

Annual Training Plan 2014–2015

CSQ

STRONGER FUTURES
IN CONSTRUCTION



Foreword

Following the recent boom, Queensland's construction industry is adjusting back to more natural levels and we are finding our 'new normal'. The focus of construction activity appears to be shifting, showing a more even balance between engineering construction on the one hand and residential and commercial building on the other.

In recent times the engineering construction sector has been the primary driver for activity within the industry, fuelled by historic investment in resource exploration and development. The investment cycle is starting to shift away from new asset development towards a production, export and maintenance phase, and in 2014 investment in residential and commercial construction is expected to account for a growing share of industry activity.

Training and skilling is closely linked to the activity cycles of the industry, and here at CSQ we ensure that our funds investment matches the evolving needs of industry. Estimating future skills demand is a complex task. Our dedicated research team is constantly monitoring the industry outlook so we can identify key areas for future training investment. Our unique insight into the construction industry means we can help business to make better informed training decisions.

It is important that we all promote a culture of training across the industry. CSQ is championing this through our core programs, which have been developed through extensive consultation with industry. These core programs are attracting new candidates into the industry, developing the skills of our existing workforce and retaining our skilled workers so we can meet the demands of a rapidly changing industry.

Investing in training improves competitive advantage, increases productivity and will help us ensure that Queensland is well positioned to secure a pipeline of projects. It is essential that the industry develops its capabilities to adapt to current and future market forces.

CSQ is committed to providing the right skills in the right place at the right time. There are positive signs on the horizon, and as the number of building approvals increases we are hopeful for a more reinvigorated construction industry in the months ahead.

With our launch into social media and our updated industry engagement strategy we are looking to connect with the industry in new ways. We are building a community and with your help we are creating a culture of skills and training within our industry.

Graham Carpenter

Chairman

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CEO Overview

Queensland's building and construction industry has shown a determined resilience over the last few years. The industry has been characterised by sharp contrasts in activity, with a booming engineering construction sector and a residential and commercial sector marked by low levels of growth. As the focus of activity shifts away from engineering construction, we are increasingly confident that conditions will improve across the industry this year.

Encouraging signs are emerging from the residential and commercial sector which has idled for a number of years. Building approvals are on the rise and continued Queensland population growth suggests ongoing demand for houses and infrastructure such as schools, hospitals, retail, road and rail.

Further down the track there is potential for another major upswing in activity from 2017–18 onwards with a number of large projects in the pipeline, including the proposed Galilee Basin.

As the engineering resources sector moves into the production, export and maintenance phase we will see a shift in labour requirements across the industry. A growing residential and commercial sector will place higher demands on the industry skills base so it is essential we continue to attract and retain new apprentices to the industry.

Forward planning is essential and we need a renewed focus on developing skills so we can adapt to the changing needs of our industry. Producing the Annual Training Plan provides a great opportunity to reflect on where we are headed. By investing in our people we are creating a more resilient industry.

The Annual Training Plan 2014–15 maps out our strategy and resource allocations to support training and upskilling for Queensland's building and construction industry over the following year.

“By investing in our people we are creating a more resilient industry.”

The plan outlines how investment of the levy into programs and services will:

- Inspire and provide pathways for talented people to join the building and construction industry;
- Provide training solutions and leverage investment in skills to increase the capability of the existing building and construction workforce; and
- Help the sector to develop strategies to keep talented people in the building and construction industry.

We know that the entry point to the building and construction industry is still primarily through a trade pathway. Through our programs we will work with the Queensland Government to support construction employers to take on additional apprentices and trainees and assist new building and construction entrants to take up apprenticeship and traineeship opportunities.

A YEAR OF CHANGE FOR CSQ

At CSQ we have spent considerable time developing a company culture and work practices which reflect our commitment to continual business improvement. We have a strong leadership team with a shared vision for achieving clear outcomes for industry.

Just like Queensland's construction industry, CSQ is evolving. We are getting smarter in the way we work, streamlining our services and looking for ways to strengthen our contribution and communication with the broader industry. We are building stronger partnerships with industry and prioritising a range of new initiatives including our regional roadshows.

The strategy behind our new way of working is driven by our refreshed approach to industry engagement and the opportunities presented by an increased digital presence. Moving forward we aim to be even more responsive to our network of stakeholders.

Not only are we the industry go-to for training and career advice, we are also a centre of expertise for skilling and workforce planning for the industry. Our in-house research team identifies industry trends to help underpin future planning and policy, providing us with a unique insight on the future of construction.

LOOKING BEYOND THE HORIZON

At CSQ we are looking ahead and planning beyond the next 12 months so that we can create a strong and sustainable future for the industry.

We want to give our industry a clear vision of CSQ's future investment program and to signal this to our partners and suppliers to support them to better plan and target their activity. We will do this by developing a three year strategic plan that will outline our future investment in skills and provide a framework for our annual investment and ongoing programs and services.

We recognise that the cyclical nature of activity in the building and construction industry has a direct impact upon the training levy funds that are collected. At times when industry activity and levy funds decrease, the need to invest in skills does not and so we have a fund reserves strategy in place that will enable us to meet future demand with a planned fiscal response.

Together we are building stronger futures in construction.

Brett Schimming
Chief Executive Officer

Introduction



OVERVIEW OF QUEENSLAND CONSTRUCTION AND TRAINING

The Queensland building and construction industry has experienced irregular activity in response to historic high levels of investment in resource related exploration and development over recent years.

This dynamic has meant that engineering construction activity has dominated the industry, focusing activity on mining related infrastructure and building across the key resource areas of Central and South Western Queensland.

As the resource investment cycle shifts away from investing in new assets and moves towards production, operation and maintenance, a new dynamic is becoming apparent. There are some encouraging signs of a reinvigorated residential and commercial sector, particularly in regions that did not benefit directly from resource investment. These regions and South East Queensland are now starting to experience a notable increase in confidence which is also driving new residential and commercial work.

These shifts represent a transitional phase for the industry as the sector adjusts back to more natural levels of activity.

RESIDENTIAL AND COMMERCIAL ACTIVITY

The residential and commercial sectors have experienced a long period of subdued growth, however the 2013 calendar year saw the beginning of a change to these persistent and challenging conditions.

