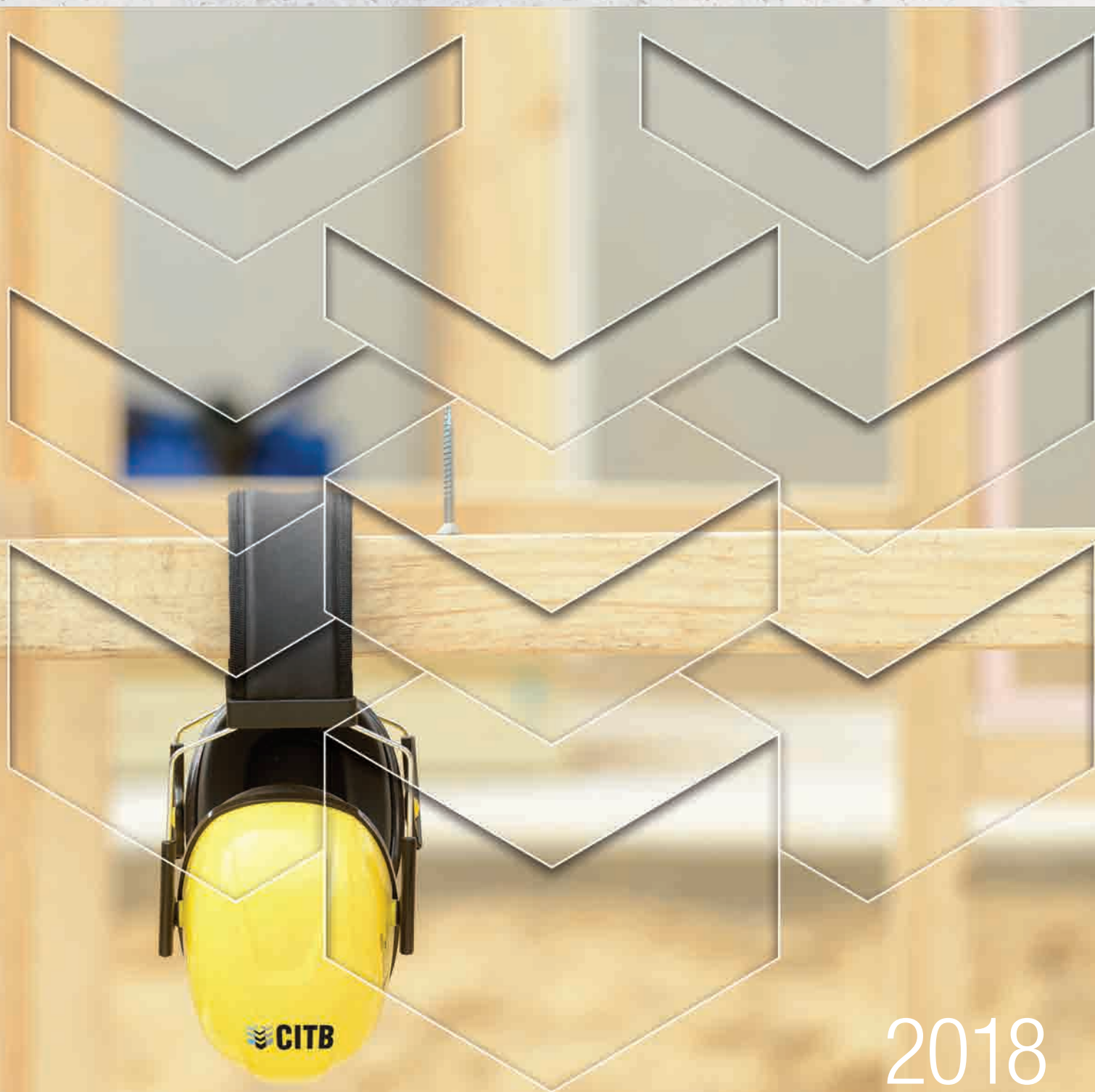




# CITB

## Annual Training Plan



# 2018





# THE FUTURE IS YOURS TO BUILD

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## Message from the CEO



I have a **mindful** focus on three things;

- Use of our extensive data to best allocate funding
- Providing support that meets the career aspirations of our industry workforce
- Providing funding that delivers the most effective support for our industry.

2018 is the 25th year of operation of CITB under the Construction Industry Training Fund Act. The relevance of the fund remains as strong today as it was at its inception.

