



**Construction Industry
Training Board**

Building Skills. Future Workforce.



2016 ANNUAL TRAINING PLAN

17



Scope

The 2016-17 Annual Training Plan (ATP) sets out the Board's priorities, program structure, qualification and course schedule that underpins the provision of training support funding for apprentices and workers in the Construction Industry for the coming year.

This plan consolidates the changes in respect of Apprentice Training Support introduced in 2015. Having secured budgetary stability in 2015-16, the 2016-17 plan is resourced to support the four priorities outlined below.

Environmental Context for the 2016-17 ATP

The biggest single factor impacting industry appetite for and uptake of training is the economic state of the industry. Industry demand for skills is the ultimate driver of training activity.

The industry is generally a reflection of the broader economy. Nationally the economy in early 2016 is characterised by a broad economic malaise. Transition from a commodities driven economy has been slow and uncertain. Record low interest rates across the developed world and growing unemployment in Australia

and particularly in South Australia are manifest.

South Australia's economy and the construction industry are generally at a lower ebb than the national average. The impending closure of the Holden car manufacturing business and its related supply chain as well as uncertainty about the Whyalla steelworks is likely to result in a further deterioration of the local situation, as demand for construction services is impacted.

	Program	Funding
Priority 1 →	3,980 (comprising 2,575 general construction and 1,405 eligible electrical) apprentices supported Visit citb.org.au for funding details	\$7.7M
Priority 2 →	21,000 construction workers supported with short course up skilling Visit citb.org.au for a list of courses	\$4.9M
Priority 3 →	Innovations – Emerging needs in Construction	\$0.1M
Priority 4 →	Access & Equity	\$0.6M
Total →	At a total cost of \$13.4M (rounded)	\$13.4M



Economic Factors

The South Australian construction industry has exhibited a general decline in activity since a peak in 2010-11 coincident with the local impact of Commonwealth stimulus funded projects that touched a broad spectrum of the industry.

- Levy collections are a forward indicator of future levels of activity.
- The level of industry confidence directly impacts on hiring intentions.
- Commercial construction activity has slowed in comparison with previous years as major projects such as the nRAH have completed, but are not being replaced by new work at similar levels. There are no indicators suggesting this is likely to change much in the forthcoming financial year.
- Housing activity is expected to see a modest rise of about 7% on 2015-16 dwelling starts. There has been a shift of a portion of the housing market migrating from conventional detached houses to apartments, which are categorised as commercial construction, and covered by a different section of the Building Code.
- The Civil sector is boosted by a number of major infrastructure projects. This is expected to continue through 2016-17.

Workforce

- The overall industry workforce has declined in line with the overall contraction in industry activity. The Construction Industry Training Board (CITB) currently has 41,499 active worker training accounts. Australian Bureau of Statistics (ABS) data suggest a total workforce of some 58,000 but ABS data includes classifications not within the defined scope of CITB. There is reduced appetite for training in uncertain times.
- Apprentice numbers have declined but at a lower rate than the general workforce.
- Paradoxically, the number of Apprentices supported by CITB has been increasing as CITB's reach into the apprentice population has been extended since the deployment of the CITB Field Officer team in 2013-14 and is now assessed to be close to its optimum level.
- Demand for places in our **doorways2construction™ (D2C)** program has remained strong but we do moderate total numbers in line with the state of the employment market so as not to create unrealistic expectations among the student community. Outcomes from this program remain very strong. This reflects a strong brand and the program's status as a 'source of choice' for prospective employers.

Technological Developments

- As outlined in two previous Training Plans, the CITB has promoted the adoption of a mobile phone-based log book 'My Profiling' application as the cornerstone of our Apprentice Training Support Program.
- From July 2016 it will be the principal means by which employers will access CITB funding support for Employers engaged in the training of an apprentice.
- This initiative will enable CITB to directly and materially contribute to the quality of competency based training for our future workforce by better connecting and demonstrating competency (*the consistent application of skills and knowledge to the standards required in the workplace*) among our supported apprentice population in close collaboration with their employers and training providers.
- CITB continues to support the development of skills associated with multi-dimensional computer modelling of structures and the construction process, generically referred to as Building Information Modelling (BIM), through a suite of courses under our Construction Worker and 'Innovation' programs.



Funding Program and Sector Split

Funding is allocated on a specified proportional basis, between entry to the construction industry and maintenance of existing workforce across programs and sectors, based on Board objectives and the intent of the CITF Act.

The CITF Act prescribes that “money from the Fund for the provision of training will be allocated to each sector of the building and construction industry in approximately the same proportions as the resources of the Fund that have been contributed by that sector” (CITF Act, 1993). The Board further applies a prescribed ratio between Apprenticeship and Construction Worker funding.

Allocation of funding across the sectors

	Civil	Commercial	Housing	Total
Revenue (average over 5 yrs)	19%	34%	47%	100%
Allocation of Funding				
Apprentice Program	12%	23%	26%	61%
Construction Worker Program	7%	15%	17%	39%
Total	19%	38%	43%	100%

All figures in this table have been rounded.

