



**CIVIL CONTRACTORS
FEDERATION**
AUSTRALIA Ltd.

Strategic Review of the Australian Apprenticeship Incentive System



CCF NATIONAL OFFICE

ABN 89 618 345 261

Unit 13, Level 3, Engineering House

11 National Circuit

Barton ACT 2600

E ccfnat@civilcontractors.com

www.civilcontractors.com

15 May 2024

Department of Employment and Workplace Relations

Via: ApprenticeshipsReview@dewr.gov.au

Strategic Review of the Australian Apprenticeship Incentive System

The Civil Contractors Federation National (CCF) which is the only registered organization at the national level for the civil infrastructure industry, representing 1,800 businesses welcome the opportunity to provide a submission on the Strategic Review of the Australian Apprenticeship Incentive System (AAIS).

The CCF shares the Commonwealth Government's goals of increasing apprentice and traineeship completion rates, increasing workforce diversity, and optimizing support services for apprentices and employers. A skilled and well-trained workforce is a critical and core requirement if Australia is to meet the challenges ahead.

Nowhere is this more evident than in the infrastructure sector, which will directly impact the Commonwealth Government's housing targets. A reprioritization of incentives needs to be considered to fire every salvo at the cost of living crisis.

In 2024, we see training for Signwriter, Picture Framing, Crocodile Husbandry, Watch Making, Green Keeping incentivized under the national incentives system, yet key civil trades in need of new apprentices are still not incentivized by the Commonwealth Government. Whilst there may have been historic rationale for these incentives what do these occupations do for bringing down the cost of living.

We observe in this submission that key civil infrastructure occupations such as draftspersons, technicians, as well as earthmoving plant operators and other crucial civil roles, are falling into a national shortage with future demand noted in recent Jobs and Skills Australia reports.

Currently, a deficit in future civil skills training incentives has been longstanding and is a considerable risk for the Commonwealth's \$120 billion Infrastructure Investment Program spend. Just over \$4.5 billion was committed over 10 years in the 2024-25 Federal Budget to 65 new infrastructure projects, increasing the size of the pipeline by nearly 10 per cent in a single year.

The infrastructure sector is delivering a major public infrastructure pipeline valued at \$230 billion over five years. This is occurring alongside a plan to build 1.2 million new homes as well as major investment in the energy and defence sector, which is quadrupling over that same period.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

The CCF believes this strategic review is perfectly timed to allow the Government to focus on the training for future communities that require bridges, roads, rail, and other civil infrastructure necessary to address housing supply and to transition to a green economy.

Currently, Australia is heading towards a period of rapid transformation where Australian Apprenticeships incentives are not focusing on many skills that provide the vital infrastructure that builds communities. For example, this is one of the underlying reasons that Australia is falling behind by up to 70,000 homes of the 240,000 FY2024 target.

Not one dollar in tackling the affordable housing crisis can take place if a dollar hasn't been spent in civil. In fact, there will be little relief in the cost of energy or utilities provision that can be made unless apprentice incentives create the skills base to enable civil infrastructure.

CCF welcomes the new Federal Budget 2024-25 investment of \$90.6 million to increase the number of skilled workers in the construction and housing sector. Also in particular, tackling the energy transition will require apprenticeships to focus incentives towards civil infrastructure trades and the additional skills training here as announced will support electrical trades training but needs to consider the civil trades for priority. \$10,000 enrolment payments for eligible group training organisations as announced in the Federal Budget should prioritise civil training that supports the clean energy construction.

Our submission calls for Civil apprenticeships to be funded through the AAIS, and highlights critical areas that we believe require particular focus to ensure the plan not only meets its intended goals but also maximizes benefits for all stakeholders involved.

Scope of Review

Consider the effectiveness and efficiency of the Incentive System, against the objectives of encouraging take-up and completion of apprenticeships and traineeships regarding:

- Australian Apprenticeship Support Network and apprentice services support, cost of living pressures and impact of completions from current incentives;
- Take up and completion of apprenticeships and traineeships by women and people who face additional barriers to undertaking training (including people in rural, regional and remote areas and First Nations peoples);
- Alignment between the Incentive System and priorities in the 2023 Employment White Paper and the Government's broader economic objectives. In particular, providing people who are underrepresented and lack opportunities, with more experience in the workplace at both pre-apprentice or apprentice/trainee level, particularly in areas of high and emerging skills needs.

Apprentice services support

CCF operates Registered Training Organisations (RTO) in most States and Territories and we also offer a Group Training Organisation (GTO) with the supports that develop key skills for our industry.