*Construction workers have attended over five hundred thousand subsidised short courses, whilst employers of apprentices have received in excess of fifty-seven thousand support payments to help offset the impact of supervising and training apprentices on the job.*

*Over nine thousand seven hundred secondary school students have participated in our doorways2construction™ program, a program designed to provide senior school students with a pathway into the construction industry. This is integrated into the South Australian Certificate of Education (SACE) in conjunction with the Department for Education.*

These are significant achievements that need to be recognised. They are made possible by the collection of a 0.25% levy on all construction projects state wide greater than \$40,000.

The training and construction industries are evolving in scope and complexity. CITB will continue our collaborative efforts and funding support to assist our industry in coping with these changes.

In 2018-19 we will boost our research capacity to enable us to take a robust evidence based approach to identify and support innovative training programs. We will make greater use of our extensive database and work closely with stakeholders and government to maximise the benefits to our industry.

As Chief Executive Officer of the Construction Industry Training Board (CITB) I am proud of the level of support we have provided workers within the building and construction sector over this past quarter of a century. We will continue to connect with and inspire new talented people to join our industry and help develop the skills of our work force that will be constantly replaced, modified and renewed.

CITB will build on its partnerships with industry and government to target funding to those areas that are essential and will continue to support skills development and training to ensure we have the right skills at the right time to meet industry's needs now and into the future.

**Marie Paterson**  
Chief Executive Officer





## Strategic Direction

The Construction Industry Training Board (CITB) is a whole-of-industry led organisation that brings together employers, unions and government representatives to support the South Australian building and construction industry by providing leadership in training and skills development for its workforce.

The Board's 2017-2022 Strategic Plan' details the vision, values and goals of the CITB providing the direction for the next five years. It is as follows:

### 📌 Vision

To promote excellence in training, career development and advice to support a safe and productive SA Construction Industry.

### 📌 Mission

To facilitate and support the delivery and development of high quality, innovative training programs.

To support our industry workforce to adapt to change and develop their careers through information, incentives and advice.

To provide trusted information and advice gained by using our data, research and networks to support our industry and government decision making.

To support our industry by responsibly managing the Construction Industry Training Fund through sound governance and accountable administration.

### 📌 Pillars

- Communication
- Leadership
- Agility
- Innovation
- Collaboration
- Inclusivity

### 📌 Goals

Lead innovative and high quality training in the construction and building industry.

Revitalise CITB influence and effectiveness through key partnerships with industry, government and the training sector.

Expand the CITB brand and profile as a trusted source of industry expertise.

To ensure effective governance and administration of the Fund.

## Our Functions

As set out in the Construction Industry Training Fund Act 1993 the Construction Industry Training Board was established to administer the fund and to co-ordinate appropriate training.

The functions of the Board are:

- a. To act as a principal adviser to the State and Federal Ministers on any matter relating to training in the building and construction industry and in particular to provide advice in relation to
  - i. skill requirements for the building and construction industry and the training arrangements to meet those requirements;
  - ii. pre-employment and training programmes; and
  - iii. any other matter referred to the Board for advice by either of those Ministers
- b. To administer the Construction Industry Training Fund;
- c. To prepare training plans in accordance with the Act;
- d. Generally coordinate training and personnel development within the industry;
- e. To promote increased productivity, career opportunities, personal satisfaction and occupational health and safety within the industry;
- f. To review and evaluate employment-related training programs to ensure training and skill requirements are met;
- g. To ensure a more equitable distribution of effort amongst employers in relation to employment-related training;
- h. To initiate, carry out, support or promote research into training and personnel needs;
- i. To liaise with educational, professional and training bodies in all sectors regarding training and personnel development within the building and construction industry;
- j. To promote, undertake, support programs designed to facilitate the international exchange of information relevant to training or personnel development;
- k. To perform any functions that are necessary or convenient for or incidental to the performance of functions referred to above.



# Industry Context

## Building Sector (Residential and Non-Residential)

Despite a decline in recent months, building approvals in South Australia remain robust by historical standards. The total value of building approvals is 16% above its level a year ago<sup>1</sup>. This means that building activity should remain at healthy levels over the short term.

Anecdotally, the housing industry is reporting a positive pipeline of work for the next six to twelve months, both in metropolitan and regional South Australia.

