



**ANNUAL
TRAINING PLAN
2013-2014**



Achievements since 1993

SUPPORTING
12,000
APPRENTICES
TO ACHIEVE
THEIR TRADE
QUALIFICATION
& LICENCING

OVER
7,000
SCHOOL
STUDENTS
INTRODUCED TO
CONSTRUCTION
VIA THE D2C
PROGRAM
IN 13 YEARS

182
CRAFTSMEN
TRAINED IN
HERITAGE
TRADES
ON 18 LIVE SITES
SINCE 2008

FUNDING
400,000
TRAINING
PLACES

\$180M
COMMITTED
TO TRAINING
OVER 20 YEARS

Executive Summary

CITB will mark its 20th anniversary on 30 September 2013.

The Construction Industry Training Board's (CITB) Annual Training Plan (ATP) is prepared as its key business planning activity.

The purpose of the Training Plan is *to improve the quality of training, and to increase the level of skills, in the building and construction industry across all skill areas of that industry (Act S 32 (1)).*

The Plan sets out the program structure, qualification and course schedule that underpins the provision of training support funding for employers, apprentices and workers in the Construction Industry for the coming year.

The 2014 Plan is resourced to support 3,500 apprenticeship places and 24,000 training places in the coming year at a projected cost of \$14.2M.

The ATP is submitted to the South Australian (SA) Minister for Employment, Higher Education and Skills in accordance with Section 32 of *The Construction Industry Training Fund Act (1993) (Act)*.

Introduction

The CITB was created in 1993 at the request of the SA building and construction industry. It was established by an Act of Parliament: *The Construction Industry Training Fund Act 1993 (Act)*.

An Act to establish a fund to be used to improve the quality of training in the building and construction industry; to establish the Construction Industry Training Board to administer the fund and coordinate appropriate training; to provide for the imposition and collection of a levy for the purpose of the fund, and other purposes.

Since inception a brief list of achievements is as follows:

- 400,000 up skilling / cross skilling training places funded
- Over \$180M spent on training over 20 years
- Over 90% of funds collected spent on direct training
- Over 12,000 apprentices supported through their trade qualification
- On average over 30% of the construction workforce use the fund in any given year (1 in 3 people)
- In 20 years the SA construction workforce has doubled
- In 20 years the number of people accessing the fund has increased ten-fold

The CITB is defined as a non-government training authority. It is not an agency of the Crown nor are its employees public servants. The CITB is one of five similar State-based Construction Industry Training Funds throughout Australia, operating in Tasmania (1989), Western Australia (1990), Queensland (1999) and the ACT (1999). A vocation-specific fund, the Australian Brick and Block Laying Training Foundation, based in Victoria, operates nationally, in close collaboration with the State-based training funds. There are similar schemes operating in international jurisdictions.

The funds are a direct response to the structure of the industry and key characteristics of:

1. vulnerability to cyclic variation in the economy,
2. reliance on short-term project-based jobs,
3. widespread adoption of sub-contracting arrangements for the execution of work, and
4. employment based around project-based daily hire, rather than conventional notions of Full-Time employment.

These characteristics have led to the adoption of a number of distinctive support mechanisms, usually enacted through State legislation, such as portable long service leave, portable redundancy as well as the establishment of industry training funds in most jurisdictions.

ATP Development

For the 2013-14 ATP, the development process was preceded by a comprehensive Strategic Review, following discussions between the CITB and the Ministers Office in mid-2012. The Board decided that this was necessary to ensure that CITB's programs are robust and consistent with the requirements of the Act and that they continue to meet industry's needs in a time of uncertain economic outlook.

The following economic circumstances were taken into account:

The building and construction industry is a reflection of broader economic sentiment and activity. Since the start of 2011, the industry has been in contraction Australia wide although to varying degrees in each State.

Conditions and sentiment within parts of the construction industry remained subdued in FY2013, most noticeably felt within the sub-contracting environment of the housing and small commercial sectors in metropolitan Adelaide.

There is some prospect that the housing market is recovering from the low in FY2012 with CITB project data displaying improvement, but approvals do not always translate to commencements particularly if finance remains tight. The property market remains weak with SA experiencing contraction in house prices. SA does not have a high level of pent up demand as is evident in some other jurisdictions.

The large number of major state funded projects have sustained the Commercial and Civil sectors. However, the pipeline of work is not strong with the impact to be felt in FY2015 as the current round of major projects complete.



