

# Master Builders Australia

## SUBMISSION

### Addressing issues relating to unduly short courses

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Master Builders Australia Limited

ABN 68 137 130 182

Level 3, 44 Sydney Avenue, Forrest ACT 2603

(PO Box 7170), YARRALUMLA ACT 2600

T: +61 2 6202 8888, F: +61 2 6202 8877, [enquiries@masterbuilders.com.au](mailto:enquiries@masterbuilders.com.au), [www.masterbuilders.com.au](http://www.masterbuilders.com.au)

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## 1 Master Builders Australia

This submission is made on behalf of Master Builders Australia Ltd.

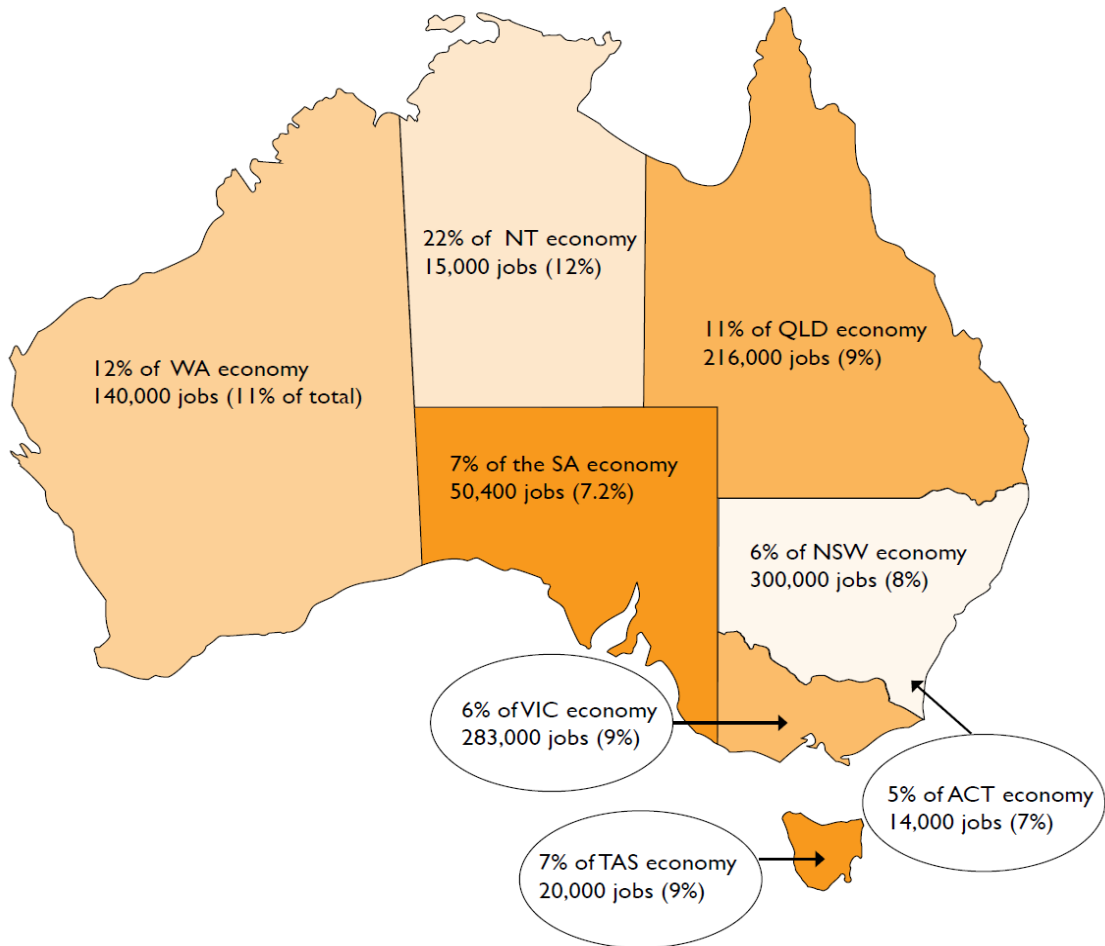
Master Builders Australia (Master Builders) is the nation's peak building and construction industry association which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 127 years the movement has grown to over 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association that represents all three sectors: residential, commercial and civil construction.

The building and construction industry is an extremely important part of, and contributor to, the Australian economy and community. It is the second largest industry in Australia, accounting for 8.1 per cent of gross domestic product, and around 9 per cent of employment in Australia. The cumulative building and construction task over the next decade will require work done to the value of \$2.6 trillion and for the number of people employed in the industry to rise by 300,000 to 1.3 million.