Both the RTO and GTO provide strong completions rates, supporting businesses to harness the opportunity to work with apprentices who are keen to learn from professional mentors who understand the responsibilities of embrace new industry entrants.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

The structure today is for Australian Apprenticeship Support Network providers to be the first point of contact to get started. CCF looks to deepen its engagement and support provided to the civil industry through this network and encourages the government to consider ways to further engage industry in partnerships. We know that the success of an apprenticeship through to completion is directly correlated to the support that those apprentices receive before and during the indenture and this provider network can be pivotal here.

Whilst there is the Australian Apprenticeship Support Network, completions are often best supported by GTO with:

- Apprentice matching to suit business;
- Recruitment;
- On boarding;
- Medicals;
- Human resource and industrial relations management;
- Payroll;
- Trade school;
- RTO coordination;
- Employee Assistance (welfare);
- Mentoring / support;
- Apprentice and employee welfare and support;
- Rotation of apprentices where required;
- Training – Off the Job;

As per National Apprentice Employment Network reflects in 2023 (with NCVET research) that 'GTO completion rates are substantially higher than for small and medium direct employers.' It also notes that group training completion rates are even higher than the official data suggests when normalised for the more challenging cohorts in group training employment.

GTOs have elevated results with completion rates above 80 per cent, clearly demonstrating that the model is working and that solutions to the current completion crisis are not beyond reach.

Removing the barriers

As per the Infrastructure Australia 2023 Market Capacity Report, key regions across the country will experience extraordinary growth in the three years from 2024—25.

Top five regional hotspots include Murray, Mid North Coast and Riverina in NSW, Central Queensland, and the Northern Territory Outback. These regions will experience extraordinary growth in the three years from 2024—25, with investment up to three times higher than the three years prior in some regions. In many of these areas indigenous training programs are a focus which civil training seeks to support.

In Queensland, South Australia, Victoria, Western Australia and Northern Territory we see training provided by our RTOs which spreads through to the regions where civil roads, bridges, rail infrastructure is vital to the communities.

In Queensland, the CivilTrain industry RTO has been successful in bringing mature aged traineeships achieving 75% completions. Further incentives funding for mature-aged traineeships and apprenticeships should be delivered by this review.

Women in Civil programs are expanding across the country and we are seeing growth in diversity of those undertaking training in the industry. The statement 'you can't be what you can't see' has been a call to action with our leaders encouraging women in civil with specialist training funds in the future opening up the potential to see thousands take up careers in the term ahead. All apprentices and trainees (particularly women in male dominated industries) must be provided specialist support, workplace supervision and mentoring, while ensuring that the formal training is fit-for-purpose. Pre-apprenticeships to promote VET choices to female students and their families can be crucial and then excellent RTO/GTO support provided along the way.

CCF agrees with Infrastructure Australia's Market Capacity Report that the Federal Government should consider developing a national infrastructure workforce strategy to grow workforce capacity through long-term workforce planning with industry, to attract, retain and upskill workers, including women, particularly in a tight labour market.

Cost of Living

Like the growing population of Australia, apprentices face cost of living pressures which is not new.

Apprentice wages have fallen short of meeting the rents for the past two decades. Whilst additional incentives are considered as part of this review there is a bigger issue which is quite simply civil trades which build communities and in particular housing enabling infrastructure is not funded appropriately across the country.

It makes it much more difficult to channel those into careers in crucial civil industry when occupations are not incentivized or recognized as trades.

We can see a Certificate III in Civil Construction (RII30930) with 23-29 units of competency that creates roads, bridges, tunnels, pipes that has minimum incentivization to the employer and the employee to create future communities and create vital economic and housing enabling infrastructure. We see other Australian Apprenticeship Priority List occupations such as Crocodile Husbandry, Watchmakers and Sign Writers incentivized, but the Civil Construction sector building the nations infrastructure do not receive similar support.

Cost of living and training for civil construction workers becomes a great issue when ANZSCO classifications for civil occupations are simply not funded, leaving businesses to take on the total cost of training. This in turn compounds skills shortages that are contributing to the lowest levels of housing supplied for decades.

Apprenticeship challenges in civil

Skill Shortages

As per the Infrastructure Australia 2023 Market Capacity Report, there is currently a projected shortfall of 229,000 full-time infrastructure workers. The report notes that with the existing workforce at 177,000 employees, this is a 129% shortfall of workers needed to meet demand. The Australian Bureau of Statistics and Infrastructure Australia have highlighted this gap, which is expected to widen unless strategic measures are taken.

This shortage is not just a numerical gap but a barrier to completing projects on time, within budget, and to the required standards and further challenged by typical infrastructure career pathways that have long lead times in and high churn rates out.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

The only long term solution to address these shortfalls, is to incentivise and support civil apprentices as the first step in a career in civil construction.