The residential sector has shown encouraging signs of growth in the context of historic low interest rates and improving consumer and business sentiment. Likewise, activity within the commercial sector has benefitted from the approval

of a number of large projects such as the Sunshine Coast University Hospital and the 1 William Street development in Brisbane. The residential and commercial sectors are likely to undergo further change as new investment in the engineering construction sector slows in line with changes to the investment cycle.

The value of completed residential work increased mid-2013, growing 1.9% in the June 2013 quarter after an earlier decline. Building approval data suggests that further growth in the sector is likely in 2014 with both the number and the

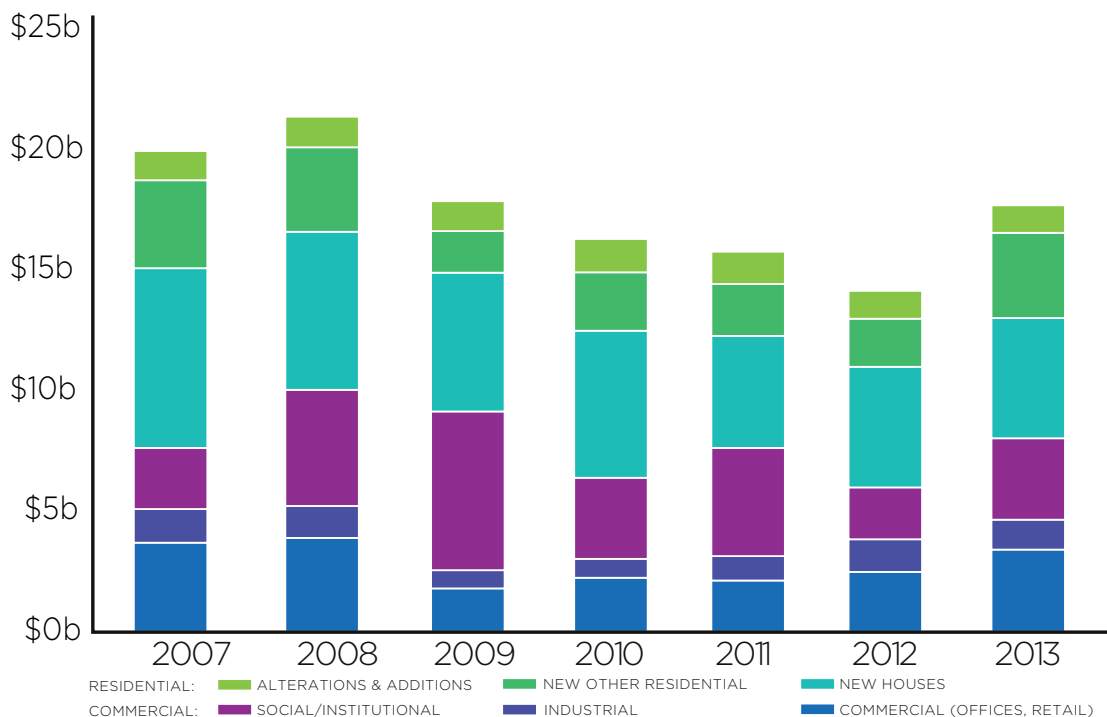
Introduction cont.

value of residential approvals showing generally consistent growth across the last six months. These are encouraging signs after a long period of soft conditions.

The impact of the changing investment cycle is readily apparent on a regional level. Previously, regions such as Central Queensland, Mackay and South West Queensland have experienced strengthening residential activity in response to the very high levels of local resource investment. However, both the value and number of residential approvals declined markedly for both Central Queensland and Mackay for the six months to December 2013 compared to the preceding six months. Residential sector growth was much broader based during 2013, with increases in the value and number of residential approvals apparent for every region.

The commercial sector grew throughout the 2013 calendar year. The approval of a number of significant projects generated considerable variability in the value of commercial sector approvals. Values increased from \$479.4 million in February 2013 to \$1.44 billion in March 2013 for example. The aggregate value of commercial approvals was lower in the final six months of 2013 compared to the first six months and this was largely echoed at a regional level.

Queensland Annual Building Approval



ENGINEERING CONSTRUCTION ACTIVITY

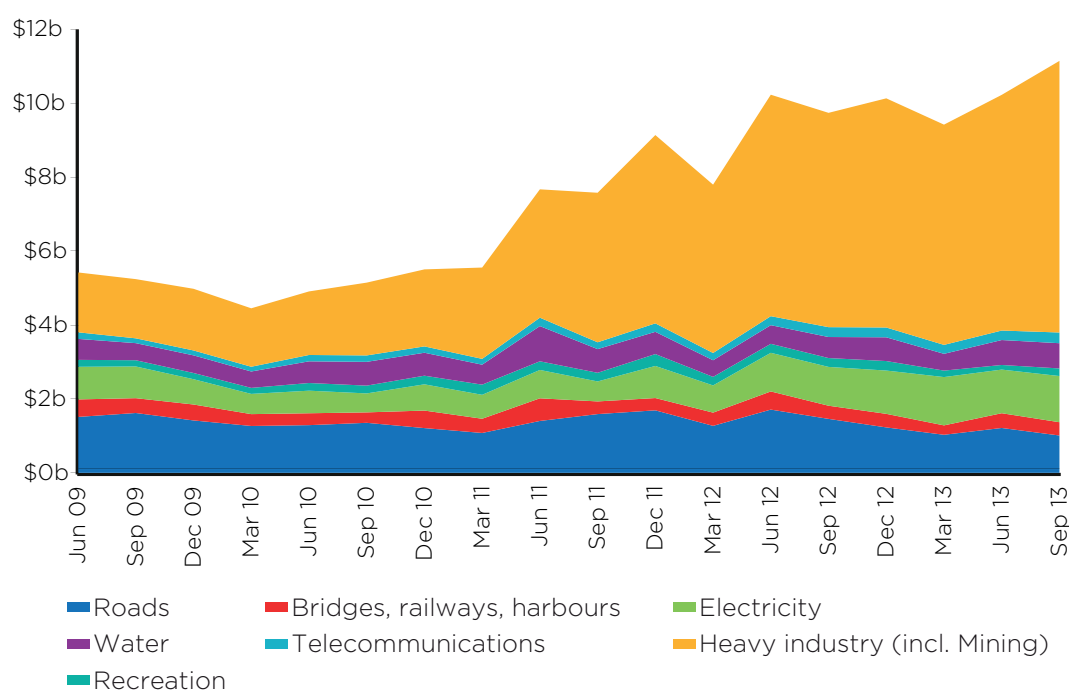
The resource investment boom continues to drive engineering construction activity to new heights. The value of completed work rose 9.2% (or \$937.9 million) in the September quarter 2013. This has also continued the dominance of the heavy industry subsector within the engineering construction sector more broadly. The value of work done in that subsector alone is larger than all other subsectors combined, worth \$7.3 billion in the September quarter 2013.