This is supported by data provided by BIS Oxford Economics showing growth in new dwellings commencements for the next 18 months<sup>2</sup>. Any decline in dwelling investment in the next few years is therefore expected to be shallower than previously thought.

Within the residential sector in South Australia, apartment and townhouse building activity has peaked, and therefore is projected to fall in the short to medium term (approvals are 15% lower than a year ago). Conversely, the number of private sector houses approved for construction in South Australia is 6.7% higher than a year ago<sup>3</sup>.

Other housing indicators are also consistent with supportive activity conditions:

- Housing affordability has stayed relatively stable from 2014 and is expected to remain so through to 2019.
- Rental vacancy rates are just below that of a balanced market.

- The average value of a home loan in South Australia is forecast to remain at similar levels (around \$270,000)<sup>4</sup>.

While population growth remains low, there are signs of improved business confidence and investment, which should also support residential activity.

There are a number of non-residential projects under way or in the planning phase that will underpin growth in that sector over the next year or so. They include<sup>5</sup>:

- Calvary Private Hospital
- Queen Elizabeth Hospital upgrade
- Lyell McEwin health hub
- Festival Plaza redevelopment
- Adelaide Casino redevelopment
- Precinct GPO Office Tower
- the rollout of the Building Better Schools program, and
- Osborne Shipyard Upgrade.

The value of non-residential building approvals is 28% higher than a year earlier in South Australia, compared with a national increase of 5.9% over the same period<sup>6</sup>.

## Civil Sector

Concern has been raised among industry stakeholders that civil construction activity in South Australia is nearing its peak and is expected to decline significantly after 2017-18 as major projects across roads, electricity and telecommunications wind down<sup>7</sup>. However, it appears that in the short-term at least, projects such as the Northern Connector and Darlington Interchange will provide a boost to activity in the sector.

Furthermore, Infrastructure Australia has recently released the 2018 Infrastructure Priority List<sup>8</sup>, identifying a \$55 billion pipeline of major infrastructure investments across Australia.

The South Australian priority projects (at various stages of development) announced are:

- Adelaide North–South Corridor upgrade (remaining sections)
- Eyre Infrastructure Project (Iron Road) addressing South Australia Eyre Peninsula freight capacity
- Gawler line rail upgrade
- AdeLINK tram network
- Strzelecki Track upgrade and mobile coverage to improve access to the Cooper Basin
- South Australian regional mineral port development
- Sturt Highway road freight network upgrade
- Gawler Craton rail access
- Melbourne – Adelaide – Perth rail upgrade.

<sup>1</sup> ABS, Cat No. 8731.0, *Building Approvals Australia*, February 2018

<sup>2</sup> BIS Oxford Economics, *Building Forecasting Chart Book*, March 2018

<sup>3</sup> ABS, Cat No. 8731.0, *Building Approvals Australia*, February 2018

<sup>4</sup> BIS Oxford Economics, *Building Forecasting Chart Book*, March 2018

<sup>5</sup> Taken from WT Partnership (2018), *Construction Market Conditions*, and BIS Oxford Economics, *Building Industry Prospects 2018*

<sup>6</sup> ABS, Cat No. 8731.0, *Building Approvals Australia*, February 2018

<sup>7</sup> BIS Oxford Economics (2017), *South Australian Infrastructure Outlook Report 2017 – report commissioned by the Civil Contractors Federation South Australia*

<sup>8</sup> Infrastructure Australia (2018), *Infrastructure Priority List*.





## Industry Consultation

CITB's industry consultation and engagement is undertaken in partnership with our employee and employer associations, government agencies, key employers, industry leaders and regional stakeholders through participation in our sector committees, forums, surveys and working groups. We work closely with Group Training Organisations (GTOs) and Registered Training Organisations (RTOs) which deliver programs supported by the CITB.

