



# BORN TO BUILD

JANUARY 2021  
FUNDING SUBMISSION



MASTER BUILDERS  
SOUTH AUSTRALIA

## Contents

|   |               |
|---|---------------|
| BACKGROUND: Who are we? The importance of the building and construction industry to South Australia's economy | <b>Pg. 3</b>  |
| The looming skills crisis   | <b>Pg. 4</b>  |
| How Master Builders SA can partner with the Marshall Government to boost apprenticeships and skilled careers  | <b>Pg. 9</b>  |
| What is <i>Born to Build</i> ?  | <b>Pg. 12</b> |
| Our proposal  | <b>Pg. 15</b> |

## **BACKGROUND: Who are we? The importance of the building and construction industry to South Australia's economy**

Established in 1884 as the peak body representing South Australia's building and construction industry, Master Builders SA is committed to building a highly productive industry and a prosperous South Australian community and economy.

The building and construction industry undertakes about \$12 billion of work every year, contributing more than \$1 for every \$7 of economic activity within the State. Indirectly, more than one-quarter of South Australia's wealth is produced by the building and construction industry.

As at November 2020 there were 75,609 South Australians directly employed in the construction industry across all sectors, including residential, commercial, civil engineering, land development and building and completion services. Indirectly, the industry supports tens of thousands more South Australian jobs.

Master Builders SA is proud of the industry it represents, the jobs it creates, the more than 10,000 homes members built and extended for South Australians last year, the outstanding health, education and sporting facilities they have constructed, and the offices they have built for South Australian businesses.



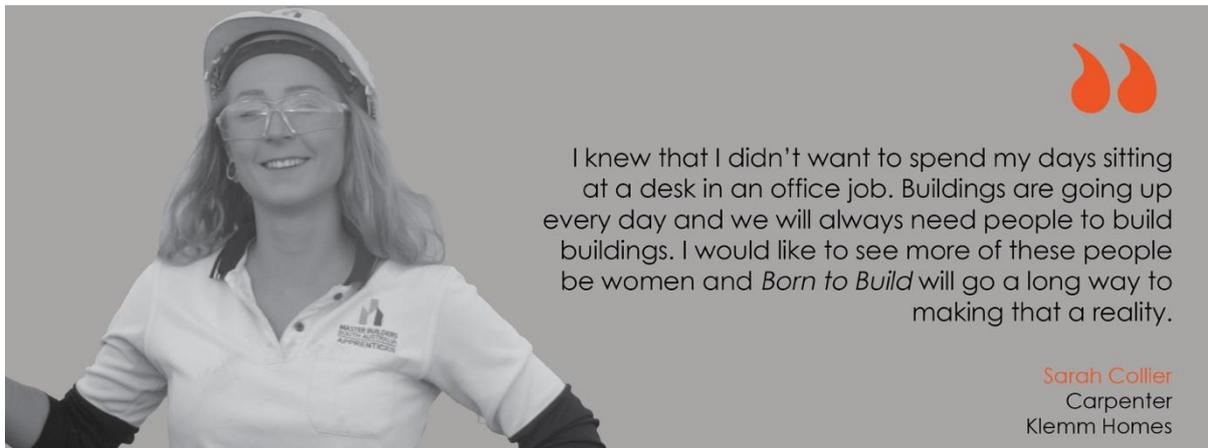
The *Born to Build* concept is a no-brainer to me. Starting my career as an apprentice bricklayer, I know that having a trade can open up a lot of opportunities. I had two sons come out of high school with the misguided perception that if you don't go to university, you're a failure. Getting to schools and opening the minds of the students to the idea that an apprenticeship in the building industry is a positive avenue to a successful career is imperative.

