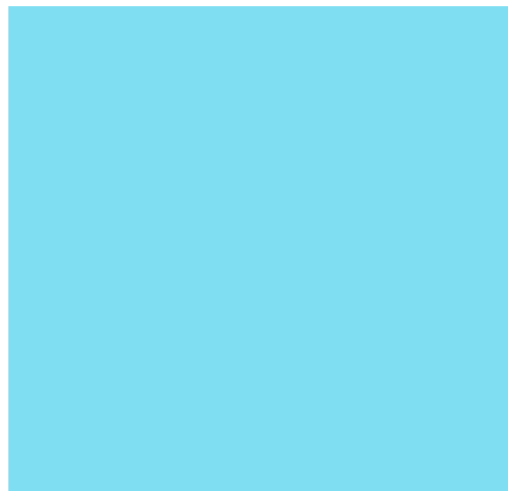




# Apprentices— Building Australia's Future

The CFMEU's  
10 point plan  
to reduce  
skill shortages



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Authorised by John Sutton National Secretary CFMEU Construction & General Division

# Introduction

**“Shortages are becoming more widespread across industries and occupations, but remain most pronounced among skilled workers in the non-residential construction and resources sectors”**

It is well recognised by governments, employers, academics and the unions that the building and construction industry is facing a shortage of skilled workers. The Reserve Bank in its August Statement on Monetary Policy notes that:

“Shortages are becoming more widespread across industries and occupations, but remain most pronounced among skilled workers in the non-residential construction and resources sectors”.<sup>1</sup>

Whilst some of these shortages are short term, brought about by a strong economy and increased levels of activity in the industry, the current level of non-completions of apprenticeships, volatile training rates and ageing of the workforce suggest that unless action is taken now long term shortages will become a feature of the industry.

In response to these skill shortages we have seen, over recent months, a number of inquiries initiated by State and the Federal governments dealing with apprentice issues. At the same time we have seen at least one employer organisation release its blueprint for changes to the apprenticeship system<sup>2</sup>, whilst another two are parties to a project that is pursuing the idea of part-trade qualifications<sup>3</sup>. It is timely therefore for the union movement to put forward its ideas on what changes are needed to address skill shortages. Accordingly the CFMEU has developed its own 10 point plan which is set out below.

Before detailing our proposal we outline and comment on the current ideas being promoted by the employer organisations that are active in our industry.

Thanks go in particular to our officer Stuart Maxwell for compiling this document. We hope that this CFMEU policy can play an important part in the vital task of reskilling the construction industry.

**John Sutton**

National Secretary  
CFMEU (Construction & General Division)  
November 2005

# Employer proposals

The Australian Industry Group (AiG) proposals, contained in its *Contemporary Apprenticeships for the Twenty First Century* policy, identify five broad areas for reform. These are employment and industrial arrangements, regulatory frameworks, funding, incentive payments and improving delivery.

Key elements of their proposals for employment and industrial reform are similar to ours, particularly the greater emphasis on competency based progression and the need to address low wage rates. We do not, however, share the AiG's enthusiasm for removing the "contract of training" requirement for adult apprentices and existing workers, or school based apprenticeships (the CFMEU advocates VET in schools programs such as the South Australian "*Doorways 2 Construction*"<sup>4</sup> and pre-apprenticeships as tasters for the industry).

The AiG's call for a national set of regulatory and licensing frameworks, to underpin the apprenticeship system, is acceptable as long as they are not based on the lowest common denominator. Unfortunately, recent attempts to remove licensing requirements in favour of VET qualifications does not give us confidence a national approach will benefit the industry and wider community. Similar arguments can be advanced in regard to their proposals for funding and incentive payments. The general idea can be supported but the detail requires further investigation.

Finally, regarding the AiG proposals for improving delivery, the CFMEU supports improvements to recognition of prior learning and proper assessment procedures, but there is a need to ensure that assessment centres do not engage in the discredited "tick and flick" processes. As for the inclusion of employability skills in training packages, the CFMEU does not oppose the sentiment but notes the detail and practicality appear to be beyond the comprehension of the proponents.

However, the CFMEU has great concern with the proposal that training providers teach contemporary work processes, not processes and practices no longer used in the workplace. For instance, calculators and computers are contemporary work processes and mental arithmetic is no longer used. If this is what the AiG is suggesting, we believe this proposal would be a retrograde step. The teaching of underpinning theory and practical skills are essential if a tradesperson is to have the ability to resolve problems they encounter that are "outside the square".