With the energy transition requiring civil skills there is a need to train in this emerging area but also to backfill those that move with this transition and to replace those older workers heading into retirement.

Impact on Projects

Labor shortages lead to project delays, increased costs, and reduced quality of infrastructure developments. These issues not only affect the construction timeline but also inflate public spending due to prolonged project durations and increased labor costs, directly impacting the Commonwealth.

The transformation of the energy sector requires a skilled workforce. We urge the Government to prioritize specialized skills training and educational programs via Civil Apprenticeships that can fill the current skills gap and support the forthcoming clean energy industries.

Need for Apprenticeships

As of January 2024, an eligible full-time apprentice may receive up to \$10,000 over the duration of their apprenticeship to help with cost-of-living pressures, while an employer may receive support of up to \$15,000 over the duration of the apprenticeship.

Civil Apprentices are not eligible as they are not listed on the Priority List as shown in appendix 1.

Strengthening apprenticeship programs is a sustainable solution to build a skilled workforce. Apprenticeships in civil construction not only provide hands-on experience but also help inculcate the specialized skills required to meet the specific demands of large-scale infrastructure projects.

Record infrastructure spend is occurring in an industry where the most viable and valuable pathway for a new entrant, via apprenticeship, is unfunded.

Australian Apprenticeships Incentive System Overview

The same industry responsible for building and maintaining all of the Commonwealth's infrastructure needs is not currently supported with apprenticeship recognition and support. Specifically, the Federal AAIS funding program does not include the following type of incentives for civil apprentices and their employers:

- Priority Wage Subsidy up to \$15,000* (paid to employer/host)
- Apprentice Training Support Payments \$5,000* (paid to apprentice)
- Apprentice Trade Support Loans up to \$22,890* (paid to apprentice)

The two trade apprenticeships not recognized are:

- Certificate III Civil Construction RII30920
- Certificate III Civil Construction Plant Operations RII30820
- Trenchless Technology

Therefore, workforce data is incomplete, and the accuracy of analysis into future workforce and skills needs is fundamentally flawed, resulting in unfunded trade pathways for civil infrastructures trades.

The civil industry:

- Offers genuine future-focused careers.
- Provides low-barrier entry pathways and trade professions to all Australians.
- Is supported by two trade apprenticeships in South Australia.
- Has trade apprenticeships with more female Cert III trade apprentice commencements than any other traditional construction trade.

Australian and New Zealand Standard Classification of Occupations

The top priority for the Government to address this looming crisis must be to classify civil occupations as major trades within the Australian and New Zealand Standard Classification of Occupations (ANZSCO) Coding system.

The current ANZSCO code system does not accurately reflect the occupations within the civil construction industry, and where it does, the skill level classifications are too low. These skills include bridge, road, and tunnel constructors, civil plant operators, pipe layers, and line markers.

The way that civil occupations have been classified under the ANZSCO classification model, needs to be reconsidered to ensure clear career and training pathways. The occupations that CCF seek to include fall outside of the Australian Apprenticeships Priority List (AAPL) as they are currently classified in ANZSCO Major Group 7 and Major Group 8. These two Major Groups capture a broad range of semi-skilled occupations most of which do not require a qualification above a Certificate II level. As CCF occupations are not accurately listed on the AAPL, civil construction employers and apprentices are unable to access either the wage subsidy or the direct payment to apprentices.

We expect that the review of ANZSCO underway and to be completed by December 2024 should ensure Civil Construction apprenticeship occupations are reclassified under ANZSCO to enable their inclusion in the AAPL. Listing on ANZSCO is a prerequisite for being listed on the AAPL and subsequent government funding under the AAIS.

Signwriters, locksmiths, and gardeners can receive full AAIS funding, but civil construction apprentices which build communities, create housing enabling infrastructure cannot. In light of the Government's \$120 billion, 10-year infrastructure pipeline, this is a major policy flaw requiring urgent redress.

The endpoint of the inaccurate coding issue is that it leads both to data inaccuracies and an absence of data collection in what civil occupations are being undertaken as well as whether they are in either current or projected short supply.

This short-term reform will deliver the necessary incentive for new entrants to enroll in civil apprenticeships, encourage existing workers to upskill, VET providers to train more personnel, and employers to take on more apprentices as they will qualify for financial assistance under the AAIS. CCF estimates that listing on the ANZSCO will attract several thousand apprentices to the industry.

The failure to appropriately classify civil occupations within ANZSCO means our industry is denied access to temporary and permanent skilled migration pathways available to other sectors. So, it cannot bring in skilled tradespeople from overseas, and it cannot get funding support to train locals.