**Dino Pietrobon**  
Chief Executive Officer  
Bianco Construction Supplies

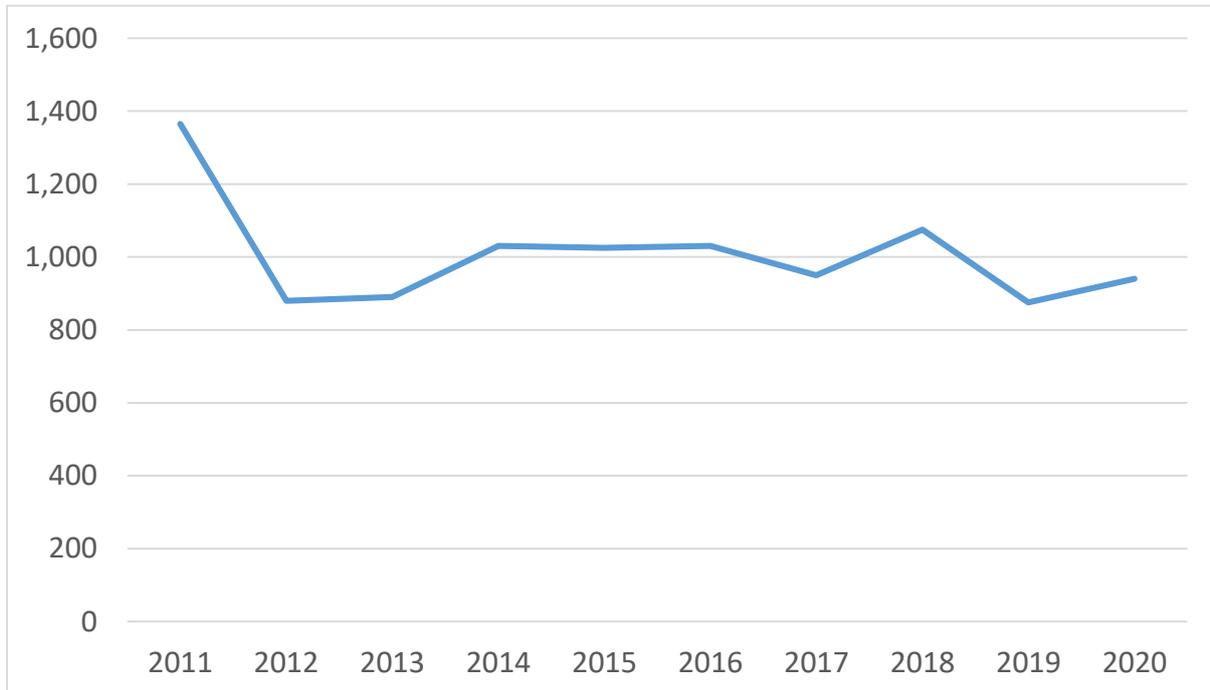
## The “looming skills crisis” is already here

South Australia's building and construction industry is focused on the development and transfer of skills into a life-long career. Master Builders SA strongly supports the Marshall Government's focus on promoting apprenticeships, in particular pathways between high school, vocational education and training. The \$200 million *Skilling South Australians* program has helped South Australia outperform the nation in apprenticeship and traineeship commencements.

Unfortunately, this area was so badly neglected in recent years that even with the best efforts of the Marshall Government our industry, South Australian businesses and homebuyers are still suffering the consequences of this unwanted legacy<sup>i</sup>. Between 2011-2017, apprentice and trainee commencements in the construction industry decreased from 1365 to 950 (-30.4%)<sup>ii</sup>.



### Apprentice and Trainee Commencements – Construction, South Australia (Source: NCVET, National VET Provider Collection)



Furthermore, between 2011-16 the number of students enrolled in VET courses related to the construction industry decreased by 25.9% to 7,080. In 2013 there were more than 12,000 students in VET courses related to the industry<sup>iii</sup>.