This last point is relevant to other proposals being floated by the HIA and MBA through their Training Pathways Project. Their main idea is the introduction of part-trade qualifications under the guise of skill sets. They include bricklaying residential, carpentry framing, electrician housing, concreting domestic, and paving.

The problem with this approach is that it will lead to workers having a very narrow skills base and in most situations they would not learn the underlying principles that apply to all work in a trade. If work was scarce in the narrow area of their skill, they would be unable to look to other areas of work within that trade without further training. This would not be an efficient use of the limited public funding available for training purposes. It could lead to a situation where the majority of bricklayers are



**“In a modern economy it is essential that the modern apprenticeship experience gives a young person work relevant skills but also gives them a wider range of key and generic skills so that they are employable on a long-term basis.”** British Association of Construction Heads

only trained to lay bricks in a straight line and would need retraining if they were required to build a curved wall or a fireplace.

The CFMEU argues that in our advanced society with a declining birthrate and low unemployment rate we need to make sure that our training effort is geared towards workers becoming multi skilled and all rounded tradespeople, not a return to discredited Fordism<sup>5</sup>.

The union is totally opposed to the introduction of part-trade courses as we believe this will weaken the apprenticeship system and de-skill the industry. This approach has been tried before in the United Kingdom much to the detriment of the construction industry:

*“In the United Kingdom by contrast, a failure to develop a consensus led to fragmented training that suited the short-term interests of employers. From the 1980s the training system was adjusted to meet short-term skill gaps and not longer-term skill formation. This is evident in the phenomenal growth of NVQII level qualifications, typically training of 1-2 years duration, which can be provided fully on the job. ‘Employers indulged substitution of informal, on-the-job, narrow skill acquisition for broader craft-training and, not surprisingly, younger workers responded by foregoing apprenticeships or quitting before completion’.” (Evans 1991: 37).<sup>6</sup>*

The problems of focusing too much on immediate work requirements were also highlighted in an occasional paper on modern apprenticeships published by the British Association of Construction Heads,

*“The main concerns of the MA are that in many sectors young people are being taught to do a productive job for today. Traditional apprenticeships, where they worked well, had the ethos that apprenticeship training was training people to move beyond the level they started at.*

*“Government needs to re-educate those employers who think only of their immediate needs rather than a youngster’s entire future career. Some employers complain that modern apprenticeships are not focused enough on the job-specific and give young people too many general skills. However, in a modern economy it is essential that the modern apprenticeship experience gives a young person work relevant skills but also gives them a wider range of key and generic skills so that they are employable on a long-term basis.*

*“There is a need to get employers committed to the idea that they have a responsibility towards young people. If they take on a young person on apprenticeship, then they have a responsibility to both train that person to work with them, and also enable them to gain qualifications which will allow them to progress.”<sup>7</sup>*

Based on some of the proposals being promoted in employer circles, with the active encouragement of a Federal Government blinded by neo-liberal ideology in all its forms, it would seem much more work has to be done in learning the lessons from overseas in concluding the training debate in a way that fosters comprehensive yet effective skills provisions for our industry.

# CFMEU's 10 Point Plan

The CFMEU contends that the proposals put forward by the employers are not appropriate or sufficient to address the current and future skills needs facing the building and construction industry. This then raises the question heard repeatedly in the Federal Parliament “Are there any alternative policies?”. We say there are and we have identified the following 10 point plan to address the industry's skill needs.

## 1 Introduce Competency Based Apprenticeships

When the training reform agenda was first laid out the intention was to convert training to a competency based rather than time served system. Fifteen years and billions of dollars later we are still without a proper competency based system and there is still reluctance in some quarters to move down this path.

The CFMEU supports competency based training, but this must be based on competency demonstrated on the job in normal work conditions. When people are tested for their driving licence they are required to demonstrate their competency in a real car on real roads with all the hazards associated with driving on a public highway. The testing of competency in trade skills should be undertaken in a similar vein.

The training packages developed for the construction industry have attempted, as far as permissible under the ANTA guidelines in force at the time, to make it clear that competency is to be demonstrated on the job and consistently over time.<sup>8</sup> This of course provides a challenge to training providers and those who support fully off the job training, but demonstrating competency on the job is essential if we are to achieve a fully competency based system.