Where road construction previously dominated the sector, driven mostly by public investment, the current dominance of the heavy industry subsector is mostly fuelled by private investment. As such, it is somewhat more vulnerable to external risks such as changing

commodity prices, exchange rates and variance in demand from key markets such as China and India. The characteristics of work in the pipeline, including the amount of unexpended project values, underscore this point. It shows that the value of work yet to be done has fallen, reflecting the progression of major and mega-projects toward completion and a reduced amount of investment in new resource projects.

As with the residential and commercial sectors, this resource investment has generated additional work within the engineering construction sector itself. There have been a range of rail, electrical, harbour and roads projects, both initiated and underway, created to support the export pathways of commodities such as Liquid Natural Gas (LNG) and coal. This dynamic will increasingly change as the investment cycle moves away from speculation in new projects to maintaining the wide array of new assets that have been, or will be, recently established.

Total value of engineering construction work done by sector, QLD 2009–2013



Introduction cont.

MAJOR PROJECTS ACTIVITY

Resource development and exploration has continued to drive major project activity across the state over the course of 2013. In contrast to previous years, a changing investment cycle means there will be reduced investment in new assets and so, by extension, a reduction in resource related major project work. The QMCA's *Major Project Report 2014* illustrates how major project work is anticipated to decline from historic heights in 2012-13 throughout much of the next three years until a potential increase in 2017-18. It is important to recognise that the magnitude of this peak has resulted from a coinciding emergence of the multibillion dollar LNG industry and high commodity prices that encouraged the expansion of projects, particularly coal mining.

Other non-resource related major project work is likely to continue at a high level while work remaining in the pipeline is completed. A range of new commercial projects, such as 1 William Street in Brisbane, the Commonwealth Games Athletes Village on the Gold Coast and the Sunshine Coast University Hospital, suggests that the focus of major project activity will widen away from the resource sector over the short to medium term.

BUSINESS SENTIMENT

The QMBA Survey of Industry Conditions shows an improvement in construction industry business sentiment. The headline sentiment indicator, the Building Industry Outlook increased from 55.4 to 63.2, moving even further into positive territory. Even so, other indicators largely stabilised at a close to borderline level, including turnover, profit, employment and average wages for example. By contrast, levels of work increased marginally (from 41.1 to 44.0) suggesting some improvement about the amount of work within the industry.

With the exception of Mackay, overall business sentiment improved across all of Queensland's regions. This included a number of regions that had recorded relatively weak sentiment for some time such as the Sunshine Coast, Gold Coast, Wide Bay and Burnett. The impact of large local projects, particularly in those regions not directly exposed to resource investment, represent a likely catalyst for these improvements.

¹ QMBA indexes range between 0 and 100. An index level of 50 indicates satisfactory conditions. Higher results indicate relatively more positive conditions while index levels of less than 50 indicate less satisfactory conditions.

WORKFORCE AND SKILLING

Employment, training and skilling within the building and construction industry are closely tied to the activity cycles of the industry which is in turn heavily influenced by broader economic trends. Both the level of building activity as well as type of construction activity directly affects employment and training within the industry.

At November 2013, a total of 239,400 persons were employed within the Queensland building and construction industry. This follows a 4.0% (or 9,100 persons) increase from the May quarter. Year on year to November, total employment has remained steady (0.3% or 600 persons), illustrating the relative stability in employment of the construction industry over recent years.

Internet vacancies for construction occupations have largely followed the direction of total vacancies for Queensland overall. Following sharp declines during 2008 and 2009, total vacancies peaked again in mid-2011 though at a much lower level than previously. From this point, total vacancies for construction occupations, such as construction trades and mobile plant operators, have mostly declined. This decline has been significantly less marked than the contraction caused by the Global Financial Crisis (GFC) in 2008 and 2009. Even so, this appears to suggest that the construction industry is echoing the softer labour market conditions apparent in the overall Queensland market.

The number of in-training apprentices and trainees has shown a continued decline over recent years and this has continued through to 2012 following an historic high intake of apprentices and trainees in 2007. The GFC prompted a suite of policy interventions to forestall apprentice and trainee cancellations across all industries and these interventions had an appreciable impact. However, the pipeline continued to decline as dampened activity meant that fewer people were entering the pipeline.

Up until recently, the number of entries, either as new entrants or recommencements, has continued to be outpaced by exits which are largely taking the form of completions. However, the latest data from the Department of Education, Training and Employment shows a significant upward spike in apprentice and trainee intakes in the building and construction industry, particularly in civil sector qualifications. This is good news for the industry and a reflection of the positive industry outlook of many construction businesses.

While the resource investment boom has not had a massive impact on the training pipeline in terms of the number of individuals entering training, it has had a significant influence on the type of training undertaken. There has been a marked shift away from general trades and plumbing trades toward engineering, electrical and civil trades. This effect is particularly marked in regions directly exposed to resources investment such as Central Queensland and Mackay. These compositional movements illustrate how training is responding to a changing profile of labour demand in light of resource-related activity. The changing investment cycle will likely prompt an answering change in the composition of the pipeline as residential and commercial sector activity increases from previous lows.

Introduction cont.

SKILLS REFORM

Skills reform is converging in the national and state arenas.

Nationally, a VET Reform Taskforce has been established to work with state and territory governments, training providers, industry groups, employers and other stakeholders throughout 2014 to identify opportunities to reform the VET system.

