveness of the sector. Professional/occupational registration systems tend to rely predominantly on entry requirements and maintenance of membership rather than a genuine attempt to raise standards or apply necessary punitive actions on those failing them.

VET workforce planning is not dealt with on a consistent basis due to the delineation of the State and Territory systems and the business focus of the private training sector. However, it is difficult at the national level to see how TDA, ACPET and others would come together and agree on workforce planning needs given the competitive nature of the system and the very different organisational structures they represent.

Lessons from other sectors and other countries

There is no obvious overseas VET system model that would guide improvements in Australia. Many, such as in the EU, New Zealand and many Asia-Pacific countries are not significantly different to, or more effective than Australia. The public/private divide we experience here is a common one and while enterprise-based training is well regarded and delivered in countries such as Singapore and the Republic of Korea the focus is still predominantly on government run institutional delivery modes.

While studying aspects of successful VET and industry interfaces in other countries may provide useful ideas for implementation here the main concern is what does our local economy, community and industries need and how best is this to be delivered in our unique environment.