## 2 Reduce the Length of Apprenticeships

Traditional apprenticeships in the building and construction industry, such as carpentry and plastering, were based on a 4 year contract of training. This time frame was introduced in the 1970s to address the skill shortages being experienced in the industry at that time, and was a reduction from 5 year apprenticeships.

Under the traditional apprenticeship, training was provided through formal off the job training, conducted at a registered training organisation (RTO) such as a TAFE college or other private provider, and informal training conducted by tradespeople on the job. The formal off the job training was arranged so that the apprentice spent one day a week at the RTO and the rest of the week on the job.



**“The CFMEU believes that any determination of the length of a training contract would have to take account of the time required on the job to reach the standards of accuracy and consistency demanded by the competency standards.”**

In recent times off the job training has been conducted in block release arrangements, where the apprentice spent 4 to 6 weeks at a time upfront at the RTO and the rest of the time at work on the job. This reduced the interruption of work that was occurring by apprentices being away one day per week. The formal off the job training at the RTO was normally completed in the first 3 years, with the final year being the time in which the apprentice honed their skills on the job (although in reality it was the time that the employer recouped some of their investment in the apprentice by having a highly skilled worker at a reduced rate of pay).

If we have a proper competency based system of apprenticeships, the length of time that it takes a worker to complete an apprenticeship will vary, depending on the ability of the individual and the arrangement of the formal off the job training<sup>9</sup>. From discussions with training providers it would appear that the new Certificate III in Carpentry could be achieved in a minimum of two and a half years.

However, training providers, employers and apprentices will want some certainty as to the length of the training contract. The question is how is this to be determined?

One suggestion, contained in the Queensland Government's *Queensland's proposed responses to the challenges of skills for jobs and growth: a green paper*, is to base the length of the training contract on the nominal hours required to complete the formal off the job training. Under this proposal, apprenticeships with recommended nominal hours of more than 960 hours could be established as four-year apprenticeships, those of 600–960 hours could be established as three-year apprenticeships and less than 600 hours could be established as two-year apprenticeships.<sup>10</sup> The CFMEU believes that there is some merit in this approach (although not necessarily agreeing with the allocation of the hours), which should be further investigated.<sup>11</sup> We would add, however, that any determination of the length of a training contract would have to take account of the time required on the job to reach the standards of accuracy and consistency demanded by the competency standards.

We would further point out that most of the States currently make provision for the early completion of apprenticeships (see for example s.57(2) of the Victorian Vocational Education and Training Act 1990 which allows the Victorian Learning and Employment Skills Commission to reduce the term of the training agreement). As far as we are aware very little use is made of these provisions. We suggest that this area should be further investigated with the intent of making the process as simple as possible and more widely known and used.

**“Pre-apprenticeships should be restored to the level of importance they previously held and become the preferred pathway for anyone wishing to undertake a trade in the building and construction industry.”**

### **3 Restore Pre-Apprenticeships**

A pre-apprenticeship is where a student undertakes a course of study in which they are acquainted with all aspects of a trade (normally equivalent to that of a first year apprentice) as an introduction to the industry. They are not employed during this period and are treated as a student. On completion they receive a statement that they have undertaken the training but are not assessed as competent at this stage. If the student likes the work and then enters an apprenticeship in the same trade, they receive credits for the training already completed.

Pre-apprenticeships were a feature of the building and construction industry until they fell foul of the new ideology that required all training to have a qualification outcome. Under the old arrangements in some States, the student would often be assisted by a potential employer who would subsidise the fees and offer employment if the student successfully completed the course.

Participants in the building and construction industry have always recognised the important role that pre-apprenticeships played in weeding out those people who were not suited or not really interested in working in the building industry, before they started their full apprenticeship. Those completing pre-apprenticeships were actively sought by employers as it meant that they would at least have some useful skills from the first day of their employment.

*“A recent evaluation of Australia's experience with the pre-apprenticeship schemes of the 1980s concluded that a similar scheme would assist in overcoming the current reduction in apprentice training and skill shortages (Dumbrell Consulting and RCVET 2003, forthcoming). The key to the success of the best practice models of pre-apprenticeship was the combination of theoretical and practical skills that made the students commercially attractive to employers at the end of their initial training.”<sup>12</sup>*

Pre-apprenticeships should therefore be restored to the level of importance they previously held and become the preferred pathway for anyone wishing to undertake a trade in the building and construction industry. A further benefit of pre-apprenticeships is that they would also reduce the length of the full apprenticeship.

