



MASTER BUILDERS
AUSTRALIA

22 January 2020

Director, Apprenticeships Framework
Department of Employment, Skills, Small and Family Business
nsnlreview@employment.gov.au

Dear Director

REVIEW OF THE AUSTRALIAN APPRENTICESHIPS NATIONAL SKILLS NEEDS LIST

Master Builders Australia is writing to you as the Director responsible for the Review of the Australian Apprenticeships National Skills Needs List.

Master Builders Australia is the nation's peak building and construction industry association. Federated on a national basis in 1890, Master Builders Australia's members are the Master Builders state and territory associations. Over 130 years the movement has grown to over 33,000 businesses nationwide, including the top 100 construction companies, and is the only industry association representing all three sectors—residential, commercial and engineering—of the construction industry.

As mentioned in our initial submission, the building and construction industry is heavily reliant on apprenticeships and traineeships (hereafter apprenticeships) as key pathways for skilled workers into the industry. With anticipated workforce growth of 10 per cent over the next five years and imminent skills shortages we are particularly keen to ensure the right methodology and incentives are in place to encourage employers to hire more apprentices and more people to undertake apprenticeships.

Master Builders Australia is broadly supportive of the six design principles and proposed steps. We are encouraged that the Department has listened to the feedback from ourselves and other stakeholders about the importance of industry consultation and has embedded this in the design principles and proposed steps. Consultation with industry will assist to identify emerging sectoral trends, drivers and skills needs which may not yet be apparent in the data. As mentioned in the discussion paper the costs and benefits of consultation need to be considered and balanced. The proposed traffic light approach, with consultation focussed on the 'orange' occupations, is supported by Master Builders Australia.



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The Discussion Paper proposes the methodology be applied annually to update the occupations on the National Skills Needs List. We are supportive of this approach but note steps should be taken to minimise potential volatility and distortions. Page 16 of the Discussion Paper states that: “consideration could be given to an option that when an occupation is included on the skills shortage list, employers and their apprentices remain eligible for the skills shortage incentives for one year after the occupation ceases to be included on the list.” Master Builders Australia is supportive of this suggestion. We believe this will help to smooth volatility, particularly for occupations which may fluctuate on the cusp of inclusion.

We note that our recommendation to link financial incentives to the skill sets that make up an apprenticeship qualification was acknowledged but not supported. This suggestion would provide greater flexibility and choice for small businesses to address their skills needs and for individuals to progress or transition their careers. For example, it may be more appropriate to upskill an existing worker with one or two additional skill sets that build on their capabilities than to hire a new apprentice. We acknowledge that such a change would be challenging to implement and also note the Discussion Paper’s point that this would require state and territory training authorities to change how they formally recognise skill sets; but we do not believe this should preclude the option from exploration. We encourage the Review to recommend the government task the National Skills Commission to explore options to incentivise skill sets upon its commencement in July 2020.

Building on the above suggestion, we would advocate that the National Skills Commission also look at the inclusion of incentives for pre-apprenticeship programs linked to apprenticeships (and in the future skill sets) on the National Skills Needs List.

The proposed methodology, particularly the forward-looking approach, is a significant change from the current methodology. We welcome this and believe that as part of the changes a full-scale review should be required within a five-year timeframe to ensure the process is and continues to be fit for purpose.

Thank you for the opportunity to provide comment on the proposed methodology. As noted above, Master Builders Australia is broadly supportive of the proposed design principles and methodology, acknowledging that we would like to see financial incentives expanded to include skill sets and pre-apprenticeships.

Given our direct involvement in and understanding of the building and construction industry we are keen to be involved in the consultative processes flagged for February and March 2020 and any ongoing activities thereafter, such as steering or implementation committees. In this regard and if you require further information in relation to this submission please contact Jennifer Lawrence at Jennifer.Lawrence@masterbuilders.com.au or on 02 6202 8814.

Yours sincerely



Alex Waldren

National Director Industry Policy