In Queensland, VET sector reform is being driven by the state government's reform action plan "*Great skills. Real opportunities*". The Skills Reform Board and the Ministerial Industry Commission have key roles in shaping the implementation of the reform measures in Queensland.

Current skills reform is focussed on the following key themes:

- **Entitlement** — aimed at improving access to training for students wanting to gain their first certificate III qualification, with certificate III qualifications emerging as the minimum qualification needed to achieve a rewarding career. The entitlement model implemented in Queensland is the Certificate 3 Guarantee Program which makes available industry priority qualifications at subsidised costs.
- **Contestability** — training funding will be made available to provide the public with greater choice and the best possible solution at the best possible price. In Queensland, a contestable training market has been in place for some years under the User Choice program which funds apprenticeship and traineeship training. Contestability has now been further extended under the Certificate 3 Guarantee Program.
- **Co-contribution and co-investment** — governments are increasingly funding training and skilling initiatives on the basis of co-investment from participants, industry or employers as a means to reinforce confidence in the value and benefit of training.
- **Income contingent loans (VET FEE-HELP)** — similar to the Higher Education Contribution Scheme HELP (HECS-HELP), VET FEE-HELP allows students to borrow funds to help pay for all or part of their tuition fees for Diploma and Advanced Diploma qualifications. A number of states including Queensland have agreed to participate in a trial to extend VET FEE-HELP to some Certificate IV qualifications in aged care, disability, building and construction, engineering and small business management. The trial commenced in Queensland at the beginning of 2014 with TAFE delivering courses under these arrangements, however this will be opened up to contestability from 1 July 2014.
- **Employment focused outcomes** — VET graduates gaining employment at the completion of training is a key focus for government at all levels. Under the "*Great skills. Real opportunities*." action plan, the Queensland Government's training investment will be focused on priority qualifications that provide students with the skills needed by the economy (particularly jobs in the Government's four economic pillars), that directly lead to employment or career development.
- **Industry-centric** — despite attempts by government to place industry at the centre of the VET system, it is still perceived as a system that is driven by training providers. Entitlement, contestability and co-contribution go part way to placing the decision-making into the hands of the end user, but an industry-centric model requires industry to be given greater responsibility for determining its own skills needs. This will require industry to take greater ownership of their own skills development. "*Great skills. Real opportunities*." aims to place the needs of students and employers at the centre of Queensland's training system and to provide for a genuine partnership between industry, employers and government. A new Ministerial Industry Commission will advise government on the state's

priorities for funding qualifications that match training with job opportunities.

The Queensland Government has also committed an additional \$86 million over six years to create an extra 10,000 apprentice and trainee commencements. Employers will be supported to create additional places and apprentices and trainees will be supported to take up new employment opportunities. With construction being one of the four economic pillars, it is expected that a significant proportion of these additional apprentices and trainees will be found in this industry sector and CSQ will work with the Government to assist in achieving this target.

The changing skills landscape and current reform agenda has implications for CSQ and we will continue to work closely with government to deliver a seamless, complementary and targeted service to the building and construction industry by leveraging investment opportunities and avoiding duplication of effort.

CSQ's renewed approach to policy setting, program design and skills investment is closely aligned to current skills reform directions and is based upon the following key principles:

- Industry-led
- Evidence-based
- Co-invested
- Contestable
- Performance and employment outcomes based
- Leveraged investment and service.

The changing skills landscape and current reform agenda has implications for CSQ and we will continue to work closely with government to deliver a seamless, complementary and targeted service to the building and construction industry by leveraging investment opportunities and avoiding duplication of effort.

Annual Training Plan Industry Consultation



Each year, CSQ works to ensure that the Annual Training Plan is informed by evidence based research and analysis which is tested with the industry and our key stakeholders through a continual process of consultation. Industry feedback is crucial to ensure that the strategic intent and program and service delivery outlined in this year's plan reflects the wider economic conditions and industry's priorities.

Consultation on this year's Annual Training Plan employed different mechanisms to gather industry feedback including one-to-one, one-to-many, and broadcast approaches.

In March, CSQ conducted the Building and Construction Industry Survey to assess stakeholder perspectives and priorities regarding skilling in the industry. A total of 912 surveys were completed by employers, employees, industry associations and training providers from across every sector of our industry and region in Queensland.

Survey respondents indicated that the main issue for the industry overall is developing existing workers (46%) and retaining existing workers and apprentices in the industry (33%). Attracting workers to the industry is still seen as a focus particularly in areas outside of Brisbane, most notably Wide Bay, Mackay and the Sunshine Coast. Retaining workers declined as an issue relative to the size of the organisation with smaller businesses appearing to have greater difficulty (or fewer options to alleviate) retaining workers than larger organisations.

Almost a third of respondents identified that they were concerned about the quality of the training and skills of workers in the industry and of the impact that the lack of continuous work in the industry has on the capacity to train workers and employ apprentices and trainees. This last point was reflected in responses to the barriers that exist for employing apprentices which was overwhelmingly cited as a lack of continuity of work.

Respondents identified that the largest barrier to training in the industry is the cost of training (32%), closely followed by the time required for training (30%). Consultation with the industry has also indicated that these two barriers are closely related to each other, as time away from work means an indirect cost for the employer due to productivity loss. The availability of training locally (16%) is also related to the aforementioned two barriers, as productivity loss increases the further the student has to travel for their education. The quality of training (20%) is a different barrier that has attracted a lot of individual comments as a large percentage of respondents commented that it is too hard to find quality training providers in their region.

Annual Training Plan Industry Consultation cont.

In addition to the survey, group consultation sessions (one-to-many) were conducted in Brisbane and regional Queensland during March and April. Regional sessions were held on the Gold Coast, Sunshine Coast and in Ipswich, Toowoomba, Bundaberg, Mackay, Gladstone, Rockhampton, Townsville and Cairns. These sessions included a representation of our industry clients and stakeholders including:

- Employers and employees
- Peak industry bodies
- Industry associations
- Employer and employee associations
- Industry regulators and licensing authorities
- Registered training organisations
- Australian Apprenticeships Centres
- Group Training Organisations
- Government representatives.