In implementing pre-apprenticeships, care needs to be taken to ensure that students are not exploited by RTOs charging high fees. We suggest that the standard fees for apprentices charged by the State TAFE colleges should be the benchmark. We would also suggest that a quota system be introduced to ensure that students are not deprived of a job opportunity by the sheer number of people undertaking pre-apprenticeships. This would also be important for the efficient allocation of limited public funding.



**“The low level of apprentice wage rates has been identified as one of the two significant structural reasons for the growing gap between the supply of, and demand for, skilled tradespeople. The facts are that apprentice wage rates under the building and construction award are lower than equivalent trade level courses in other industries.”**

#### **4 Increase Apprentice Wages**

Recent studies have shown that there are alarming levels of non-completion by people entering apprenticeships in the building and construction industry. A 2004 study in Queensland, found that between January 2001 and March 2004 there was an overall cancellation rate of 44.3% for apprentices in the building and construction industry.<sup>13</sup> It also found that 77.8% of cancellations occurred in the first two years (47.3% of cancellations were in the first year and 30.5% of cancellations were in the 2nd year)<sup>14</sup>. The top two reasons given by apprentices for these cancellations were **conflict with the employer** (30.3%) and **financial** i.e. low wages and leaving for a higher paid job (27.5%)<sup>15</sup>.

The low level of apprentice wage rates has also been identified as one of the two significant structural reasons for the growing gap between the supply of, and demand for, skilled tradespeople.<sup>16</sup> It is widely recognised that apprentices in the main are no longer 15 and 16 year olds. Most 1st year apprentices are now 17 years of age and older. They have generally completed year 12 and may have already undertaken some VET training at school or have already gained skills in the workplace.<sup>17</sup> The majority of job ads for apprentices require the applicants to have a drivers licence and their own transport<sup>18</sup>, yet at the same time they are expected to work for a pittance of a wage.

The facts are that apprentice wage rates under the building and construction industry award are lower than rates for equivalent trade level courses in other industries and significantly lower than trainee wage rates. A 1st year apprentice carpenter in Victoria is paid a base rate of \$5.97 per hour for the first 3 months, which then rises to \$7.51 for the next 9 months. Compare this to a 1st year apprentice cook who gets paid \$8.37 per hour and a 1st year apprentice postie who gets \$8.12 per hour. This is a difference of over \$80 per week.<sup>19</sup> Building and construction apprentice wage rates are also significantly lower than the rates for unskilled new entrants to the building and construction industry who get paid \$15.31 per hour, a difference of over \$350 per week. It is not surprising therefore that there is a high drop out rate of apprentices in the first year.

The union has consistently raised the need to increase apprentice wage rates, especially in the first year. We currently have an application before the Australian Industrial Relations Commission that seeks to do this. To date the employers have stuck their heads in the sand, opposing the union's application but failing to come up with any alternatives. They hide behind the smokescreen of Commonwealth payments such as the tools for trade program and new eligibility rules for the youth allowance, which when you look at the details will have virtually no application to building and construction apprentices.

The union understands the industry and acknowledges that widespread subcontracting and tight margins make it difficult for employers to pay apprentices more and offer them ongoing employment. Yet this is not new, employers have long complained of these problems. Previous generations of employers worked under the same conditions but it did not stop them fulfilling their broader responsibility to provide training for the next generation of building workers.

**“It is about time employers in this industry stopped blame shifting and hiding behind the Commonwealth’s coat tails and seriously addressed the apprentice wage rates issue.”**

Unless something is done now to improve rates of pay for apprentices then the industry will not attract the quality of young people that employers bemoan they cannot attract. If we cannot draw enough young workers from this generation, the situation can only get worse as the falling birth rate reduces this age cohort as a proportion of the workforce.

We need to make the building and construction industry an industry of choice for school leavers. But to achieve this in our modern society, where instant gratification and short term outlooks are increasingly the norm, we will have to at least match the top wage rates being offered to apprentices and trainees in other industries. Glossy leaflets and slick advertising campaigns are not enough. It is well past the time the employer lobbies pulled their heads out of the sand and entered into serious discussions with the union to address this glaring problem.

## **5 Introduce Adult Apprentice Wage Rates**

Currently the National Building and Construction Industry Award does not have adult apprentice wage rates, although they are provided for in some of our State awards. They are, however, found in other national industry awards applicable in the metals and furnishing industries.