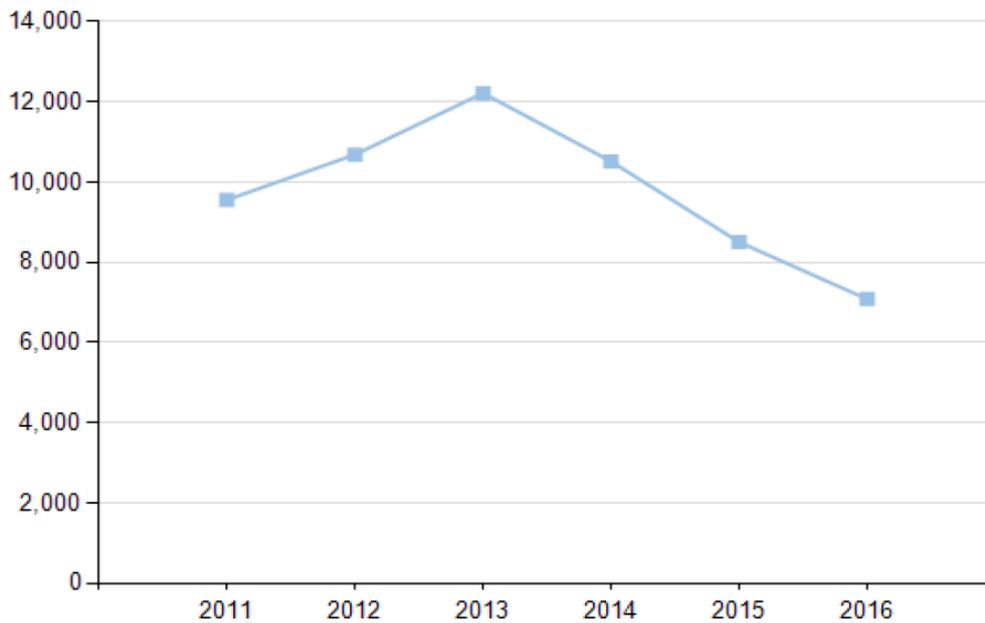


  
 Kemp Carpenters has worked closely with the MBASA GTO for over 20 years in providing apprentice training for our future trades people. The GTO system works fantastically for our company as they understand our needs and requirements and adjust accordingly. Undertaking an apprenticeship through MBASA provides the apprentice with quality well rounded training and peace of mind they will complete their apprenticeship if they put the work in.

**Kirk Burfoot**  
 Director  
 Kemp Carpenters

### Enrolments: VET courses related to construction, South Australia

(Source: NCVER, National Vet Provider Collection)



A shortage of quality trades is currently a massive issue for the residential building industry, which has been fueled by massive demand thanks to the hugely successful HomeBuilder scheme<sup>iv</sup>. By mid-January 2021 Revenue SA had received 7428 grant applications (the highest number out of any state relative to population size).

### Number of HomeBuilder applications received – January 2021

|                    | New Build     | Rebuild       | Total         |
|--------------------|---------------|---------------|---------------|
| New South Wales    | 8,714         | 4,973         | 13,687        |
| Victoria           | 17,382        | 4,213         | 21,595        |
| Queensland         | 13,507        | 3,106         | 16,613        |
| Western Australia  | 11,141        | 783           | 11,924        |
| South Australia    | 5,949         | 1,479         | 7,428         |
| Tasmania           | 1,521         | 291           | 1,812         |
| ACT                | 1,371         | 520           | 1,891         |
| Northern Territory | 178           | 15            | 193           |
| <b>Total</b>       | <b>59,763</b> | <b>15,380</b> | <b>75,143</b> |

There are now 8000 more South Australians directly employed in the building

and construction industry than there were in April last year. But despite this building jobs boom and the fact that for many years housing has been by far the largest sector for construction apprenticeships, it is still extremely difficult to get footings contractors and then carpenters, bricklayers, gyprockers and so on. These shortages are expected to blow out construction times for thousands of South Australians looking to build and renovate homes. In addition to frustrating delays Master Builders SA is concerned this trade shortage will lead to price increases. We are also concerned that rushed builds due to lack of trades will lead to building quality issues that will not reflect well on the industry. It is crucial that confidence in the building industry is maintained.