Consultations with stakeholder groups mirrored the industry questions used in the electronic survey. During these sessions, CSQ talked directly to key building and construction stakeholders to elicit more detailed responses.

Other consultation sessions and ongoing networking by CSQ's industry engagement officers in late 2013 and early 2014 were also included in the analysis, together with an internal consultation process to gather and harness the internal market intelligence held by CSQ team members.

Ongoing one-to-one meetings with key stakeholders were also captured in the process.

Feedback from industry consultations has influenced the core programs in this year's Annual Training Plan and will shape our service delivery during 2014-15.

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Core Programs For 2014-15



Core Programs for 2014-15 cont.

This Annual Training Plan allocates funding for programs and initiatives that support building and construction skills development and help to grow the industry. The core programs in this plan reflect the emerging market conditions and combine feedback from our industry consultation with learnings from program implementation.

CSQ ensures that evidence based decision making underpins policy development and program design. The core programs focus on real industry outcomes and leverage industry investment in skills development. The programs this year include

new components that encourage participant contribution to the cost of their own skilling and a renewed focus on employment outcomes for the industry. The effectiveness of our programs will be measured through rigorous program evaluation and the way we procure training will continue to be done on a contestable basis to ensure that we get value for money for industry. We will also expand open, contestable processes to other parts of our operations such as sponsorships and other service delivery.

CSQ's core programs focus on attracting, developing and retaining new entrants and existing workers to underpin the future prosperity of building and construction in Queensland.

ATTRACT

inspiring and providing pathways for talented people to join the building and construction industry

The building and construction industry is one of the four pillars of the economy under the Queensland government's future economic plan. The industry employs approximately 240,000 workers, making the sector one of the largest employers in Queensland.

The building and construction industry needs to attract new recruits every year to meet the increased demand for skills and to replace those leaving the sector. The industry has positioned itself as an attractive option for new entrants, however the sector needs to fill a diverse range of positions, not all of which are known nor understood by career seekers and other influencers.

Technological changes and increasingly sophisticated building techniques are influencing the types of candidates employers are looking to recruit. Not only do candidates need to have sound literacy and numeracy and be willing to travel and do physically demanding jobs, but now they must also be

increasingly flexible, adaptable and willing to learn. There remains a need to broaden the pathway of candidates into construction across Queensland and across trades.

Our approach will include forming strategic partnerships with employers, industry, schools, careers services, registered training organisations (RTOs) and other stakeholders to:

- Raise the profile of the range of careers in construction and promote these to the wider community through high quality careers information, advice and guidance;
- Provide skills pathways for career seekers and new entrants to join the construction industry;
- Front load new entrants with entry level skills appropriate to industry requirements and direct experience working in the industry; and
- Foster and support the transition into employment in the Queensland construction industry.

DEVELOP

providing training solutions and leveraging investment in skills to increase the capability of the existing building and construction workforce

A strong, safe, growing sector relies on constant up-skilling, re-skilling and cross skilling that ensures that the workforce is adapting to changing products and methodologies, changing consumer demands, new legislative requirements and new technologies. CSQ is committed to ensuring that levy funds are reinvested to increase the capability of the existing building and construction workforce where and when it is needed.

Apprenticeships and traineeships are a priority for CSQ as they represent the primary skills pathway for the supply of new tradespeople to the Queensland building and construction industry. CSQ employs strategies to support apprentices, trainees and their employers throughout the duration of their training contract.

In addition, we have a range of programs to up-skill existing building and construction workers to ensure they have access to training to gain relevant qualifications and meet safety and licensing

requirements. Funding is also provided for a number of higher level post-trade qualifications.

CSQ also wants to encourage individuals and employers to invest in their own skilling. Existing workers participating in CSQ programs may be required to make a financial contribution towards the cost of their training as an investment in their future.

We will support the industry by signposting pathways, programs and support available through our strategic partners, providing research and evaluation on the labour market, industry activity and forecasts, as well as sharing information on emerging new markets, best practice and innovation.

We will also influence the quality of apprenticeship, traineeship, pre-trade and post-trade training available to the industry by working in partnership with relevant National Industry Skills Councils, regulators, training providers and the government.

RETAIN

helping the sector to develop strategies to keep talented people in the building and construction industry

According to NCVER data, only 40.6% of Queensland's construction industry apprentices and trainees commencing in 2008 completed their apprenticeship or traineeship compared to a national figure of 42.5%. Whilst this figure fails to capture apprentice and trainee recommencements back into an apprenticeship or traineeship with another employer, attrition from apprenticeships and traineeships remains a challenge for the industry and retaining apprentices and trainees remains a key focus for CSQ.

Research indicates that wages generally have a minimal impact on completion rates, with apprentices and trainees more concerned with their work environment, working relationships and the quality of training. The key is to understand the reasons apprentices and trainees do not complete their training and to put in place strategies with industry that help address some of these motives.

CSQ will assist the industry to maximise the retention of existing workers, apprentices and trainees through these programs. We will also undertake research, analysis and evaluation to identify best practice and disseminate learnings widely with industry.

Annual Training Plan Budget for 2014-15



Table 1 provides a summary of the budget figures for the core programs and for other expenditure to support the operations of CSQ. Over \$45 million will be allocated to support building and construction training and workforce development in 2014-5. This is a decrease on the budget allocation for 2013-14, and reflects a decline in projected levy collections that is directly correlated to the reduction in the number of new major projects across the state.