The union, mindful of the ageing workforce and need to retrain older workers, has sought to address this problem by making an application to vary the award to include adult apprentice wage rates for new entrants.

The response from employers? As might be expected, they claim that increasing apprentice wages will act as a disincentive to the engagement of apprentices. They prefer increased incentives and subsidies paid out of the public purse by State and Federal governments. Frankly this is just not good enough. It is about time employers in this industry stopped blame shifting and hiding behind the Commonwealth's coat tails and seriously addressed the apprentice wage rates issue.





**“Industry training funds are recognised as providing much needed assistance to the industry. The CFMEU calls on the key stakeholders in New South Wales, Victoria and the Northern Territory to urgently consider establishing industry training funds.”**

## **6 Introduce Industry Training Funds**

One of the innovations of the building and construction industry has been the establishment of industry training funds. These funds are now operating in Western Australia, South Australia, Tasmania, the Australian Capital Territory and Queensland<sup>20</sup>. These training funds are established by State legislation and funded by various types of levies on industry. The most common is a levy of approximately 2% on the contract value of residential, commercial and civil engineering projects where the total value of construction is over a certain limit (\$20,000 in WA). These funds provide a range of financial supports for employers and apprentices/trainees, for existing workers and for businesses that operate in the industry. These funds are in addition to other financial incentives offered by State and the Federal Governments.

Despite some early opposition from employers when they were created, these industry training funds are now widely accepted and recognised as providing much needed assistance to the industry. What is perhaps surprising is that the two largest States, in terms of construction employment, do not as yet have industry training funds. The CFMEU calls on the key stakeholders in New South Wales, Victoria and the Northern Territory to urgently consider establishing industry training funds.

## **7 Proper Auditing of Training Providers and Employers**

Since the introduction of user choice policies for the selection of training provider there have been a number of reports critical of the quality of training being provided, especially by private providers.<sup>21</sup> Following these reports a scheme of auditing of training providers was introduced and a requirement that providers meet the standards established under the Australian Quality Training Framework.<sup>22</sup>

Unfortunately this audit process concentrates on the paper trail but fails to audit what is being produced, i.e. apprentices/trainees who meet competency standards. As far as we are aware none of these audits have sought to test whether or not the apprentices completing their training (and being signed off as competent by the training provider), actually have the skills of the qualification being awarded. Obviously to conduct these types of audits will be expensive and time consuming, but they are a necessity if industry is to have confidence in the quality of training being provided, and the general public is to have confidence that the billions of dollars of public money spent on training is being properly utilised.

We also suggest that there should be auditing of employers who take on apprentices to ensure that the training plan is being implemented, that there are adequate levels of expertise and supervision to ensure that the on the job training is being carried out properly, that training is being provided during down time, and that apprentices are not being bullied or exploited as cheap labour.

**“It must also be recognised by all parties that the effective training of existing workers is just as important as new entrants to industries. This is critical given the projections of our aging workforce.”**

## **8 Identify Skill Gaps in the Existing Workforce**

According to the Senate Employment, Workplace Relations and Education References Committee report, “Bridging the Skills Divide”<sup>23</sup>, the Department of Employment and Workplace Relations defines skill shortages as occurring when:

*“employers are unable to fill or have considerable difficulty in filling vacancies for an occupation, or specialised skill needs within that occupation, at prevailing levels of remuneration and conditions of employment, and reasonably accessible location.”<sup>24</sup>*

The Senate report however noted that this definition, and the surveys of skill shortages, did not include information on either skill gaps or deficiencies in the skills of existing workers. It then decided to look at the whole range of issues involved using the term skill shortfalls.<sup>25</sup>

The CFMEU agrees with the approach that one has to look at the overall issue of skill shortfalls if the industry is to address skill requirements. Unfortunately little research has been undertaken on the issue of skill gaps.

There are a number of ways of addressing skill gaps. First of all there is a need to identify what skill gaps there are. Ten years ago skill audits were the buzz words of the training sector, the idea being that all workers should be audited to find out what skills they possess and to identify how their skill levels could be improved. Unfortunately very few skills audits were undertaken and those that were had questionable sample sizes. Now would be an ideal time to revisit the approach of a skills audit for the building and construction industry. We suggest a sample size of between 5-10% of the workforce, equally divided between the sectors of the industry. We note that this would be an expensive exercise but the long term savings brought about by better directed training expenditure in the future would far outweigh the cost.