The latest Labor Market Research from the Department of Jobs and Small Business reveals a shortage of trained workers in virtually every area of the South Australian building and construction industry, including bricklayers, carpenters and joiners, glaziers, wall and floor tilers and painting trades workers<sup>v</sup>.

The recent Deloitte Business Outlook praised South Australia's recovery from COVID-19 but also noted that "**The... increasingly ageing population and a less skilled workforce need to be structurally addressed if the state is to see a sustained economic recovery into the future.**"<sup>vi</sup>

Strong demand for labour is definitely a reason why underemployment is less prevalent in the building and construction industry. According to the Australian Bureau of Statistics, in November 2020 full-time jobs made up 82.4% of total construction employment.



Inspiring high school students to choose a career in the building industry is the first step to an apprenticeship. The Master Builders *Born To Build* Program will bring our industry into the classroom and equip students to help build our great state.  
I'm on board!

**Andrew Marshall**  
Managing Director  
Marshall & Brougham Constructions

**Number of construction trades workers by detailed occupation level – August 2020**

|  |  | SA: unadjusted |
|--|--|----------------|
| <b>ANZSCO code</b>                                       | Construction Trades Workers – Total                                  | 20,501         |
| <b>3311</b>  | <i>Bricklayers and Stonemasons</i>                                   | 1,923          |
| <b>3312</b>  | <i>Carpenters and Joiners</i>  | 4,030          |
| <b>3310</b>  | <i>Bricklayers, and Carpenters and Joiners (not further defined)</i> | 168            |
| <b>3321</b>  | <i>Floor finishers</i>   | 282            |
| <b>3331</b>  | <i>Glaziers</i>  | 963            |
| <b>3332</b>  | <i>Plasterers</i>  | 1,178          |
| <b>3333</b>  | <i>Roof Tilers</i>   | 676            |
| <b>3334</b>  | <i>Wall and Floor Tilers</i>   | 1,350          |
| <b>3330</b>  | <i>Glaziers, Plasterers and Tilers nfd</i>                           | 0              |
| <b>3341</b>  | <i>Plumbers</i>  | 7,119          |
| <b>Construction Trades Workers (not further defined)</b> |  | 0              |




*Born To Build* is really important as apprentices are the lifeblood of our industry. Without suitably trained and experienced people coming through our industry will suffer badly. *Born To Build* will also help build the profile of being a tradesperson so that it clearly demonstrates it is a very worthwhile career option.

**Richard Bryant**  
 State Manager  
 Metricon Homes

## Master Builders SA wants to partner with the Marshall Government to boost apprenticeships and skilled careers

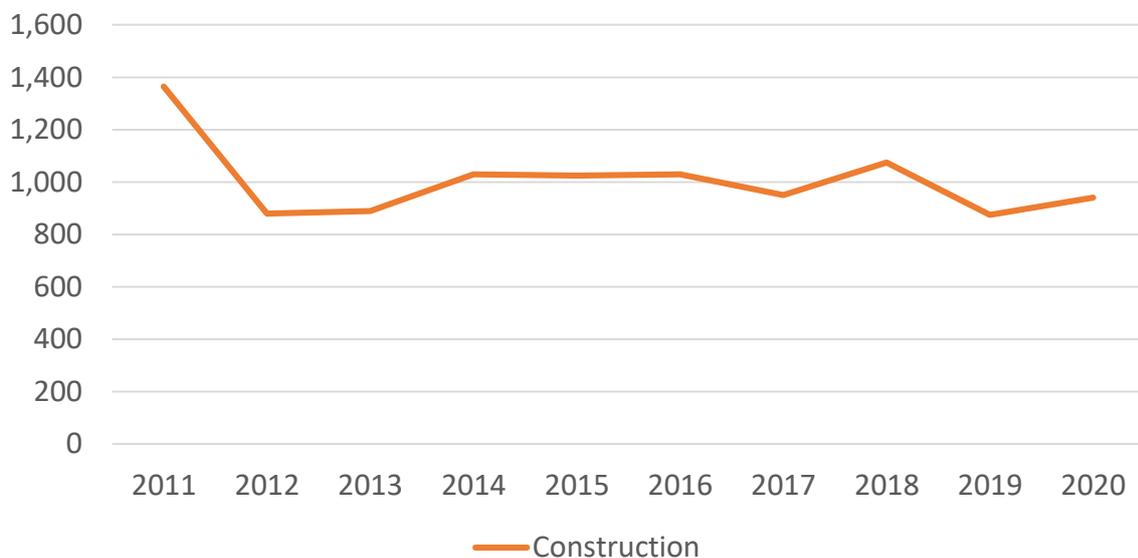
Master Builders SA believes the Marshall Government is on the right track with its focus on skilled careers. New policies that attract young people to quality training policies will add to this momentum and the ability of the building and construction industry to meet the demands of South Australians who expect high quality work to be completed within a reasonable timeframe and at a reasonable price.