Thank you for the opportunity to provide this submission and would appreciate further opportunities to engage with the Commonwealth on this matter.

About Civil Contractors Federation Australia

Civil Construction refers to the design, construction, and maintenance of the physical and naturally built environment, including public works such as roads, bridges, dams, airports, drainage, energy, and sewerage systems, pipelines, structural components of buildings, and railways.

Across Australia, Infrastructure Projects have been and remain the cornerstone of Australia's communities and cities. Infrastructure is a multi billion-dollar industry supporting our everyday way of life and every business. Civil Construction is its foundation industry, without the civil industry nothing is built.

The Civil Contractors Federation is the registered organization for the civil infrastructure industry nationally, representing 1,800 businesses ranging from those smaller business to a sizeable group of employers with around 1,000 employees each. CCF has branches in each state and territory to support Contractor and Associate Members in the regions and in the cities.

CCF is the only Registered Organisation recognised as the peak body representing the industry nationally for:

- Infrastructure Policy;
- Industrial Relations;
- Training and Workforce Development;
- Energy Transition including wind and solar farms;
- Construction of all major roads, rail, bridges, ports, water, sewerage, and utilities.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

Appendix 1: Skills shortages in Civil Construction Sector (Source: [Skills Priority List | Jobs and Skills Australia](#))

Unit Group	ANZSCO	Skill Level	Occupation	AAPL	Skills Shortage								
3122	312212	3	Civil Engineering Technician		S	S	S	S	S	S	S	S	S
3121	312114	3	Construction Estimator	Prioritised	S	S	S	RS	S	S	S	S	S
3999	399999	3	Technicians and Trades Workers	Prioritised	S	S	S	S	S	S	S	S	S
7121	712111	4	Crane, Hoise or Lift Operator	Non Priority	S	S	S	S	S	S	S	S	S
7122	712211	4	Driller	Non Priority	S	S	S	S	S	S	S	S	S
7122	712212	4	Miner	Non Priority	S	S	S	S	S	S	S	S	S
7211	721111	4	Agricltural and Horticultural Mobile Plant Operator	Non Priority	RS	S	RS	RS	RS	NS	RS	RS	NS
7212	721211	4	Earthmoving Plant Operator (General)	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721212	4	Backhoe Operator	Non Priority	NS	S	NS	NS	S	NS	NS	NS	NS
7212	721213	4	Bulldozer Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721214	4	Excavator Operator	Non Priority	S	S	S	S	S	S	S	S	S
7212	721215	4	Grader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721216	4	Loader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7219	721912	4	Linemarker	Non Priority	S	S	S	S	S	S	S	S	S
7219	721913	4	Paving Plant Operator	Non Priority	NS	NS	NS	NS	S	NS	NS	NS	NS
7219	721914	4	Railway Track Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721999	4	Mobile Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7331	733111	4	Truck Driver (General)	Non Priority	S	S	S	S	S	S	S	S	S
8217	821711	4	Construction Rigger	Non Priority	S	S	S	S	S	S	S	S	S
8217	821713	4	Steel Fixer	Non Priority	S	S	S	S	S	S	S	S	S
8211	821113	5	Earthmoving Labourer	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8212	821211	5	Concreter	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8219	821911	4	Crane Chaser	Non Priority	S	S	S	S	S	S	S	S	S
8219	821912	5	Driller's Assistant	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND

S= Shortage
RS= Regional Shortage
NS= No Shortage
ND = No Data

Appendix 2 Civil Apprentices 'in training' and 'commencement' Nationally (source: national vocational education research, jan 2024)

IN-TRAINING CIVIL APPRENTICES - NCVER 2023, Apprentices and trainees 2023 - March quarter DataBuilder, Contract status, Qualification name by State/territory, 12 month series

