

Department of Employment and Workplace Relations
Via email
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Australian Apprenticeships Services and Support Discussion Paper

Background

Civil Contractors Federation National (CCF) welcomes the opportunity to provide feedback on the Australian Apprenticeship Services and Supports Discussion Paper.

By way of background, CCF is the peak industry body representing Australia's civil construction industry representing approximately 1,900 members nationally.

CCF delivers a variety of training solutions to the civil infrastructure sector through CIVILTRAIN, our Registered Training Organisation that is registered with the Australian Skills Quality Authority nationally. Programs offered include qualifications under the nationally recognised Civil Construction Training Package and various state endorsed industry and regulatory courses.

Introduction

CCF notes the Department is seeking industry feedback on three key areas:

- What changes are needed to drive up the completion rate?
- How can apprenticeship services better encourage and support apprentices from diverse backgrounds?
- How can the support services be optimised to meet the current and future needs of apprentices and employers?

According to the Australian Industry Skills Committee (AISC), there were approximately 107,400 workers in heavy and civil engineering construction in 2022. This number is expected to increase to approximately 122,800 by 2025¹.

AISC also estimates there were approximately 42,500 program enrolments in Civil Infrastructure-related qualifications during 2021, increasing from around 35,370 in 2020. Further, there were approximately 4,450 apprenticeship and traineeship commencements and 1,520 completions during 2021. Following a period of increase between 2012 and 2014, commencement numbers gradually decreased before increasing again between 2018 and 2021. Completion numbers have declined overall since peaking in 2015, with a slight increase between 2020 and 2021²

CCF shares the Government's objective to drive up the completion rate, increase workforce diversity and optimise support services for apprentices and employers. A skilled and well-trained workforce is a critical and core requirement if Australia is to meet the challenges ahead. Nowhere is this more so than in the infrastructure sector, which is a key component of the productivity agenda and will be critical to meeting the needs of a growing population.

¹ <https://nationalindustryinsights.aisc.net.au/industries/mining-drilling-and-civil-infrastructure/civil-infrastructure>

² Ibid

Governments are committing substantial funds to building civil infrastructure in areas such as roads, ports, bridges and rail, as well as opening up new sub-divisions and maintaining existing structures, with CCF estimating the annual infrastructure spend by the public and private sectors is more than \$80 billion per annum. This large and growing infrastructure pipeline necessitates a whole of government focus on ensuring the Government's apprenticeship policies are fit for purpose.

Against this backdrop, CCF is pleased to provide the Department with feedback on its Discussion Paper which are consistent with our national '[advocacy and policy priorities](#)' and aimed at creating jobs, achieving a more highly trained workforce and supporting economic growth.

Jobs and Skills Summit

CCF recognises a number of important positive developments from the Jobs and Skills Summit on 1-2 September 2022. CCF participated in the Jobs and Skills Infrastructure Industry Roundtable, and we commend the Government for its strong commitment to improving policies in this area.

In particular, the establishment of Jobs and Skills Australia is a welcome step as has been the announcement that the government will consult industry and employer bodies, unions, education and training providers, state and territory governments and others to determine the next stage of implementing Jobs and Skills Australia, its scope, its structure and its governance.

We look forward to a more streamlined and collaborative decision-making framework enabling all stakeholders, including employers, unions and government, to work together to address critical skills shortages facing the infrastructure sector. Furthermore, we encourage Jobs and Skills Australia to ensure it has a strong focus on the workforce needs of the civil construction sector.

First and foremost, Jobs and Skills Australia, in conjunction with the Department of Employment and Workplace Relations, must prioritise action to address the shortage of skilled labour in Australia's infrastructure sector. CCF's recommendations to address this issue have been brought to the attention of successive governments and government departments in recent years, but they have been frustrated due to bureaucratic inaction and an unwillingness to act.

Civil Contractors Federation Market Capacity Survey

CCF's annual Infrastructure Market Capacity Surveys highlight significant industry concerns in relation to the skill shortages facing civil construction companies.

For example, the 2022 Infrastructure Market Capacity Survey ([click here](#)) concludes that urgent action is needed to address the finding that a lack of local skilled tradespeople & professionals to undertake construction projects is the biggest threat to the successful delivery of infrastructure projects.