The Master Builders SA GTO currently employs about 130 apprentices across a wide variety of trades including bricklaying, carpentry/joinery, painting and decorating, solid plastering, wall and ceiling lining, wall and floor lining, cabinet making, business administration, landscaping (traineeship) and concreting (traineeship). We pride ourselves on developing high quality tradies and our industry-leading 98% completion rate.

South Australia has not only reversed a 66 per cent decline in apprentice commencements between 2012-2018, it is now leading the nation in apprenticeship commencements – fantastic achievements. Unfortunately, building and construction is falling behind other industries when it comes to apprentice commencements.

| Commencements |      |      |      |      |         |         |
|---------------|------|------|------|------|---------|---------|
| 2016          | 2017 | 2018 | 2019 | 2020 | 2019-20 | 2016-20 |
| 1030          | 950  | 1075 | 875  | 940  | 7.7%    | -8.5%   |





Whilst there was a strong bounce back in construction trade commencements from 2019-20, for the period from 2016-20, the 8.5% decrease in commencements is more than across all industries (-6.5%). This confirms the ongoing challenge of getting young South Australians interested in learning a construction trade.

A recent experience highlighted the extent of the challenge. Last winter, with Australia in recession for the first time in 29 years and youth unemployment high, Master Builders SA had a vacancy for three bricklaying apprenticeships. For three months not one person applied. Eventually we were able to fill them, but this was very frustrating for the host employers and Master Builders SA.