It must also be recognised by all parties that the effective training of existing workers is just as important as new entrants to industries. This is critical given the projections of our aging workforce. Unfortunately over the last 10 or more years the focus of (the now disbanded) ANTA and other training bodies has been the achievement of qualifications based on the Australian Qualifications Framework. For a significant percentage of the workforce and employers this is irrelevant, as what they require are short courses that provide the immediate skills that are used in the workplace (e.g. forklift licence, basic rigging certificate, hoist ticket, etc). The demand for this type of course is increasing. The union is involved in skill centres and training companies across Australia (except Tasmania and the Northern Territory), and the majority of the training provided is of the short course variety. Whilst industry can provide some of the funding through industry training funds, public funding should be available in this important area.



**“Over recent years there has been an increased effort to take up new technology and innovative ideas. This is to be applauded. However, more can and should be done to link the introduction of new technologies with changes to the training being provided.”**

The third important area concerning skill gaps is the identification of the impact new technology will have on the skill needs of the industry. The Australian construction industry is one of the most productive and innovative in the world, yet our use of new technology lags behind some of our trading partners. According to a recent ABS publication, *Innovation in Australian Business*:<sup>26</sup>

- The construction industry had the second lowest proportion of businesses innovating (30.7% of businesses with 4 or more employees)
- The construction industry contributed approximately 5.3% of the total Australian expenditure on innovation
- 3860 construction industry businesses were innovating
- 9.8% of construction businesses introduced or implemented a new good or service
- 20% of construction businesses introduced or implemented a new operational procedure
- 22.4% of construction businesses introduced or implemented a new organisational/managerial process
- The main barriers to innovation were direct costs too high (30%) and lack of skilled staff (27%).

Over recent years there has been an increased effort to improve the take up of new technology and innovative ideas.<sup>27</sup> This effort is to be applauded. However, more can and should be done to link the introduction of new technologies with changes to the training being provided. This will require more collaboration between industry, the various research centres, state training authorities, industry skills councils (i.e. Construction and Property Services Industry Skills Council) and training providers. The recent study *New technology, training and public funding: The case for greater flexibility*<sup>28</sup> prepared for the ElectroComms and Energy Utilities Industry Skills Council, raises a number of issues that should be further investigated.

**“The majority of construction workers have no formal recognition of their skills. Funding for skills assessment and statements of attainment for skills they already have will not only increase their self esteem but also provide valuable data on the industry’s skill base.”**

## **9 Improve Access to Recognition of Prior Learning**

Recognition of Prior Learning (RPL), or Recognition of Current Competencies (RCC) as it is sometimes called, is an assessment process which allows workers to obtain formal recognition of skills that they have gained through previous work, study or life experience. It is normally used when a person starts an apprenticeship/traineeship and their existing skills are measured against the course in which they are enrolled. The worker may not need to complete all of a training program if he or she already possesses some of the skills and/or knowledge taught in the course. Recognition of prior learning can also be used to assess the skills of existing workers.

The majority of workers in the construction industry have developed skills, but have no formal recognition of them.<sup>29</sup> Providing funding to allow these workers to be assessed against industry competency standards, and receive statements of attainment for the skills they already have, will not only increase their self-esteem but also provide valuable data on the skills held by the industry (which need to be recorded on a central database). It will also assist in identifying skill gaps and enable the targeting of training so that existing workers can be trained up to meet the requirements of the industry approved qualifications where they so desire.

## **10 Training Quotas on Government Funded Projects**

In 1999 Construction Training Australia (CTA), the then national training advisory body for the building and construction industry, released its *Building and Construction Workforce 2005 Strategic Initiatives* document. It stated that:

*“CTA together with the State/Territory ITABs should lobby Commonwealth, State and Territory Governments to legislate to have apprentices/trainees employed in all governments’ procurement contracts, commensurate with the value of the contract amount.”<sup>30</sup>*

Since 1999, Queensland, Western Australia and Tasmania have implemented policies that meet this initiative. The Queensland “10% Training Policy”, which was introduced in 1993:

*“requires that a minimum of 10% of the total labour hours on any Queensland Government building or civil construction project (over \$250,000 for building or \$500,000 for Civil Construction) be undertaken by apprentices, trainees or cadets and through the upskilling of existing workers to a maximum of 25% of the deemed hours. They must be engaged in training that has been approved and leads to a nationally recognised building and construction qualification.*

