



HIA Skills Blueprint

Policy Background

- The building and construction industry suffers from a major skills shortage. It has the highest level of trade vacancies at 27 per cent (DEEWR Vacancy Report, March 2008). In the short term, further pressure will be placed on an already severely constrained labour market.
- Higher levels of immigration, household formations, full employment and rising real wages will each add further demand for new housing.
- As a base line the housing industry should be looking at the requirement for skills based on underlying demand for new dwellings of 180,000 per annum for the next five to seven years. This figure is promoted by HIA as the supply-side response needed to improve housing affordability.
- HIA has previously estimated that the industry requires an additional 20,000 skilled workers before 2009/10, implying an increase in the size of the skilled workforce by almost 8 per cent to meet underlying demand.

Policy Issues

- HIA National Policy Council has identified skills shortages as a key issue for HIA and industry. Skill shortages pose a major threat to the housing industry's ability to increase production of new homes and renovations.
- HIA has accepted this challenge of reversing skills shortages by proposing practical reform to the training system. This has already resulted in some positive change.
- However, to achieve further reform it is necessary for HIA to devise a more comprehensive policy blueprint that exposes the systemic lack of choice, flexibility and accessibility in the training system which is having a detrimental effect on reform.
- The policy blueprint that has been formulated aims not only to identify these inefficiencies in the training system that are compounding skill shortages, but provides a range of innovative strategies to address shortages and to grow capacity.

HIA Skills Blueprint

- HIA is committed to addressing the skills shortages and believes that more targeted measures are required in each of the following:

<i>Attract</i>	Sell the industry as a career of choice to more young Australians. We should no longer look exclusively to the disadvantaged sections of society as a means of recruiting the next generation for the industry.
<i>Delivery</i>	Improve the flexibility and practicality of training. Training must offer a real life experience of what a graduate could expect in the workplace on completion. Talented students should be able to progress at their pace not dictated to by

dogma. A pathway should be provided that offers the flexibility to allow apprentices to interrupt an apprenticeship and obtain an intermediate qualification that can then be built on or used within the industry.

Retention Those working within the industry will from time to time need assistance in learning new methods or technology. Training should be provided on the specific topic and be practical. All too often, training is too time consuming and does not answer the specific questions of the tradesperson.

- From this three-step approach a number of recommendations have emerged.

1. Investigate the option of developing and or recognising industry accredited courses

HIA should deliver or recognise industry accredited courses that provide an intermediate step in converting informal qualifications into qualifications recognised under the training system.

HIA already delivers a range of accredited courses (contract administration, business management, asbestos removal, safety inductions) and has the potential to deliver more. The completion of these accredited courses provides individuals with training competencies that can later be used towards the achievement of a qualification. It reduces the number of modules that need to be completed and the time to complete a course that delivers a recognised qualification. On this basis there would be greater scope for individuals to embrace training knowing that they could expedite the attainment of a qualification.

Even if these competencies were not converted to a qualification, participants would obtain valuable knowledge and capacity.

2. Seek changes to awards to include classifications for new and intermediate qualifications

Under State training legislation, these new specialised trade qualifications are traineeships and traineeships must relate to an existing Award classification. With the exception of WA (where the Award was varied by agreement) existing construction Awards contain no certificate 2 or 3 traineeships, only rates for traditional three or four year apprenticeships.

Without a specific Award pay rate, trainees must be engaged at adult labourer rates, making them too expensive. It is essential that there is an industrial relations framework to support these qualifications. Reference to apprentice wage rates may provide an option to commence discussions.

3. Advocate for greater powers to be given to industry to develop training that delivers construction qualifications that meet industry's needs provided industry bodies tasked with training development have proper industry representation

Industry is in the best position to develop and deliver training that responds to available and emerging job opportunities. It is well placed to identify future skills shortages, to overcome barriers that prevent skills formation in areas where persistent skills shortages exist and to recommend areas where retraining and up-skilling of workers may be required.

This CPSISC process provides a clear example of how industry can respond to its own needs if it is given the task of developing training that delivers construction qualifications despite the entrenched resistance to implementation by some States.

HIA's support for this recommendation, however, is conditional on the existence of a requirement for relevant bodies to have 'proper industry representation'. If industry is to have a greater say in training reform then any decisions made need to be those that are most representative of industry and not the constrained and commercially prejudiced views of a minority.

4. Develop a broader apprentice program that would include more flexible career pathways that would see a mix of graduates from Cert 2 through to Cert 4

The industry currently relies heavily on apprenticeship pathways to provide careers within the industry. The current apprenticeship system often does not provide the range of entry and exit pathways that allow individuals to gain requisite skills in much-needed areas or build on an existing qualification.

There is a requirement to appeal to a wider audience of prospective participants. This will ensure choice and flexibility with the added benefit of allowing those apprentices who do not complete an apprenticeship to have a recognised skill that can be used within the industry and/or upgraded at a later point to a higher qualification.

5. Seek greater employment incentives to financially assist and reward those willing to train skilled workers

HIA supports a greater range and an increase to the financial incentives being made directly available to employers investing in the training of skilled workers. These financial incentives must be provided to the employer throughout the period of training, including at the initial stages of training (ie first 12 to 18 months of an apprenticeship or traineeship) to offset the cost to the employer of having to pay wages which exceed actual levels of productivity.

These employment incentives also extend to the reduction or elimination of statutory costs (workers' compensation, payroll, etc) imposed by government that may act as a deterrent to the employment and training of young workers.