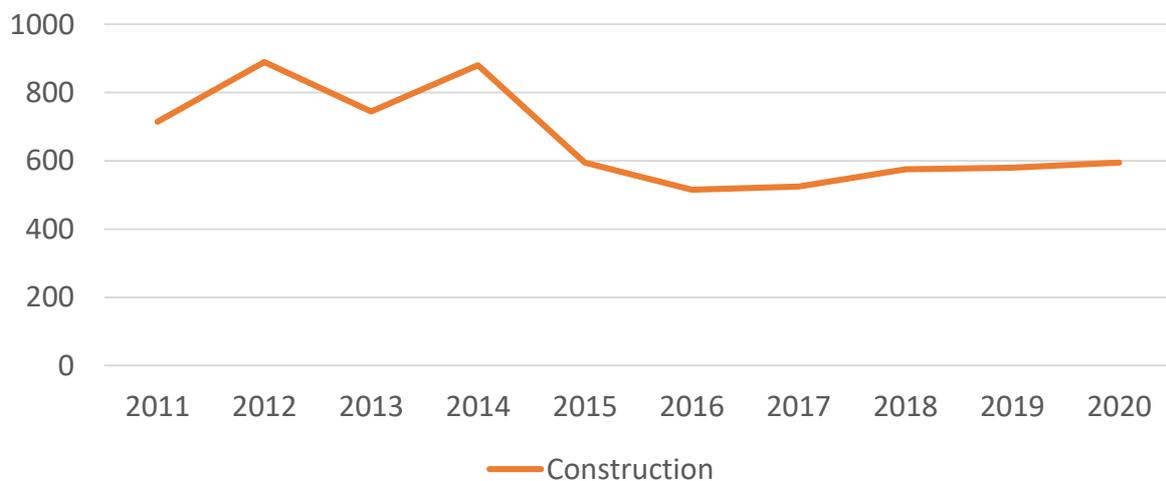
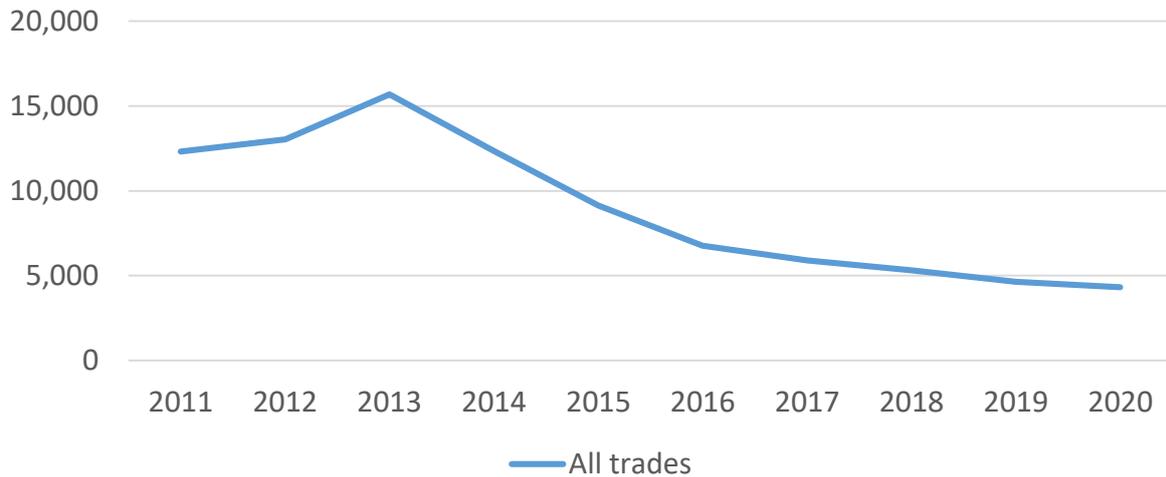
Master Builders SA wants our members to employ more South Australians so they are able to stay in their own communities and build the state's economy. A key component of that is to ensure young South Australians and their parents are properly aware of the technical opportunities that exist in the building and construction industry.

Too many high school career advisers are directing students away from trade training and into higher education, worsening the skills shortage. With more than 30 per cent of graduates finishing university with no immediate job prospects, young people should be encouraged to go where the work is. Demand for technicians and trade works in the construction industry has never been higher.

NCVER research demonstrates that getting young people through the door to start training in construction is the hardest part. When they do, they fare much better than most other industries at actually completing their training. The

completion rate for all industries was down 6.5% in 2019/20 and down 33% from 2016-20, but for construction they were up 3.1% and 15.2% respectively.

| Completions |      |      |      |      |         |         |
|-------------|------|------|------|------|---------|---------|
| 2016        | 2017 | 2018 | 2019 | 2020 | 2019-20 | 2016-20 |
| 515         | 525  | 575  | 580  | 595  | 3.1%    | 15.2%   |



Master Builders SA is the industry leader when it comes to completion rates. We are confident that once an apprentice is employed by our GTO they will usually complete their training and go on to be important contributors to the industry. The GTO model allows us to spread the risk, particularly where a host employer's work dries up, and enables a more well-rounded apprenticeship with many gaining experience in residential and commercial building. Currently Master Builders SA only has one apprentice on suspension. This keeps apprentices engaged and motivated and is why our completion rate is an industry-leading 98%.