To assist in the development of this year's plan CITB consulted with industry through

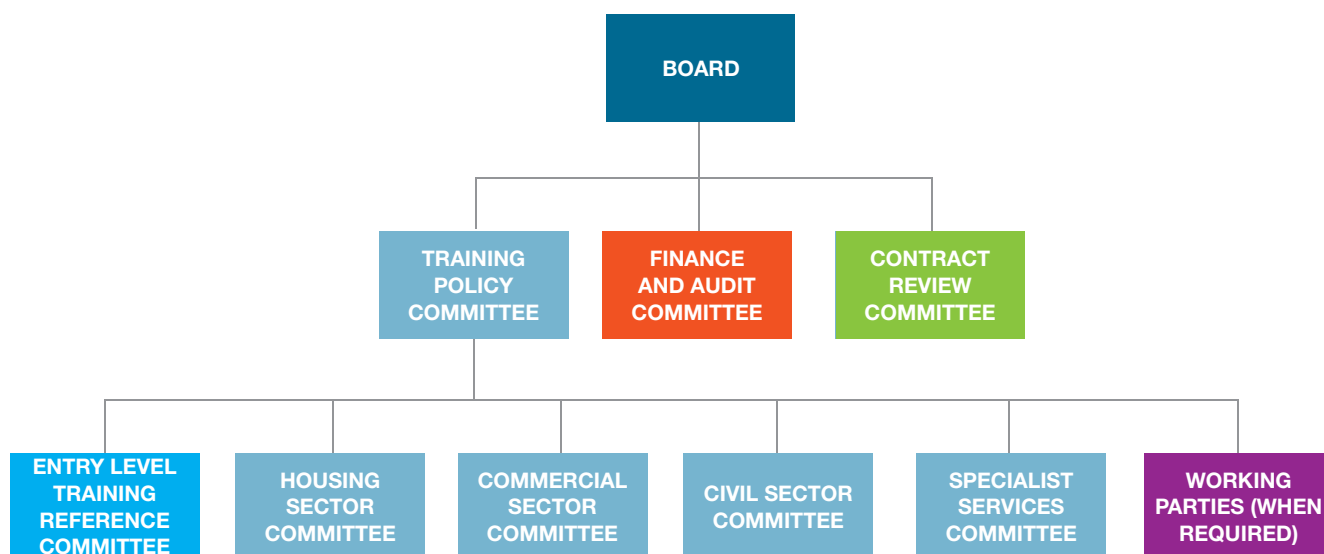
- Combined Sector Committee forums
- Targeted industry surveys
- Stakeholder meetings

The key findings from this *year-round* targeted consultation has resulted in the following focus and themes

- Ongoing industry concern with the White Card
- Training Packages not keeping pace with industry
- The uptake of non-accredited training delivery to meet industry needs

These themes, together with our research and analysis of program delivery have informed our prioritisation of key programs and services for the forthcoming year.

Our regional engagement in the past has seen CITB's Board undertake an annual regional visit. This coming year we intend to increase our region activity through collaborative engagement. We will be partnering with our stakeholder organisations in joint regional forums, industry update sessions and functions to increase our reach and presence.



Picture: Gay Thompson, CITB Presiding Member presents at the Combined Stakeholders Committee Meeting, 28th June 2017.







## Annual Training Plan Budget

\$19.75 million will be invested in the South Australian Building and Construction industry in training support and workforce development in 2018-2019 through the CITB Annual Training Plan.

This is an increase on the previous year reflecting the expectation of increased apprentice numbers due to the implementation of the Skilling South Australia policy. It also provides for an increase in funding for skill development through our Construction Worker Program. CITB will engage with the sector to ensure eligible construction workers access support to expand and develop their skills via a targeted marketing focus over the course of the year.

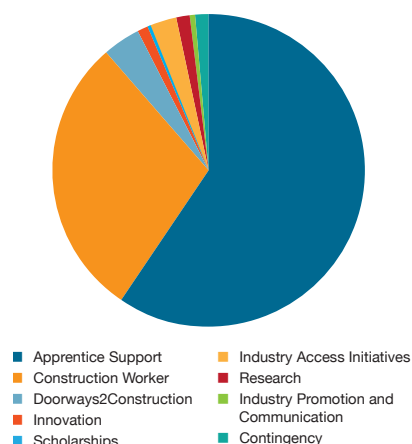
Based on our economic scan and subsequent forecasting we anticipate levy revenues to continue at similar levels to those of the 2017-18 year. This enables us to maintain current funding levels for our apprentice support and construction worker programs, providing a level of consistency and reliability for employers and workers within the industry.

Our well-established reserves policy ensures the ongoing financial security of our organisation should anticipated project revenues abate over the course of the year, whilst still enabling us to meet our commitment to training and workforce development as outlined in this plan.