*“Contractors will be required to provide evidence of compliance with the policy and this information will ultimately be considered in any review of their eligibility to tender for future Government work.”<sup>31</sup>*



**“The CFMEU supports a policy for governments at all levels to legislate to have apprentices/trainees employed in all government’s procurement contracts and suggests that the Federal Government take the lead on this issue.”**

If a contractor fails to comply with the policy, the penalties they can face range from a warning to exclusion from future government contracts.<sup>32</sup> A similar policy was recently introduced in Western Australia.

In Tasmania the Building and Construction Industry Training Policy was introduced in May 2002. The policy requires that:

*“a minimum of 20% of the total labour hours worked on-site and off-site on any Tasmanian Government-funded building or construction project, including maintenance works, equal to or in excess of \$250,000 in value, be undertaken by apprentices or trainees under a contract of training in a vocation directly related to the building and construction industry.”<sup>33</sup>*

The policy applies to head contractors and sub contractors engaged on Government building and construction works in the residential and non-residential sectors. It does not apply to civil work. Breaches of the policy can lead to sanctions being imposed which include a formal warning; partial exclusion from tendering opportunities, that is, a reduction in the number of tendering opportunities; or preclusion from tendering for any work for a specified period.

The union believes that this type of approach should be adopted and implemented by all levels of government, i.e. federal, state and local. If such a policy was introduced, it would alleviate a significant proportion of the vacuum of skilled workers created by the disastrous outsourcing policies adopted in the 1980s and 1990s.<sup>34</sup>

We suggest that the Federal government take the lead on this issue in the same way that it has recently legislated for occupational health and safety accreditation being a pre-requisite for doing work funded by the Commonwealth.

# Endnotes

1. Reserve Bank of Australia, *Statement on Monetary Policy*, August 2005, p.34.
2. AiG, *Contemporary Apprenticeships for the Twenty First Century*, July 2005.
3. ACCI/HIA/MBA Training Pathways Project, see <http://www.masterbuilders.com.au/pdfs/TrainingPathwaysReport.pdf> for further information.
4. See <http://www.citb.org.au/career/doorways.asp> for further details.
5. For an explanation of Fordism see <http://www.sociology.org.uk/p1me6n.htm>
6. Toner P., *ACIRRT Working Paper 96 – The Survival and Decline of the Apprenticeship System in the Australian and UK Construction Industries*, ACIRRT University of Sydney, March 2005, p.11
7. Cole J., *Apprenticeship in 21st Century – Modern Apprenticeship*, British Association of construction Heads Occasional Paper, November 2002
8. See for example the “context of assessment” and “method of assessment” provisions in the competency standard *BCGCA3019B Erect and dismantle formwork to suspended slabs, columns, beams and walls*, available on the National Training Information website <http://www.ntis.gov.au/cgi-bin/waxhtml/~ntis2/unit.wxh?page=80&inputRef=32454&sCalledFrom=pkg>
9. A major problem of course is that the total formal off the job training for a qualification is based on the nominal hours required to teach each individual competency. The nominal hours are set by the State Training Authorities and are used to determine what funding is provided by the States to training providers delivering the qualification. Training providers have a vested interest in maximising the nominal training hours and arranging them to provide a regular cash flow.
10. Queensland Department of Employment and Training, *Queensland’s proposed responses to the challenges of skills for jobs and growth: a green paper*, p.13
11. Depending on the hours used, Certificate III qualifications in Roof Tiling, Demolition, Rigging and Scaffolding could have a nominal duration of 2 years and Certificate III qualifications in Bricklaying/Blocklaying, Carpentry, Civil Construction (Plant), Painting & Decorating, Wall & Ceiling Lining, Solid Plastering, and Wall & Floor Tiling could have a nominal duration of 3 years.
12. Toner P., *Declining Apprentice Training Rates: Causes, Consequences and Solutions*, Australian Expert Group in Industry Studies University of Western Sydney, July 2003, p.21-22
13. Construction Training Queensland, *Matching Supply and Demand With Results*, November 2004, p.5
14. *ibid*, p.6
15. *ibid*, p.7
16. QLD Department of Employment and Training, *Queensland’s proposed responses to the challenges of skills for jobs and growth: a green paper*, p.12
17. *ibid*, p.14
18. see <http://jobsearch.gov.au/>