## **What is *Born To Build*?**

Master Builders SA believes there needs to be a targeted focus on the building and construction industry to address the trends of falling apprenticeship commencements and skill shortages.

Conceived and evaluated by Master Builders SA, *Born to Build* is a crucial policy for the future of the industry and South Australia's economy. Being a tradesperson is an excellent career choice and this needs to be better communicated, and to a wider audience. Currently, there is a lack of awareness amongst high school students and parents. Many young people feel pressured to go to university because it is seen as more prestigious. There is a belief that university degrees give you more and better employment outcomes, but this is not reflecting the reality on the ground.

For far too long, trades have lacked presence in South Australian schools. That simply has to change if the supply line of adequately trained workers for the building and construction industry is to be increased. Master Builders SA's long-running and successful apprenticeship program aims to not only provide participants with life-long skills, but also connect them with a network of passionate industry advocates looking to develop the next generation of builders. We know that once we get young South Australians "in the door" to start an apprenticeship, we do an excellent job at ensuring they complete it. We just need to win more hearts and minds.

*Born to Build* is a marketing and awareness program that would be delivered by a full-time Master Builders SA Field Officer with a strong trade background. The Field Officer would be an exceptional communicator who is able to connect with and motivate persons from a wide variety of backgrounds to commence a construction apprenticeship. They would go out to schools and communities and promote the benefits of doing an apprenticeship, such as excellent pay

and the absence of student debt. Many of our members started out as apprentices and now run leading South Australian building companies. They are fantastic role models and as part of the *Born to Build* program we want to promote their success stories to inspire the next generation.

The general approach of Born to Build is already in place via the Construction Industry Immersion program between the Department of Education and commercial builders, assisted by Master Builders SA and in particular our President Andrew Marshall. This is a terrific opportunity to value add to the \$1.3 Billion Schools Capital Works program.

The program is providing secondary school students with a closer look at the construction industry and there has been excellent interest by contractors across more than 50 schools that have now commenced construction right across the state.

Master Builders SA believes there is a great opportunity to build on the Industry Immersion program and expand opportunities to train and work in skilled careers achieved through vocational pathways. The employment of a full-time *Born to Build* Field Officer would enable them to present and promote to not only government schools with buildings currently under construction but also non-government schools, sporting clubs, career expos, career nights, shopping centres, gyms and more.

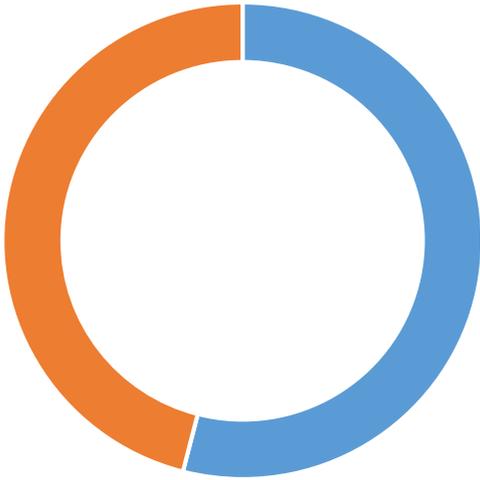
*Born to Build* will help increase female representation in the industry. Even with a 16.5 per cent increase in the number of women employed over the past year, just 13.8 per cent of our industry's workforce is female. Master Builders SA's *HiViZ Women Building SA* program has been highly successful at empowering women to see new career pathways and encouraging them to become leaders in the building and construction industry.

However, attitudes must change in schools for there to be greater female representation at the entry level and true long-term improvement. If sufficient funding is available Master Builders SA will ensure a female apprentice field officer is appointed to assist in the *Born to Build* program to encourage more women to consider a career in the industry.