### **The building and construction industry:**

- Consists of over 340,000 business entities, of which approximately 97% are considered small businesses (fewer than 20 employees);
- Employs over 1 million people (around 1 in every 11 workers) representing the third largest employing industry behind retail and health services; and the largest industry for full time employment;
- Represents over 8% of GDP, with contributing over \$120 billion Gross Value Added activity to the economy - the second largest sector in the economy;
- Trains more than half of the total number of trades based apprentices every year, being well over 50,000 apprentices; and
- Performs building work each year to a value of approximately \$200 billion.

Figure 1: Representation of the state by state breakdown of the economic and employment contributions



attributable to the building and construction industry (MBA – 2016)

## 2 Introduction

- 2.1 Master Builders Australia seeks a vocational education and training system that meets the current and future needs of the building and construction industry delivering outcomes for employers, employees, the community and economy.
- 2.2 As one of the key growth sectors of the economy, the building and construction industry is the largest employer of skilled tradespeople in the Australian economy with approximately two thirds of the workforce employed in skilled roles. The Department of Employment projects that the industry will grow by approximately 120,000 people over the next five years.
- 2.3 In contrast to many other areas of the economy, one of the biggest risks to the projected future growth and contribution of the industry is a shortage of skilled labour. If projected workforce needs are not met, there will be significant consequences that will manifest themselves in various ways including:
- Increased construction costs to government, community and consumers;
  - Project completion delays, project over-runs and consequential costs in terms of productivity and disruption;
  - Potential delays or disruption to infrastructure development plans maintained by all levels of Government;
  - An adverse impact on the existing domestic workforce skill base with long term ramifications for dependent industries and trades, combined with greater examination of non-traditional options of supply to fill skills gaps; and
  - Ongoing adverse impacts on the domestic labour market more broadly, including employment levels.

### 3 Background

- 3.1 In June 2017, the Australian Skills Quality Authority (ASQA) released *A Review of Issues Relating to Unduly Short Training* report (Strategic Review).
- 3.2 ASQA initiated its Strategic Review in response to concerns raised through its regulatory findings and previous strategic reviews that unduly short courses are preventing learners from gaining the skills and competencies required to be assessed as competent from vocational education and training (VET) courses.
- 3.3 The Council of Australian Governments Industry and Skills Council (CISC) met in November 2017 to consider the recommendations in the Strategic Review. CISC noted the issues and recommendations raised by ASQA which proposed a major reform to the operation of the VET system.
- 3.4 ASQA describes becoming increasingly concerned about the incidence of unduly short courses in Australian VET since its establishment in 2011. This concern grew out of two areas of work: ASQA's strategic reviews, and its analysis of regulatory data. The construction industry 'white card' unit of competency was one of the reviews undertaken by ASQA, with the backing of Master Builders.

### 4 Recommendation 1 – 'amount of training'

- 4.1 Master Builders recommends that competency-based training remain at the core of the Australian VET system. The central tenet of competency-based training is that a learner's rate of progress is determined by their demonstrated competency, rather than by how long they have spent training. It is important that a learner can demonstrate a competency consistently rather than wait for a specified time to pass.
- 4.2 The current regulatory framework for training packages does not allow training package developers to set clear requirements for the amount of training that a new learner might expect to be required to undertake and therefore a change to standards and development processes would be required.

- 4.3 Master Builders maintains a view that all VET stakeholders need to be confident that RTOs and the courses they offer meet high standards. The VET system must provide properly trained workers with the skills needed to undertake a job today and to meet the needs of an employer, especially in an apprenticeship and/or where a licensed occupation is the desired outcome.
- 4.4 While there is a view that the omission of a definition of amount of training continues to be a weakness of the current legislative framework due to the pivotal role that the amount of training plays in assuring the quality of learning outcomes, Master Builders recommends that independent assessment of a student's skill acquisition, and the use of independent assessors with knowledge of the job role, would be more valuable in determining quality training outcomes and whether a student was competent and job ready rather than incorporating a minimum duration of training into a training package.
- 4.5 However, if duration of training was to be included, Master Builders recommends that the amount of training include all formal teaching, learning and assessment activities that a new learner would need to undertake to achieve the learning outcomes specified, expressed in hours. These hours would need to be matched by appropriate funding in all jurisdictions to support RTOs with increased regulatory burden. Master Builders maintains that ASQA's role in enforcing compliance must not come at the cost of innovation and quality training delivery, nor should compliance be focussed on time but rather quality learning outcomes.
- 4.6 Any inclusion of hours of training duration into training packages must not increase compliance burden on employers and must not increase training costs for employers. For example, in the case of certificate III level apprenticeships, Master Builders would be concerned if apprentices had to spend an even greater amount of time off the job site to meet an allocated amount of time in a classroom at the employers' expense just to meet a stipulated time listed in a training package. This could lead to a negative outcome with more employers walking from the National VET system. Employers also tell us that more time off the job for workers up-skilling to a Certificate IV or Diploma is also problematic.
- 4.7 The ASQA report recommends that the definition of 'amount of training' be agreed through a consultative process commissioned by the Department of



Education and Training, led by the Chair of the Australian Industry Skills Committee, and involve key stakeholders including industry, RTO and government representatives. Master Builders strongly recommends that a number of industry representatives be included onto any Committee established if this recommendation is to be adopted, particularly representatives from the construction industry as the industry is one of the largest users of the VET system.