**Table 1: Provides a summary of the budget for programs and services for 2018-19.**

Programs and Services	2018-2019
Apprentice Support	\$11,788,213
Construction Worker	\$5,765,000
Doorways2Construction	\$749,000
Innovation	\$190,000
Scholarships	\$20,500
Industry Access Initiatives	\$583,000
Research	\$311,000
Industry Promotion and Communication	\$97,000
Contingency	\$250,000
<b>TOTAL</b>	<b>\$19,753,713</b>

**2018-19 ATP Budget**



The allocation of funding for training every year is to be allocated to each sector of the building and construction industry in approximately the same proportion as the resources of the Fund have been contributed by that sector.

Funding is allocated proportionally between entry to the construction industry and maintenance of existing workforce across programs and sectors. Table 3 summarises the percentage split of levy collection and sectoral allocations for funding of our major programs for 2018-19. A project to ensure greater accuracy of levy collection by sector is scheduled to be implemented in 2018-19.

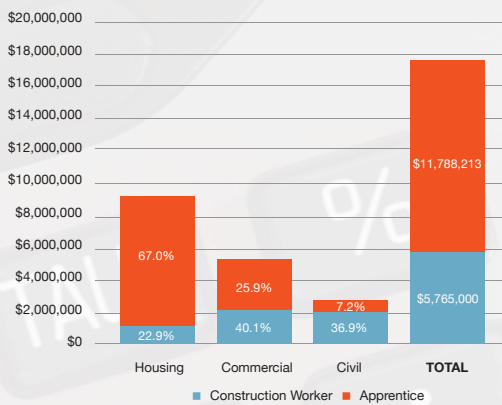
**Table 2: Provides a summary of levy collection and sectoral allocations for funding of our major programs for 2018-19.**

Sector	Levy Revenue	Apprentice	Construction Worker
Housing	\$8,876,782	\$7,894,284	\$1,322,612
Commercial	\$8,172,032	\$3,050,583	\$2,313,848
Civil	\$4,976,563	\$843,346	\$2,128,540
<b>TOTAL</b>	<b>\$22,025,377</b>	<b>\$11,788,213</b>	<b>\$5,765,000</b>

**Table 3: Summarises the percentage split of levy collection and sectoral allocations for funding of our major programs for 2018-19.**

	Housing	Commercial	Civil	Total
Levy Revenue	40.3%	37.1%	22.6%	100%
<b>Allocation of funding for major programs</b>				
Apprentice Program	45.0%	17.4%	4.8%	67.2%
Construction Worker Program	7.5%	13.2%	12.1%	32.8%
<b>Total</b>	<b>52.5%</b>	<b>30.6%</b>	<b>16.9%</b>	<b>100%</b>

Programs and Services by Sector



## Apprentice Support

### Investment \$11,788,000.

The importance of apprentices to the future of South Australia's construction sector cannot be overstated.

In mid 2017 CITB surveyed 400 employers of apprentices. 74% of employers stated that the 'on-job' training support funding they receive from CITB makes a difference in their decision to employ an apprentice thus confirming the importance of this funding stream and ensuring it once again remains a major priority in the CITB 2018-19 Annual Training Plan.

The SA Government *Skilling South Australia* policy provides for a \$100 million investment over four years to create an additional 20,815 apprenticeships and traineeships across all industry sectors. CITB has therefore increased this coming

year's funding pool in anticipation of the support needed for additional apprentices.

The Apprentice Report 2018, a companion publication to this plan, has been developed by CITB to articulate the trends and issues facing our state's apprentices in the construction sector (copy provided). We are able to provide a detailed insight into the construction apprentice journey utilising CITB's verifiable and accurate data. An apprentice's unique CITB Number tracks their progress from commencement to completion, and their ongoing construction career.

CITB will:

- Promote and support apprenticeships in construction as a career pathway of choice
- Provide employers including Group Training Organisations with 'On-Job' Support funding
- Provide Tuition Support funding to reduce the out of pocket training cost burden
- Engage directly with both apprentices and their employers via our field officer visitation program.





## Construction Worker

**Investment \$5,765,000.**

The skills we help develop today will be continually replaced, modified and renewed.

Construction worker support funding provides workers with the opportunity to obtain skills required by industry to keep pace with changing needs and technological advancement. CITB's investment in this area ensures funding is available for all those who seek to expand, develop and enhance their knowledge base. With over two hundred and thirty short courses

supported by the Board, workers will be able to access training to build their construction careers. Training with a focus on safety, regulatory compliance, licencing, technical construction skills and business will assist workers adapt to changing job requirements including new processes, products and technologies.