Table 1 - Annual Training Plan Budget Summary

	2013-14	2014-15	Notes
Pre-Trade – D2C and D2CC	\$1,700,000	\$200,000	(1)
Pre-Trade – TradeStart	\$1,400,000	\$1,400,000	
Pre-Apprenticeship Employment Incentive	\$850,000	\$680,000	
Try'a Trade	\$300,000	\$300,000	
Skills Assessment and Gap Training	\$4,100,000	\$4,100,000	
Civil Construction Training	\$3,300,000	\$3,300,000	
Higher Level Skills	\$7,900,000	\$6,840,000	
Short Courses	\$9,400,000	\$8,150,000	
Student Contribution Fees	\$4,500,000	\$4,000,000	
Apprentice Recommencement Incentive	\$2,500,000	\$1,250,000	(2)
Industry Coordinator Support	\$2,895,000	\$2,000,000	
Construction Futures	\$2,875,000	\$4,160,000	(3)
Marketing and Communication	\$2,300,000	\$2,300,000	
Finance and Administration	\$1,100,000	\$1,100,000	
Strategy and Engagement	\$6,600,000	\$4,500,000	(4)
QLeave Levy Administration Fee	\$820,000	\$820,000	
TOTAL	\$52,540,000	\$45,100,000	

Notes:

- (1) The reduced investment in 2014-15 will provide the same level of pre-apprenticeship places as was provided in 2013-14 for young people using a CSQ in-house program delivered by our expert Pre-Trade Team in close partnership with D2C and D2CC schools. D2C and D2CC programs will not be contracted out to RTOs in 2014-15.
- (2) The Apprenticeship Recommencement Incentive was introduced to counter the impact of the GFC on apprentice and trainee cancellations. The reduced investment in this budget reflects the change in the current economic climate.
- (3) Construction Futures incorporates Innovation Funding, Strategic Projects, Participation, Building and Construction Industry Training Policy.
- (4) The budgets for Industry Engagement Services, Strategy and Research and development have been combined this year. The overall 2014-15 budget represents a \$2.1 million reduction across these functions.

Funding for Core Programs



DOORWAYS 2 CONSTRUCTION PROGRAMS

INVESTMENT: \$200,000

Aim: To provide employers with job-ready high school students looking to enter the building and construction industry

Doorways 2 Construction (D2C)

D2C is a school-based pre-apprenticeship construction training program. It provides a broad and general introduction to the construction industry for school students.

The program gives new entrants a solid foundation of skills, knowledge and experience, which may provide a pathway into the building and construction industry.

The D2C program involves two essential components:

- An entry-level qualification in general construction; and
- Structured workplace learning, which is work experience undertaken on a construction work site.

Doorways 2 Civil Construction (D2CC)

The D2CC program is a school-based pre-apprenticeship civil construction training program. It is a solid foundation of skills, knowledge and experience, which may provide a pathway into the civil construction sector of the industry.

The D2CC program involves two essential components:

- An entry-level qualification in civil construction; and
- Structured workplace learning, which is work experience undertaken on a civil construction work site.

CSQ has selected and works with partner schools to deliver D2C and D2CC programs with specialist support from our pre-trade team. We will work to build even stronger relationships with our schools and assist in better targeted recruitment into these programs to maximise employment outcomes for the building and construction industry.

CSQ actively attracts new entrants to the industry across the state, but also recognises that demand for skills varies across geographic locations. Therefore CSQ will focus D2C and D2CC activity strategically where industry needs it most.

Funding for Core Programs cont.

TRADESTART INVESTMENT: \$1,400,000

Aim: To provide employers with job-ready individuals looking to enter the building and construction industry

TradeStart (General Construction)

TradeStart (General Construction) is a pre-employment program which introduces individuals who are not school students to a range of general construction occupations in the building and construction industry. The program is designed to attract those individuals interested in building and construction who are not currently in school or part of the industry and would like to be.

The program involves three essential components:

- An entry-level qualification in general construction;
- Employability skills, including life skills; and
- Structured workplace learning, which is work experience undertaken on a construction work site.

The program will provide new entrants with job-ready skills to assist them to obtain employment in the building and construction industry.

TradeStart (Civil Construction)

TradeStart (Civil Construction) is a pre-employment program which introduces new entrants who are not school students to a range of civil construction occupations in the building and construction industry. The program is designed to attract those individuals interested in building and construction who are not currently in school or part of the industry and would like to be.

The program involves three essential components:

- An entry-level qualification in civil construction;
- Employability skills, including life skills; and
- Structured workplace learning, which is work experience undertaken on a construction work site.

The program will provide new entrants with job-ready skills to assist them to obtain employment in the civil construction sector of the industry.

PRE-APPRENTICESHIP EMPLOYMENT INCENTIVE INVESTMENT: \$680,000

Aim: To provide eligible employers with an incentive to employ an individual who has participated in a D2C, D2CC or TradeStart program into an apprenticeship or traineeship

Financial incentives will be paid directly to eligible employers who recruit an individual who has participated in a D2C, D2CC or TradeStart or other approved program into a building and construction apprenticeship or traineeship. This is a financial incentive available to eligible employers to encourage uptake of students and put them on a path within the industry.

TRY'A TRADE INVESTMENT: \$300,000

Aim: To provide young people with career advice and the opportunity to sample a trade in the building and construction industry

Try'A Trade is an initiative that allows students the opportunity to “have a go” at different trades. Attendees at Try'A Trade events can experience a trade and gather invaluable career advice from apprentices, trainers, local employers and industry representatives.

CSQ will partner with Worldskills to deliver an interactive program that allows attendees to try their hand at various skills within trade areas and gain some of the basic techniques involved within a range of fields. Try'A Trade events are targeted towards current school students and career seekers and are aimed at sparking an interest and developing the skills of the next generation.

SKILLS ASSESSMENT AND GAP TRAINING INVESTMENT: \$4,100,000

Aim: To provide a pathway for eligible workers to have their existing skills recognised, and provide the gap training required to achieve nationally recognised qualifications within the building and construction industry

The Skills Assessment and Gap Training program provides funding to eligible RTOs to deliver training and assessment services to enable existing workers and new entrants to have their skills and experience recognised, and to provide the gap training required to obtain a building and construction qualification.

CIVIL CONSTRUCTION TRAINING INVESTMENT: \$3,300,000

Aim: To provide a pathway for eligible new entrants and existing workers in the building and construction industry to obtain a nationally recognised civil construction qualification

The Civil Construction Training program provides funding to eligible RTOs to deliver civil construction qualifications to new entrants and existing workers in the building and construction industry. The program is delivered in partnership with the Queensland Department of Education, Training and Employment under a co-investment model.

This program will provide a pathway for eligible individuals to have their existing skills recognised and provide the gap training required, to achieve nationally recognised civil construction qualifications.

Funding for Core Programs cont.