## **5 Recommendation 2 – ‘responding to industry specific risks’**

- 5.1 As outlined in this submission in recommendation 1, Master Builders recommends that independent assessment of a student’s skill acquisition, and the use of independent assessors, would be more valuable in determining quality training outcomes and determining whether a student was competent and job ready rather than incorporating a minimum amount of training into a training package.
- 5.2 Any inclusion of hours of training duration into training packages must not increase compliance burden on employers and must not increase training costs for employers. Master Builders would be concerned if apprentices had to spend an even greater amount of time off the job site if students had to spend an increased amount of time in classrooms at the employers’ expense. This could lead to a negative outcome with more employers walking from the National VET system.
- 5.3 The current VET regulatory architecture does not allow for industry to systematically identify and respond to risks by strengthening the requirements governing the delivery of training and assessment. Master Builders recommends that any response to unduly short training must be driven by industry and must be proportionate to the risk.
- 5.4 Master Builders therefore recommends that an industry-driven and risk-based approach is appropriate, given that the VET system is a competency-based system, and not a system based on training time. Employer and employee representatives only must be involved in this decision making process as they are responsible back to their respective memberships and have internal processes to test any amount of time duration that may be incorporated into training packages. Membership of IRCs is too broad to take on this task.

- 5.5 If adopted, any time requirements should be set at the unit of competency level and should sit in the endorsed components of training packages so that they are mandatory for RTOs and auditable by the regulator. If they were to be included in companion volumes there would be no change from the status quo.
- 5.6 A competency-based system is intended to deliver that which is needed to ensure the student acquires the skills and is assessed as competent. Each learner or group of learners can bring to the training either pre-existing skills and experience, or a set of challenges that requires more intensity, and this must be taken into account when determining any time recommendations.

## 6 Recommendation 3 – ‘product disclosure statements’

- 6.1 The third and final recommendation suggests that RTOs be required to publish Product Disclosure Statements that include the range of learning activities expected, including the amount of training, for each training product on their scope of registration.
- 6.2 The recommendation addresses the lack of transparency and consistency in the way training products are advertised and described to potential learners through the introduction of a Product Disclosure Statement for every training product on an RTO’s scope.
- 6.3 The report recommends that a template be developed for the Product Disclosure Statement that standardises how the requirements of Clause 5.2 from the *Standards for Registered Training Organisations 2015*, including estimated duration, are expressed.
- 6.4 The template would include requirements for estimated duration; and RTOs would be required to specify:
- the amount of training to be provided in hours (see Master Builders’ comments in recommendation 1 of this submission), and
  - the other activities that learners are expected to complete to make up the AQF volume of learning requirements.

- 6.5 Master Builders supports the introduction of a standard Product Disclosure Statement that would provide learners with easy-to-understand information about the total time commitment required to complete a qualification, including the amount of supervised learning activity that will be delivered by an RTO. However, in offering support for this recommendation, Master Builders would want to see RTOs to be fully funded to develop their Product Disclosure Statements. It is our view that existing funding covers delivery to students and does not currently cover the development and ongoing updating and management of increased regulatory documentation. Master Builders maintains that ASQA's role in enforcing compliance must not come at the cost of innovation and quality training delivery.
- 6.6 Again, as outlined in this submission in recommendation 1, Master Builders recommends that independent assessment of a student's skill acquisition, and the use of independent assessors, would be more valuable in determining quality training outcomes and determining whether a student was competent and job ready rather than incorporating a minimum amount of training into a training package and into a standard Product Disclosure Statement.
- 6.7 Results from independent assessment could be summarised on the My Skills website which would significantly strengthen quality training and delivery reporting from RTOs as prospective students could easily identify which RTOs were delivering results for both students and employers, enabling consumers to search for, and compare, VET courses, training and outcomes.

## **7 Further information**

Master Builders would welcome the opportunity to discuss the issues raised in this submission further. Please contact the National Director Workforce Development and Training, Mr Robert Wilson, on 02 6202 8888 or email [robert.wilson@masterbuilders.com.au](mailto:robert.wilson@masterbuilders.com.au).