Strategic Review

The following points were resolved in the 2012 Strategic Review:

- The current economic circumstances impacting the industry affirm the importance of retention and completion of apprentices in training and encouragement of new commencements.
 - > The greatest pressure facing employers is cost, as revenue levels are generally lower and cash flow less certain because projects are fewer and less contiguous.
 - > New commencements of apprentices in general construction trades are expected to bottom out while the industry outlook remains subdued. CITB support and government incentives made available from time to time provide some amelioration of risk as perceived by employers.
 - > Certainty is perceived as a valued key attribute of CITB's training support policy by industry practitioners.

The Programs were prioritised as follows:

- **Priority 1: Apprentice Training Support program.**
- **Priority 2: Support of existing Construction Workers** (continuing personal / professional development, up-skilling and cross-skilling)
- **Priority 3: Innovation.**
- **Priority 4: Access and Equity.**

Program Composition and resourcing

Program 1: Apprentice Training Support (ATS) – \$8.1M

Apprentice Training is the No. 1 priority of the industry in ensuring the viability of the Future Workforce.

The cost of apprentice training across all industry sectors is borne jointly by the Government (State / Commonwealth) and employers (under the *Fair Work Act*).

CITB support programs

- Offset some of the cost of off-job training through Tuition Support.
- Support retention of the apprentice in training and progressive completion of the qualification, and the attainment of key competency outcomes in the training continuum.
- Complement rather than overlap incentives provided by the Commonwealth, State and other agencies.

In Construction, apprentice training is delivered under a Training Contract which prescribes two formal components of delivery of the qualification; off-job training delivered by a Registered Training Organisation (RTO), and on-job training and supervision provided by the employer.

The Government funds a proportion of the formal off-job training component. Employers fund the remaining proportion of the off-job training cost through tuition fees charged by Registered Training Organisations.

The quality of on-job training is seen by the industry as the key factor in shaping the tradesperson for future employment. Knowledge acquired in off-job training is consolidated with skills development, contextual knowledge and workplace attitudes. The off-job component of training also represents a cost to the employer, comprising the total cost of employment of the apprentice in addition to the cost of supervision / lost productivity applied by the employer to the training and supervision

of the apprentice. Increasing productivity as the apprentice progresses through the training continuum to eventual completion offsets costs to some extent.

Loss of revenue in an industry downturn poses a significant risk to continuity of employment. The progressive completion element seeks to ameliorate this risk.

The merit of the CITB's approach was highlighted by the Australian Brick and Block Laying Training Foundation in observing that SA enjoyed the highest ratio of apprentices to qualified tradespeople (among Bricklayers), a fact which it attributes to the structure and quantum of CITB apprentice support.

Objectives

- Recognise the structure of the industry around the sub-contracting system and address barriers to training and employment arising from the: 1) Direct cost of off-job training and 2) Indirect cost of on-job training, productivity, Supervision / Administration
- To maximise the number of Apprentices and Trainees as a proportion of the total workforce
- To encourage employers across the spectrum of the industry to engage and train apprentices to final completion under a Training Contract within the Australian Quality Training Framework (AQTF)
- Promote the integration of quality on-job and off-job training for Apprentices to optimise productivity in the workplace
- Promote the importance of trade qualification completion and licensing among the apprentice and trainee population in order to maximise career opportunity
- Promote the potential for satisfaction and fulfillment from a career in building and construction
- To support the development of a safety culture amongst apprentices and trainees in approved vocations
- Address the vulnerabilities arising from the cyclic nature of the construction industry



Program 2: Construction Workers – \$4.6M

This program encompasses the workforce upskilling / cross-skilling for eligible construction industry workers. There will be 24,000 training places provided in the 2013-14 financial year.

The industry recognises the need to provide opportunities to broaden the skills of existing employees in an industry where a narrow skill base may lead to limited career options. The CITB will support the provision of courses that either enhance specific technical skills, generic skills or Work Health Safety skills required in the industry. In addition licensing requirements are addressed. Essentially this is a continuing professional development program for the construction industry.

Funds in the Construction Worker Program will continue to be allocated to the skill categories in the approximate proportions as follows: Core Construction skills (59%), Construction management (4%), WHS (27%), Business management (8%), and Other (1%). WHS has increased as a proportion of the total in the wake of Federal Legislation.