Short Course training provides construction workers with the opportunity to progress their careers, move within the industry and enhance their capability and productivity.



## doorways2construction™

### Investment \$749,000.

Doorways2Construction has come of age in its nineteenth year of operation with a cohort that exceeds all prior years.

This 'VET in Schools' flagship program introduces year eleven and twelve students, with an interest in pursuing a building and construction career, to the skills and knowledge required to work in our sector. It is designed to provide them with hands on experience and exposure to a range of trades.

A formal annual management plan has been established this year

for this critical pathway program. The plan's development identified the need to create more formal mechanisms for engagement with schools and RTOs and is being implemented. As an outcome Memoranda of Agreement are now in place which include a robust professional development program for D2C teachers including increased connection with industry through site visits and structured presentations.

The Doorways2Construction program is well regarded by employers across the sector. It creates a successful pathway for students into the industry and leads to successful employment outcomes through apprenticeships and traineeships.

## Innovation

### Investment \$190,000.

Innovation is more than natural evolution, it involves deliberate application of information, imagination and initiative in deriving greater or different values from resources.

What has been the practice of the past will not necessarily have a place in the future.

Products, technologies, systems and processes are continuously changing. Training and skills development need to keep pace with the industry to ensure workers and businesses are able to adapt and transition successfully.

CITB's investment in innovation provides a mechanism whereby stakeholders can trial new programs that address workforce skills development.

CITB will support pilot programs which will be reviewed and assessed as to their relevance and application across the industry at large.

## Scholarships

### Investment \$20,500.

CITB recognises the importance of career progression, advancement and satisfaction of our workforce. With this goal in mind we are exploring and developing partnership opportunities with higher education institutions in South Australia. These partnerships will promote

and support the uptake of degree qualifications by current workers in the construction sector.

This year CITB will offer three Building and Construction Scholarships through the University of South Australia with the objective

of increasing these in subsequent years to nine concurrently funded scholarships under this initial program.

Interest, uptake and outcomes will be reviewed and assessed as the program is rolled out.







## Industry Access Initiatives

### Investment \$583,000.

The CITB as part of its Industry Access Initiatives will invest in programs that will positively improve wellbeing, access to, and ongoing employment outcomes for at risk groups in the building and construction industry.

#### Aboriginal Workforce Development Initiative

The Aboriginal Workforce Development Initiative (AWDI) has been set up to provide mentoring and additional support for employers as a means of increasing the successful completion of Aboriginal apprenticeships and traineeships in the construction sector.

In its fourth year of operation the program has celebrated the first apprentice to complete their trade qualification and we anticipate further completions over the coming year.

In recognition of the success of the AWDI program to date, CITB has increased the number of places covered under the program from forty to fifty-five.

A detailed analysis of outcomes will be undertaken over the next year to ensure evidence based program outcomes are being achieved to support any future increases in the number of places made available.

#### Women in Construction

CITB recognises that the attraction, development and retention of women in construction continues to be of considerable concern with less than 3% of traditional construction worker places being held by women. The Board has therefore committed resources to supporting Women in Construction over the next year in the following ways:

- By providing a conduit for 'South Australian Women in Construction' groups to look at how they can leverage a developmental advantage from each other's activities;
- By the dissemination of relevant information to industry;



- By undertaking an industry wide campaign to connect and attract women to the industry; and
- Expand the expertise and reach of the CITB Women in Construction Working Group.

#### Targeted Apprentice Participation Initiative

Most people, at some stage in their working life, question whether they've made the right career choice and may look to obtaining a trade qualification via an adult apprenticeship.

The decision for employers to take on adult apprentices is significant due to the additional cost of paying adult wages. This cost is further amplified due to the additional time required to supervise and train on the job.

To assist employers take on adult apprentices including women, the CITB is offering additional support commencing in 2018-19. This initiative aligns with the Skilling South Australia Policy to grow the number of apprenticeships in our State.

#### Mental Health Support and Suicide Prevention

The likelihood of men in construction taking their own lives is higher than that in other industries, and therefore poses a serious and significant issue that we need to address.

This year CITB will partner with 'not for profit' and registered charities who have a committed focus and history in implementing mental health awareness and safety awareness to reduce suicide rates in the South Australian construction industry.