Contract status	Qualification name	New South Wales					Victoria					Queensland					South Australia					Western Australia					Tasmania					Northern Territory					Australian Capital Territory				
		2019	2,020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
In-training	RI30813 - Certificate II in Civil Construction Plant Operator	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	15	-	-	-	-
	RI30815 - Certificate II in Civil Construction Plant Operator	175	245	330	155	45	25	35	30	20	5	795	735	640	70	35	135	95	50	15	5	30	25	60	-	-	65	70	85	70	25	60	45	40	30	10	105	100	80	30	10
	RI30820 - Certificate II in Civil Construction Plant Operator	5	55	220	470	705	-	5	30	70	70	10	130	570	1,115	960	5	20	55	130	125	-	10	145	370	260	-	-	-	50	80	-	-	-	5	25	-	-	-	-	-
	RI30913 - Certificate II in Civil Construction	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	5	-	-	-	-
	RI30915 - Certificate II in Civil Construction	445	325	200	35	-	515	445	225	70	15	750	640	185	30	25	30	10	5	-	-	210	125	25	-	-	85	65	55	35	20	5	10	5	5	5	40	45	50	35	15
	RI30919 - Certificate II in Civil Construction	10	65	190	105	20	65	185	210	45	15	50	175	415	65	5	40	65	60	15	5	10	45	100	-	-	-	-	5	10	5	-	-	-	-	-	-	-	-	-	-
	RI30920 - Certificate II in Civil Construction	5	40	245	535	605	30	115	320	675	860	25	170	530	1,080	1,245	5	30	80	180	220	10	30	165	245	210	-	-	-	60	90	-	-	-	-	10	-	-	-	-	10
	TOTAL	640	730	1,185	1,300	1,375	645	765	815	880	965	1,635	1,850	2,340	2,360	2,290	215	220	250	350	355	260	235	495	615	470	150	135	145	225	220	75	55	45	40	50	165	145	130	105	75

Source: NCVER 2023, Apprentices and trainees 2023 - March quarter DataBuilder, Contract status, Qualification name by State/territory, 12 month series
 Numbers are rounded to the nearest 5. A dash represents a true zero. Categories are not displayed if no data are available.
 Filters applied: Year: 2018, 2019, 2020, 2021, 2022, 2023; Qualification name: 10 of 1549

In-training figures reflects the number of active contracts at a given point in time (at the end of the quarter), and therefore in-training figures cannot be cumulated over time. For this reason, quarterly comparisons are equivalent to 12-months ending comparisons, as they both represent the changes as at 31 March from one year to the next.

COMMENCEMENTS CIVIL APPRENTICES - NCVER 2023, Apprentices and trainees 2023 - March quarter DataBuilder, Contract status, Qualification name by State/territory, 12 month series

Contract status	Qualification name	New South Wales					Victoria					Queensland					South Australia					Western Australia					Tasmania					Northern Territory					Australian Capital Territory				
		2019	2,020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023					
	RI30815 - Certificate II in Civil Construction Plant Operator	110	120	200	10	-	20	30	15	5	-	565	635	525	80	-	45	40	20	10	-	20	20	70	15	-	40	45	45	25	-	50	65	30	10	-	65	50	40	10	-
	RI30820 - Certificate II in Civil Construction Plant Operator	5	50	160	260	445	-	5	25	50	40	5	120	430	700	505	-	15	35	80	45	-	10	130	260	135	-	-	-	50	55	-	-	-	10	35	-	-	-	-	30
	RI30915 - Certificate II in Civil Construction	280	105	10	-	-	335	240	60	-	-	465	565	170	-	-	20	10	-	-	-	85	65	30	-	-	50	30	30	5	-	5	5	10	5	-	35	20	25	20	-
	RI30919 - Certificate II in Civil Construction	10	60	155	10	-	60	100	60	25	-	35	125	275	65	-	25	25	20	10	-	5	35	65	15	-	-	-	5	5	-	-	-	-	-	-	-	-	-	-	-
Commencements	RI30920 - Certificate II in Civil Construction	5	35	190	405	285	25	90	200	440	555	25	145	385	740	755	5	25	50	135	130	5	20	130	100	110	-	-	-	65	60	-	-	-	-	10	-	-	-	-	10
	TOTAL	410	360	715	685	730	440	465	350	520	595	1,095	1,590	1,785	1,585	1,260	95	115	125	235	175	115	150	425	390	245	90	75	80	150	115	55	70	40	25	45	100	70	65	70	40

Source: NCVER 2023, Apprentices and trainees 2023 - March quarter DataBuilder, Contract status, Qualification name by State/territory, 12 month series
 Numbers are rounded to the nearest 5. A dash represents a true zero. Categories are not displayed if no data are available.
 Filters applied: Year: 2018, 2019, 2020, 2021, 2022, 2023; Qualification name: 10 of 1549

In-training figures reflects the number of active contracts at a given point in time (at the end of the quarter), and therefore in-training figures cannot be cumulated over time. For this reason, quarterly comparisons are equivalent to 12-months ending comparisons, as they both represent the changes as at 31 March from one year to the next.

TOTAL INTRAINING & COMMENCEMENTS 1,050 1,090 1,900 1,985 2,105 1095 1230 1165 1400 1560 2730 3440 4095 3945 3550 310 335 375 585 530 375 385 920 1005 715 240 210 225 375 335 130 125 85 65 95 265 215 195 175 115

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.