Objectives

- CITB endorsed training is to be delivered by endorsed RTO under a framework consistent with the AQTF and consistent with industry needs
- To off-set the impact of the cyclic nature of the building and construction industry on training participation rates
- To facilitate, support and promote a training culture across the industry
- Broaden and develop the skills base of the industry workforce in order to enhance productivity
- To increase productivity by ensuring the workforce maintains currency in respect of training and workplace practice and regulation
- To enhance career opportunities and broaden workforce employability by supporting the uptake of skills recognition processes

- To facilitate the development and adoption of safe work practices across the industry
- To address emerging or unanticipated training needs in industry priority areas that are not otherwise covered by the Construction Worker program

Program 3: Innovation Program – \$0.3M

Innovation covers: Emerging needs

Substantial work has taken place on Building Information Modelling (BIM). CITB has developed a program to introduce personnel in the industry from sub-contractors through to professionals. BIM is more than a technology platform it is a revolutionary approach to through life management of the construction and building management process. It will be a key source of competitive advantage for builders and building owners into the future. It will be some time before the consequential changes to construction are reflected in the AQTF.

Focus on Heritage Trades skills continues. Given South Australia's high level of heritage assets it is imperative that contemporary tradespeople have some grounding in the correct materials and techniques to be applied in conservation work. No suitable qualification currently exists in the AQTF. This activity is conducted in close collaboration with the Department of Environment, Water and Natural Resources (DEWNR).

Objectives

- Identify and address emerging opportunities and needs in building and training technology

Program 4: Access and Equity Program – \$0.7M

This program aggregates a number of key initiatives. The two main components are the Aboriginal Workforce Development Initiative (AWDI) and the VET for Schools initiative, *doorways2construction*.

doorways2construction has been the mainstay of CITB's engagement with school age youth. It provides a pathway integrated with SACE

completions that foster interest in construction careers and progression on a qualification pathway. Many students may ultimately decide that construction is not for them – that of itself is beneficial because it helps reduce attrition among commencing apprentices not acquainted with the realities of the vocation pathway they have chosen. Longitudinal data tells us that some 60% of D2C students subsequently further engage with the industry.

CITB's AWDI applies the principle that consistent engagement is needed to facilitate an ongoing career pathway in construction for aboriginal workers in line with the *Closing the Gap* policy and to introduce a cohort of youth to a potential career in construction.

A watch on career paths for mature age workers remains with a focus on gap training for qualification completion, and supervisory skills for other workers or to take on an apprentice. The migrant support and language, literacy and numeracy needs are also covered under this program.

Career paths for Women in Construction are promoted primarily through exposure to the *doorways2construction* program.

Objectives

- Develop and implement programs that address the pre-entry needs of the industry
- To increase the level of participation by Aboriginal workers in the SA construction industry
- Provide support measures to skilled migrants to enable them to take their place in the SA building and construction workforce
- Provide an alternate career path in training for skilled mature age workers
- Support the supply of qualified trainers for RTO to assure delivery of quality training
- Mitigate risk to strategies such as Trade School for the Future and VET in SACE
- To provide a mechanism to promote careers in construction for women

OVER 1,200 STUDENTS ENROLLED ACROSS 52 SCHOOLS IN THE DOORWAYS2 CONSTRUCTION PROGRAM

OVER 3,500 APPRENTICES FUNDED ANNUALLY

24,000 CONSTRUCTION WORKERS UP-SKILLED/ CROSS-SKILLED

FIELD OFFICER SUPPORT TO ALL EMPLOYERS, APPRENTICES AND TRAINEES

MENTORING SUPPORT TO OUR ABORIGINAL WORKFORCE

Funding Program and Sector Split

Historically the Board has sought to set the proportion of funding for the Construction Worker program at 45% of total training funds expended and Apprentice Training Support at 55%. Annual variation can and does occur in terms of actual expenditure and it is expected that in the light of the Board's current emphasis on apprentice completion and retention that the mix will be closer to 40:60.

Allocation of funding across the sectors

	Civil	Commercial	Housing	Total
Revenue (average over 5 yrs)	20%	39%	41%	100%
Allocation of Funding				
Apprentice Program	13%	25%	26%	64%
Construction Worker Program	7%	14%	15%	36%
Total	20%	39%	41%	100%

All figures in this table have been rounded

Construction Worker Funding

The CITB provides funding for over 500 short courses to holders of the CITB Training Card to make training more affordable and more accessible to the South Australian Building and Construction Industry. Training is provided by CITB approved Registered Training Providers throughout the State both in Metropolitan Adelaide and Regional South Australia. The funding takes the form of a discount to the retail price of a training course. If you have a valid CITB Training Card you can up-skill/cross-skill at a discounted rate.