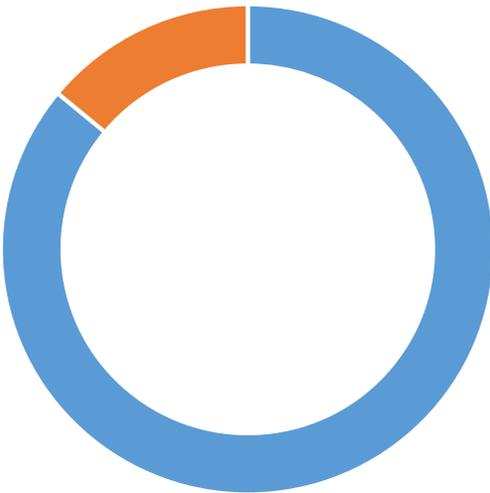
**Master Builders SA at Kapunda High School as part of the Industry Immersion program.**

**Total Workforce**



■ Male ■ Female

**Construction**



■ Male ■ Female



It is imperative we work together to regain the interest of school leavers to take up an apprenticeship, and highlight female opportunities in all areas. Through *Born to Build*, students will gain valuable knowledge of options available and the huge advantages and opportunities of trade training leading to lucrative and rewarding careers.

**Paul Williams**

Chair, Construction, Mining Energy,  
Industry Skills Council

## Our proposal

Firmly aligned with the Marshall Government's objectives of improving the image of apprenticeships and promoting jobs and economic growth, *Born to Build* does not require a huge amount of money and will provide an excellent return on investment.

Master Builders SA proposes a grant of \$200,000 for the first year of *Born to Build* to employ a full-time Field Officer and also to pay for other costs such as marketing, administration and transportation. Provided the program was deemed to be successful, funding could be extended.

There is no need for new funding. Master Builders SA believe the money could come from the Construction Industry Training Fund, into which our members are major contributors. This program would therefore be funded by the industry for the long-term future of the industry.

The funding could be allocated either up front or via progress payments. For example, four quarterly payments of \$50,000 each could be made. KPIs could be assessed in an independent review.

Master Builders SA is proposes a start date of **1 April 2021**. Whilst this is a tight deadline, we believe there is currently an excellent opportunity to capitalise on what will be a very busy residential building sector this year. Training and employment costs have been significantly reduced due to subsidies available from the Marshall and Morrison Governments so employers will be more likely than ever to consider employing an apprentice. There needs to be sufficient supply of apprentices and that's why *Born to Build* is so important.

The Minister for Workforce Training and Skills would be the official *Born to Build* Patron. An official launch could be held with the Minister, apprentices and

Master Builders our South Terrace office r at a member's building site. The launch would be a terrific media opportunity to promote the *Born to Build* program and apprenticeships in general.

We look forward to discussing this submission with the Marshall Government.

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- <sup>i</sup> NCVER, Apprentices and Trainees, In-Training (2018)
- <sup>ii</sup> NCVER, Apprentice and Trainee Collection, Department of Industry and Skills (2020).
- <sup>iii</sup> NCVER, Apprentice and Trainee Collection, Department of Industry and Skills (2020).
- <sup>iv</sup> Bricklayer shortage could blow out timelines for housing, taking advantage of HomeBuilder. [Bricklayer shortage could blow out timelines for housing, taking advantage of HomeBuilder - ABC News](#) Accessed 22 January 2021.
- <sup>v</sup> Australian Government, Department of Education, Skills and Employment, Skill Shortage List – South Australia <https://www.dese.gov.au/skill-shortages/resources/construction-trades-sa-a> Accessed 14 January 2021.
- <sup>vi</sup> Bickers, C, "Deloitte Business Outlook shows SA's jobless rate will improve over five years, and China trade loss won't hit too hard." <https://www.adelaidenow.com.au/news/south-australia/deloitte-business-outlook-shows-sas-jobless-rate-will-improve-over-five-years-and-china-trade-loss-wont-hit-too-hard/news-story/7a161c1c3f54a28ae50e0dc47552ec55> (accessed 15 January 2021).