HIGHER LEVEL SKILLS INVESTMENT: \$6,840,000

Aim: To provide a higher level skills development pathway to eligible existing workers in the building and construction industry to assist career advancement

The Higher Level Skills program provides funding to eligible RTOs to deliver higher level qualifications (Certificate IV and above) to existing workers in the building and construction industry to enable them to develop and expand their existing skills and experience.

Construction workers who want to further develop their skills through higher level vocational training in the industry will be provided with training and assessment in a range of qualifications that are linked to industry demand.

This program will target skilled workers who want to increase their depth of knowledge and possibly transition into higher level roles. This initiative also provides a response to emerging skills and labour shortages by facilitating access to training for those who are currently under-employed that will assist them to move within the building and construction industry.

SHORT COURSES INVESTMENT: \$8,150,000

Aim: To provide eligible existing workers with access to building and construction training to enable them to comply with the licensing, regulatory and safety requirements of the industry

The Short Courses program provides funding to eligible RTOs to deliver training to eligible workers, which focuses on the licensing, regulatory and safety requirements of the building and construction industry.

The Short Courses program will provide funding to assist with the up-skilling and cross skilling of existing workers in the Queensland building and construction industry. This training will focus on the safety requirements of the building and construction

industry and associated requirements of licensing and regulatory authorities such as Workplace Health and Safety Queensland, Queensland Building and Construction Commission and National Occupational Licensing.

The availability of this training may also assist existing workers to move within the building and construction industry to respond to emerging skills and labour shortages.

STUDENT CONTRIBUTION FEES

INVESTMENT: \$4,000,000

Aim: To make a contribution towards the training costs for eligible apprentices and trainees within the building and construction industry

To support eligible apprentices and trainees, the Student Contribution Fees (Tuition Fees) program will provide targeted funding for the tuition fees for apprentices and trainees as part of their User Choice funded apprenticeship or traineeship qualification.

The intent of this program is to minimise the financial impact of training costs for eligible building and construction apprentices and trainees.

APPRENTICE RECOMMENCEMENT INCENTIVES

INVESTMENT: \$1,250,000

Aim: To support the uptake, retention and completion of building and construction industry apprenticeships and traineeships by providing an incentive to eligible employers recommencing an out of trade apprentice or trainee

CSQ will support out-of-trade apprentices and trainees by providing an incentive to eligible employers who recommence a first or second year out-of-trade apprentice or trainee.

If an employer takes on an out-of-trade apprentice or trainee it helps keep skilled workers in the building and construction industry. It is also a great way for an employer to get a skilled apprentice or trainee who is ready, willing and able to get back on the tools and complete their apprenticeship or traineeship.

INDUSTRY COORDINATOR SUPPORT

INVESTMENT: \$2,000,000

Aim: To support the uptake, retention and completion of building and construction industry apprenticeships, traineeships and skills development by providing seed funding to eligible employers and industry bodies

Apprentices and trainees are the future of the Queensland building and construction industry. CSQ recognises that finding, retaining and managing apprentices and trainees day-to-day is hard work.

CSQ provides seed funding to assist in establishing enterprise based Apprentice Coordinators and sector-wide Apprentice Support Officers who provide crucial mentoring and support to apprentices and trainees in the workplace.

Funding for Core Programs cont.

CONSTRUCTION FUTURES INVESTMENT: \$4,160,000

Aim: To support strategic opportunities, participation and innovative responses to emerging issues in the building and construction industry

Construction Futures includes the following key elements:

- **Pilot Projects** - CSQ will identify and collaborate with partners on projects that support new, changed or improved processes, products or ways of doing things that are emerging as a catalyst for industry growth, and that will have an impact on the skills needed in the sector.

These projects will:

- o build the capacity of the industry to respond to new and emerging technologies, work methodologies and practices;
- o have application across the industry or an industry sector, not just a single enterprise;
- o be new projects that cannot be met through core CSQ funded programs; and
- o maximise the opportunity for leveraging and co-investment of funds, resources and goodwill between parties where possible.
- **Strategic Projects** - CSQ will continue to partner with major contractors on key projects that are of strategic importance to the Queensland economy and are aimed at training and skilling the workforce to meet the needs of the project (including the principal contractor and subcontractors). The work CSQ will do in this area will include, but not be limited to, the Workforce Training Coordinator program to provide seed funding to large employers and strategic projects to establish an in-house Workforce Training Coordinator to coordinate building and construction training and skills development.

- **Training Policy** - CSQ will continue to administer the Queensland Government Building and Construction Training Policy (Training Policy, previously 10% and 20% Training Policies) as a means of contributing towards increasing apprenticeships and skills development in the building and construction industry. This will include the development of a new technology web-based system to support the administration, monitoring and reporting requirements of the Training Policy.
- **Participation** - To ensure that our industry has a workforce that is made up of workers with the right attitude, aptitude, skills and training, CSQ will work with industry to encourage the entry, participation and retention of workers from a broad range of backgrounds including women, mature-aged and Indigenous people. CSQ will develop partnerships with industry and work from within enterprises to ensure that broad participation is encouraged through recruitment, selection, training and development and retention practices. This will help create a working environment within the industry that values and utilises the contributions of people with different backgrounds, experiences and perspectives.

MARKETING AND COMMUNICATIONS INVESTMENT: \$2,300,000

Aim: To provide the building and construction industry, potential workers, our stakeholders and partners with important information about the industry

CSQ's marketing and communications function plays a critical role in engaging with the industry and disseminating key information to our clients.

Our investment in marketing will include:

- A new, easy to navigate website as a portal for the industry to access information about CSQ's programs as well as a single point of focus for the latest information on skills and training for the construction workforce, important industry developments, networking opportunities and events;
- A new digital media strategy that will help connect CSQ and provide greater market reach;
- Different ways of engaging and connecting with our stakeholders to share and promote industry news and to highlight the individuals, employers and contractors who are helping us to create a culture of training in the industry;
- Promoting the industry to inspire people to consider a career in construction;
- Developing strategic, targeted partnerships;
- Providing a single point of contact for our customers through our in-house Customer Support Centre; and
- Our annual CSQ Excellence Awards, which recognises and celebrates key skilling achievements in the building and construction industry.