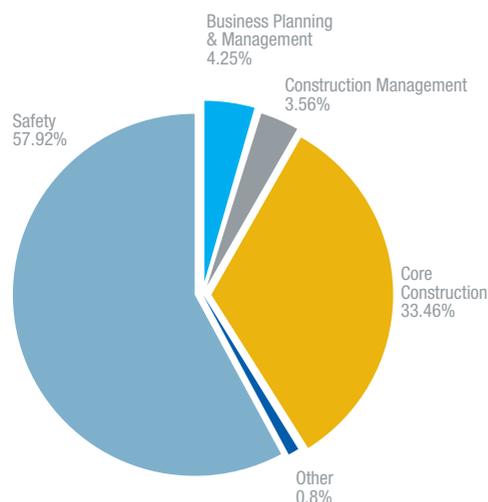
The discounts vary considerably, depending on the complexity of the training, course hours and whether plant operation is required.

Samples of discounts available

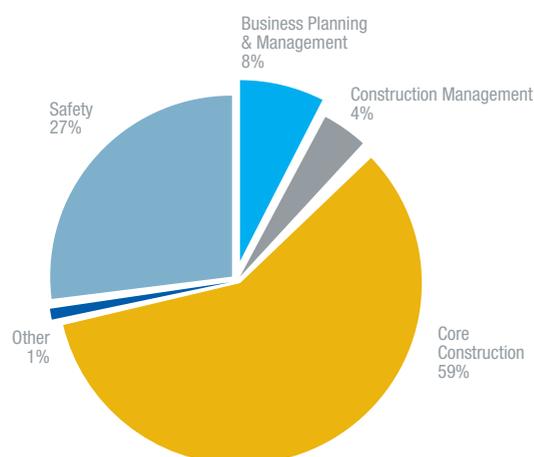
Course	Retail Price*	Discount	CITB Training Card Holder Price
White Card	\$110	\$60	\$50
Working at Heights	\$305	\$110	\$195
HR	\$1,800	\$500	\$1,300
Rigging (basic)	\$1,425	\$800	\$625
Confined Space	\$475	\$260	\$215
Excavator Operations	\$1,800	\$730	\$1,070

* Note: the retail price may vary between Registered Training Providers.

Construction worker program allocation by training places (N=24,000)



Construction worker program allocation by funding amount (N=\$4.6m)





Students from the D2C program at Salisbury High School who completed the 2012 Housing SA rebuild

Scope of CITB Funding Support

The scope of CITB funding support is prescribed in the Act, Part 6 Section 32 Clause 8. In essence the Board is required to ensure that the resources of the Fund are only allocated to structured training programs within the building and construction industry in South Australia.

It is for this reason that the CITB has a rigorous policy-based framework in place to manage the collection and attribution of the resources of the Fund.

The CITB does not provide capital funding to associations or RTO, or any other agency or entity. Neither does it fund generic training or transition to work programs. It defines the industry as those companies which generate more than 80% of their revenue from building and construction work as defined in the Act.

Eligible individual workers must be employed in the industry and generally engaged in on-site construction activities. However, with increasing emphasis on productivity gains made

through off-site construction, the distinction between on-site and off-site construction activity is under constant review by the Board.

Key CITB policies underpin its governance framework to ensure compliance with the Act include:

- Apprentice Training Support
- Construction Worker Program
- Contingency sub-program

Training Support available for progression through apprentice qualifications

Incentive Funding	How Much	Paid to Whom
Tuition	Up to \$1,500 over the three year period of an Apprenticeship when "Off Job" training takes place (with a maximum payment cap of \$600 in any one year of the Apprenticeship).	The RTO in order to reduce the surcharge imposed on the employer. "Fee Free" courses not eligible.
Progressive Completion	Up to \$1,600 on the anniversary of the Training Contract. <i>(Note: Electrical and refrigeration trades receive 50% of the funding –\$800).</i>	The Employer.
Final Completion	Up to \$1,600 on the anniversary of the Training Contract and evidence of formal completion of Training Contract. <i>(Note: Electrical and refrigeration trades receive 50% of the funding –\$800).</i>	The Employer.
On-Job Logbook	Up to \$1,800 on the anniversary of the Training Contract. <i>(Note: Electrical and refrigeration trades receive 50% of the funding –\$900).</i>	The Employer.

CITB reserves the right to vary the rates shown at any time in order to conform to resourcing constraints. Rates current at 1 July 2013.

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