# Endnotes

## 19. Comparison of Construction Apprentice Award Wage Rates With Other Occupation Award Wage Rates:

### Construction Industry (National Building and Construction Industry Award 2000)

Occupation	Apprentice Carpenter (1st 3 months)*	Apprentice Carpenter (Next 9 months)*	Civil Operations Trainee (1st Stage)	Unskilled Construction Worker (CW1(c))
Per hour	\$5.97	\$7.51	\$12.42	\$15.31
Per Week (38 Hours)	\$226.80	\$285.40	\$472.10	\$581.78

\* Rates include industry allowance but do not include tool allowance

### Hospitality Industry (Hospitality - Accommodation, Hotels, Resorts and Gaming Award 1998)

Occupation	Apprentice Cook (1st year)	New Entrant (1st 3 months)	Food & Beverage Attendant Grade 1	Doorperson/ Security Officer Grade 1
Per hour	\$8.37	\$12.75	\$13.19	\$13.85
Per Week (38 Hours)	\$318.01	\$484.40	\$501.10	\$526.20

### Postal Services (licensed or franchised post office) (Postal Services Industry Award 2003; NB rates do not include 2005 Safety Net Adjustment)

Occupation	Apprentice Postal delivery Officer (1st Year)	Trainee Postal Delivery Officer	Postal Delivery Officer Level 1
Per hour	\$8.12	\$13.33	\$13.86
Per Week (38 Hours)	\$308.66	\$506.60	\$526.50

### National Training Wage Award 2000

Occupation	Retail Cert III Trainee (year 12 school leaver)	Tourism Cert I Trainee (1 year post school)	Information Technology Cert II Trainee (2 years post school)
Per hour	\$7.71	\$8.95	\$10.42
Per Week (38 Hours)	\$293.00	\$340.00	\$396.00

### Retail Industry (Shop, Distributive and Allied Employees Association – Victorian Shops Interim Award 2000)

Occupation	Apprentice Retail Worker (1st year)	18 years old Junior	Retail worker Grade 1
Per hour	\$7.85	\$9.65	\$14.30
Per Week (38 Hours)	\$298.50	\$366.80	\$543.40

NB. All the rates are based on employees 18 years of age or older in Victoria.

# Endnotes

20. More details on these funds can be found at the following web sites:  
<http://www.trainingfund.com.au/> <http://www.citb.org.au/>  
<http://www.bcitf.com.au/> <http://www.tbcitb.com.au/> <http://www.bcitf.org/index.htm>
21. It should be noted that the CFMEU is not opposed to private training providers as we conduct training services, either independently or in conjunction with employer organisations, in a number of States (see inside back cover for details).
22. For further information see [http://www.dest.gov.au/sectors/training\\_skills/policy\\_issues\\_reviews/key\\_issues/nts/aqtf/what.htm](http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/key_issues/nts/aqtf/what.htm)
23. Senate Employment, Workplace Relations and Education References Committee report, 'Bridging the skills divide', November 2003
24. *ibid*, p.11.
25. *ibid*, p.12
26. See <http://www.abs.gov.au/ausstats/abs@.nsf/1020492cfcd63696ca2568a1002477b5/2513d561f8aeae5dca256ead0071f778!OpenDocument> for further details.
27. See for example <http://www.brite.crci.info/index.html>
28. Lindhjem A., *New technology, training and public funding: The case for greater flexibility*, Australian National Training Authority, Brisbane April 2005
29. Anecdotal evidence suggests that less than 50% of the workforce operating at the trade level have formal trade qualifications.
30. *Building and Construction Industry Workforce – 2005 Strategic Initiatives*, Construction Training Australia, May 1999, p.2
31. <http://www.qgm.qld.gov.au/bpguides/training10/what.html>
32. <http://www.qgm.qld.gov.au/bpguides/training10/pena.html>
33. <http://www.opcet.tas.gov.au/bctraining/policy/fullpolicy.htm>
34. These outsourcing policies led to the disappearance of construction and maintenance sections in government departments and statutory authorities across Australia. Unfortunately these departments and authorities, as a group, were the largest employers of apprentices in the industry. Since their demise the training effort of the industry has not recovered and total numbers of traditional apprentices are still below the peaks achieved in the late 1980s.

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### NSW COMET TRAINING

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