For example, CCF members were asked to assess a range of threats to the delivery of infrastructure projects and were presented with 11 threats and asked to give each a ranking, from 1 being a low risk, to 5 being a high risk. These threats were:

- Availability of local skilled tradespeople and professionals to undertake construction projects
- Availability of local unskilled labour force
- Availability of skilled labour
- Availability sand or quarry products
- Availability concrete or cement
- Availability Precast concrete products (e.g. pipes, pits, grates, kerbs)
- Availability fuel or other oil products (e.g. bitumen)
- Availability steel or steel products

- Availability glass & related products
- Availability timber or timber products
- Availability construction equipment, such as dozers, graders, loaders, mixers and excavators

In each state and territory, the highest ranked issue was the availability of local skilled tradespeople and professionals to undertake construction projects. This finding underscores the need for action to address a looming skills crisis in the civil infrastructure industry.

Australian and New Zealand Standard Classification of Occupations

The top priority for Government to address this looming crisis must be to classify civil occupations as major trades within the Australian and New Zealand Standard Classification of Occupations (ANZSCO) Coding system.

The current ANZSCO code system does not accurately reflect the occupations within the civil construction industry, and where it does the skill level requirements are at too low a level. These skills include bridge, road and tunnel constructors, civil plant operators, pipe layers and line markers.

Listing on ANZSCO is a pre-requisite for being listed on Australian Apprenticeships Priority List (AAPL) and subsequent government funding under the \$2.4 billion federal government Australian Apprenticeships Incentives Scheme (AAIS).

Following a meeting with the Department of Employment and Workplace Relation in August 2022, it was confirmed to CCF that:

From 1 July 2022, the Incentives System has three different incentive payments available :

- a wage subsidy to employers of apprentices in priority occupations, set at 10% of the apprentice's wage in the first year, 10% in the second year and 5% in the third year – ***this subsidy is tied to the Priority List.***
- a direct payment to apprentices in priority occupations, of up to \$1,250 paid every six months for a maximum of two years, up to a total value of \$5,000, to help apprentices with cost-of-living pressures and to assist them to stay in their apprenticeship - ***this subsidy is tied to the Priority List***
- a hiring incentive to employers of apprentices in non-priority occupations, of up to \$1,750, paid in two instalments at six and 12 months after commencement, up to a maximum value of \$3,500. – ***this subsidy is not tied to the Priority List***

As CCF occupations are not accurately listed on the AAPL, civil construction employers and apprentices are unable to access either the wage subsidy or the direct payment to apprentices.

Signwriters, locksmiths, gardeners, painters, bricklayers, plasterers and tilers can receive full AAIS funding, but civil construction apprentices cannot. In light of the Government's \$120 billion, 10-year infrastructure pipeline, this is a major policy flaw requiring urgent redress.

The end point of the inaccurate coding issue is that it leads both data inaccuracies and an absence of data collection in what civil occupations are being undertaken as well as whether they are in either in current or projected short supply.

This short-term reform will deliver the necessary incentive for new entrants to enroll in civil apprenticeships, encourage existing workers to upskill, VET providers to train more personnel, and employers to take on more apprentices as they will qualify for financial assistance under the AAIS. CCF estimates that listing on the ANZSCO will attract several thousand apprentices to the industry.

The failure to appropriately classify civil occupations within ANZSCO it means our industry is denied access to temporary and permanent skilled migration pathways available to other sectors. So, it cannot bring in skilled tradespeople from overseas, and it cannot get funding support to train locals.

CCF has been advocating to Government to rectify this policy anomaly for more than a decade, most recently in our submission to the Australian Bureau of Statistics ([click here](#)) as part of its ANZSCO review. CCF was encouraged earlier this year when the official summary of the Jobs and Skills Summit – Infrastructure Roundtable identified the need to develop “effective policies addressing skills and capabilities will require the appropriate occupations being recognised through ANZSCO.”

Unfortunately, and despite repeated attempts for the ABS to address this issue, the Bureau has deemed civil construction occupations ‘out of scope’ of its current review and put of consideration of this issue until mid-2023.

Recommendation

CCF urges the Department of Employment and Workplace Relations to work with the Australian Bureau of Statistics to address the anomaly whereby civil occupations are not reflected as major trades in the ANZSCO and therefore unable to access government incentive funding under the AAIS. Specifically, we seek the Department’s support to encourage the ABS to appropriately classify civil occupations when the ABS undertakes its review of construction occupations in the ANZSCO in 2023. Action in this area is critical to addressing the Government’s objectives to drive up the apprenticeship completion rate in civil occupations, to encourage and support apprentices from diverse backgrounds and to provide more targeted support for current and future needs of apprentices and employers.

Thank you for the opportunity to provide this submission and I would be happy to discuss my comments with relevant Departmental officials in more depth if required.

Yours sincerely



Chris Melham
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Civil Contractors Federation (National)

16 December 2022