## Research – Training Support and Workforce Development

### Investment \$311,000.

In 2018-19 we will further develop our research capacity to enable us to take a robust evidence based approach to identifying and supporting innovative training programs and workforce development. We will make greater use of our extensive database and work closely with stakeholders and government to maximise the benefits to our industry.

Over the course of the year we plan to:

- Identify workforce development needs in the South Australian construction sector in conjunction with the Department of Industry and Skills
- Inform industry stakeholders of trends and activity within the sector
- Investigate the impact/correlation between safety training and reduction in incidents and accidents in the construction sector
- Undertake two major industry surveys relating to construction worker career development and apprenticeship trends.

This program will help inform both CITB and the industry to ensure training programs and our workforce are aligned to the continuously changing environment in which we operate.

## Industry Promotion and Communication

### Investment: \$97,000.

The construction industry is the third largest employer in South Australia and is competing with other industries for quality candidates. It needs to be viewed as an industry with a great career pathway if it is to attract school leavers, job seekers and career changers.

CITB will undertake campaigns during the year to engage with the broader community to inspire people and promote the construction sector as a career pathway of choice outlining the opportunities for training and skills development along with mentoring and support programs that are made available through our fund.

We will ensure engagement with our industry to keep them informed of sector trends, training package reform and training opportunities.



## Finance and Business Services and Systems

The Finance and Business Services team provide administrative support to enable CITB to maximise the ability of the fund to benefit the industry through efficient and effective:

- financial and management accounting support and reporting
- business system utilisation and development including the continuous improvement of the training and levy administration system (talas) data base
- levy collection and compliance
- contract management
- governance via policies and procedures and risk management
- investment management
- internal and external audit.

CITB's annual financial statements are prepared in accordance with Australian Accounting Standards and are audited annually by the Auditor-General.





## About CITB

The Construction Industry Training Board (CITB) is a whole-of-industry led organisation that was established by industry employers, unions and government to support the South Australian building and construction industry by providing leadership in training and skills development for its workforce.

### History

CITB was established by an Act of Parliament: The Construction Industry Training Fund Act 1993.

*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.*

CITB is defined as a body corporate and therefore not an agency of the Crown, nor are its employees members of the Public Service. It is one of five similar state-based Construction Industry Training Funds operating in Australia the others being:

- Tasmania (1989);
- Western Australia (1990);
- Queensland (1999) and
- ACT (1999).

The Funds in each jurisdiction were established to address industry specific characteristics and challenges such as:

- vulnerability to cyclic variation in the economy
- reliance on short-term project-based jobs
- widespread adoption of sub-contracting arrangements for the execution of work
- the requirement of industry to meet safety and regulatory standards through qualification and licensing
- employment patterns based on project-based daily hire, rather than conventional notions of full time employment.

There are similar schemes operating in international jurisdictions. Portable long service leave and portable redundancy have also been set up to address these characteristics.

### CITB Board as at May 2018

**Mary Gabrielle (Gay) Thompson**  
Independent Presiding Member.

#### Members representing the interests of employers in the building and construction industry:

**Natasha Hemmerling**  
Nominee and Chairperson of Master Plumbers Association of SA (MPA-SA).

**Christine Stone**  
Nominee of the Master Builders Association (MBASA).

**Rebecca Pickering**  
Nominee of the Property Council of Australia.

**Phillip Sutherland**  
Nominee of Civil Contractors Federation (CCF).

#### Members representing the interests of employees in the building and construction industry:

**Gary Henderson**  
Nominee of Australian Workers Union (AWU).

**Martin O'Malley**  
Nominee of Construction, Forestry, Mining and Energy Union (CFMEU).

**Jessica Rogers**  
Nominee of Electrical and Plumbing Division (CEPU).

#### Members nominated by the Minister:

**Dr. Kylie Heneker**  
Independent Executive Consultant  
CITB Executive Management Team.

**Denise Janek**  
Technical and Further Education SA (TAFE SA).

#### Executive Team:

**Marie Paterson**  
Chief Executive Officer.

**Mark Gosden**  
Executive Manager Operations.

**John Morgan**  
Executive Manager Finance & Business Services.







# THE FUTURE IS YOURS TO BUILD

Supporting the SA Building & Construction Industry & Workforce



**doorways<sup>2</sup>**  
**construction™**

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