FINANCE AND ADMINISTRATION INVESTMENT: \$1,100,000

Aim: To support the efficient, responsible and sustainable management of CSQ operations

The Corporate Services team is responsible for a range of functions which support the efficient management of CSQ financial and business support operations, including:

- Financial and budgetary management and reporting;
- Management of human resources and business support services, information and communication technology, and facilities;
- Training procurement, contract management and validation of program payment data; and
- Legal and governance services.

CSQ continues to invest in the development and implementation of management systems to maximise the efficiency of its data management and finance processes.

CSQ programs are managed through a competitive and transparent procurement strategy. CSQ contracts RTOs to deliver training and assessment services to meet the needs of the building and construction industry in Queensland. This process enables eligible participants to select a preferred training provider from a list of RTOs contracted for the delivery of CSQ funded training programs.

Funding for Core Programs cont.

CSQ is committed to ensuring the trust fund is expended through equitable, transparent and proficient governance. The legal team delivers expertise regarding CSQ's contractual, legal, risk and corporate governance frameworks, while supporting corporate efficiencies and commercial innovation.

The budget allocation for finance and administration represents a contribution towards the cost of the CEO office and the Corporate Services division with remaining costs offset by investment earnings.

The CEO and the Chief Financial Officer are responsible for maintaining financial accountability and governance in accordance with the Trust Deed and regularly report to the Board. Annual financial statements are prepared in accordance with International Accounting Standards and are audited by the Queensland Audit Office.

STRATEGY AND ENGAGEMENT INVESTMENT: \$4,500,000

Aim: To provide information and an evidence based approach to skills investment, program design and policy decision making through research, analysis and industry engagement

CSQ utilises evidence based decision making to implement informed business strategies, skills investment, program design and policy decision-making. By developing new and innovative approaches to planning, forecasting, evaluation, analysis and applied research, as well as a refreshed approach to industry engagement, CSQ will foster a more effective two-way communication between CSQ and the building and construction industry's key stakeholders.

Our new and multi-pronged approach to engaging with industry will combine face to face engagement with other ways of connecting, facilitating, influencing and informing. Through this approach, CSQ will guide, facilitate and empower industry to take ownership of its own workforce development issues, gather intelligence on the needs of industry, and disseminate key information.

Through our research and ideas generation and dissemination, CSQ will clearly and succinctly express issues that are relevant to the industry's future workforce planning and development needs and

work with our industry and government partners to develop and mobilise solutions.

We will build on our reputation to become a trusted advisor for industry and to the government on matters to do with strategic workforce development within the Queensland building and construction industry. This will also empower CSQ to speak on behalf of industry on matters of strategic policy and VET reform from an informed standpoint, which reflects the views of industry.

Our strategy and engagement capability will improve our ability to return value to the industry through well informed decisions about how and where the fund is best invested. It will also provide an important central source of industry knowledge and information to our stakeholders to assist them in making better business decisions. We will do this via regular updates, regional and sectoral profiles, special reports, case studies, discussion papers, forums and through our industry engagement team.

About CSQ



About CSQ

THE BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND

The Building and Construction Industry Training Levy (the levy) was established under the *Building and Construction Industry (Portable Long Service Leave) Act 1991 (Qld)*. The Building and Construction Industry Training Fund (Qld) ("Trust"), acts as the corporate trustee of the Trust and trades as Construction Skills Queensland (CSQ).

The levy is payable on all building and construction work in Queensland where the total cost of work, whether direct or indirect, is \$80,000 or more, inclusive of GST. The levy is 0.1% of the cost of the work, and is exclusively an industry contribution for the benefit of the building and construction industry. The levy is collected from the building and construction industry by QLeave on behalf of the Trust under an agency agreement.

CSQ invests funds collected by the levy into services, programs and initiatives that directly support the industry skills base. CSQ represents a hub for industry and government engagement, empowering stakeholders through a responsive engagement model.

THE CSQ BOARD

The CSQ Board is appointed by the Minister for Education, Training and Employment and brings together a broad range of knowledgeable and experienced business and industry people. The Board provides CSQ with strategic direction and advice and ensures that the levy funds are invested wisely, in a fiscally responsible manner and in line with industry needs.

The Board members are:

Mr Graham Carpenter (Chairman)

Mr Keith McIlwain

Mr Warwick Temby

Ms Jodi Schmidt

Mr Greg Quinn

Mr Ben Swan

Mr Greg Simcoe

CSQ Executive

Mr Brett Schimming, Chief Executive Officer

Mr Geoff Clare, Chief Financial Officer and General Manager Corporate Services

Mr Paul Hodgson, General Manager, Strategy

INDUSTRY ENGAGEMENT STRATEGY THE WAY FORWARD

From 2014, CSQ will engage with our industry in new ways, via a range of vehicles, using a whole-of-organisation approach to engagement.

Our industry engagement officers will continue to work with industry in the four strategic areas of Pre-Trade, Major Projects, Participation Programs, and Regional Industry Engagement covering South East Queensland, Central Queensland and North Queensland.

We will extend our reach by leveraging our marketing capability, including our digital media, customer support centre, events and awards to connect and exchange information with our customers. Our strengthened partnerships with important stakeholders will provide further opportunities to involve industry. Likewise, our research and strategy formation expertise will provide possibilities to gather and share learnings about what our industry's emerging and future workplaces will look like and the skills that will be needed in these workplaces.

This new model of industry engagement is illustrated in the diagram below:



This engagement will:

- Leverage partnerships with existing and new industry groups to allow greater access to industry employees and employers;
- Connect with industry to identify industry's goals and aspirations;
- Facilitate and connect industry with people, funding, programs, knowledge and other support that can assist them; and
- Foster a culture of open communication and collaboration.

HOW TO GET INVOLVED

Contact our Customer Support Centre on
1800 798 488

Go to our website **csq.org.au**

Like us on Facebook



/mycsq

Follow us on Twitter



/mycsq

Connect on LinkedIn



Search: Construction Skills Queensland

Subscribe to our YouTube channel



Search: Construction Skills Queensland

Subscribe to our newsletter for updates on the latest programs, important industry developments and events including awards and networking opportunities.

csq.org.au