



Civil Construction Industry  
Tasmanian  
Workforce Plan  
2013 -2015

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The Civil Construction industry in Tasmania is seen a critical linkage in the Tasmanian Economic Development Plan and it is important that the civil sector maintains sufficient and appropriate levels of skilled workers across all streams of employment.

Consultation with industry saw the representative group, Civil Construction Industry Workforce Advisory Group (chinwag), formed as the forum to gather representatives from all levels, small, medium to large, of the civil industry to discuss a wide and diverse range of topics, with training requirements high on the agenda. This group is also supported with attendance by state and federal government agencies.

The chinwag is Chaired by the Chief Executive Officer from the Tasmanian branch of the Civil Contractors Federation, Tony Cook, who also provided Secretariat duties.

Chinwag discussions with Skills Tasmania has resulted in the Report; Civil Construction Industry Workforce Plan 2013 – 2015 being completed.

This Plan is the first of its type to be completed and it clearly demonstrates the diverse and changing training needs of the civil sector, both now and into the future.

We thank the many enterprises that gave their time providing the data and information contained within this report and we look forward to working with the civil sector over many years to ensure that the training needs are, not only provided, but understood by all.

The Civil Contractors Federation supports workplace planning and development and sees this as a critical component in all businesses to sustain them into the future.

Adrian Granger  
State President - Civil Contractors Federation  
Tasmanian Branch

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# SKILLS Tasmania

It is my pleasure to introduce Tasmania's Industry Workforce Plan for Civil Construction.

The Tasmanian Economic Development Plan highlights the construction sector as a significant contributor to the state economy and an employer

of large numbers of Tasmanians. The sector also provides essential buildings, transport and utilities infrastructure vital to Tasmania's prosperity.

Skills Tasmania proudly supports this initiative of an industry led approach to workforce planning as it highlights the importance of skills in the productivity and sustainability of the sector and the commitment of employers to developing their workforce.

This Industry Workforce Plan was developed by the Civil Contractors Federations (Tas) and the Civil Construction Industry Workforce Advisory Group through consultation with Employers, Training providers and key stakeholders. It captures some of the key challenges facing the sector and the steps the industry is committed to taking to address their workforce needs now and into the future.

I strongly commend the industry's commitment to workforce planning and development and look forward to further developing our partnership with the sector, in particular the implementation and review of this plan.

I encourage all those involved in the civil construction sectors – employers, individuals, communities and government to use this plan as mechanism to meet both the challenges and opportunities that lie ahead.



Dr Chrissie Berryman  
General Manager  
Skills Tasmania

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## Executive Summary

The intentions of the civil construction workforce plan is to provide both industry, governments and stakeholders with an overview of the current and future workforce planning and development needs of the civil construction industry in Tasmania.

Major challenges were confronted in the development of this plan, most significantly being that of data which truly represents the civil construction sector as a stand-alone industry.

The civil construction industry is reflected in the ANZSIC Division E Construction, as subdivision/groups and classes. This contributes to the civil construction industry's obscurity and the diminished representation of its economic contribution and the specific challenges faced as an independent industry. This is further exacerbated when utilizing ANZSCO in an attempt to identify significant industry occupations for the purposes of workforce planning and development, such as skill shortages and career pathways.

Conversely, using the value chain approach, the Department of Economic Development Tourism, and the Arts (DEDTA) has identified the civil construction industry as a key trade and investment sector within the <sup>1</sup>Tasmanian Economic Development Plan.

The value of work done by the residential and non-residential building and engineering construction industries in 2009-10 was:

- Residential: \$783 million
- Non-residential: \$675 million
- Engineering: \$964 million

Total: \$2.4 billion

This economic activity is estimated to contribute approximately \$1.249 billion (5.8 per cent) towards Gross State Product and employing 19,780 people, 8.4% of the total Tasmanian workforce.

There are no detailed figures available in relation to the size of the civil construction workforce as a separate and discrete workforce. The CCF (TAS) conservatively estimates that there are

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<sup>1</sup> Sector Profile and Summary

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approximately 260 civil construction businesses in Tasmania. Approximately 240 (94%) of these would employ 5 or fewer employees (including owner driver/operator). This does not include mainland based businesses.

Disconcertingly the level of understanding within the civil construction sector of the VET system and its mechanisms ranges from “semi-informed” to “oblivious”. Therefore, considering that approximately 94% of the civil contracting industry is small to micro business the collective knowledge about the VET system and its practical application and fiscal support in relation workforce planning and development is minimal. Furthermore it is estimated that approximately 19% of the overall workforce has or are, undertaking formal qualifications in 2010 – 2012 and it is assumed that a high proportion of those are within the medium to large businesses.

The challenges of a strategic approach to workforce development are more complex for the small businesses, due to a number of contributory factors such as;

- time constraints and lack of any economy of scale
- competing demands in areas such as setting up and maintaining a website through to regulatory compliance across the three tiers of government, and hence it is not surprising small businesses find it difficult to prioritise workforce development issues.

In addition to the above, the major constraint faced by the civil construction enterprises in relation to workforce planning and development is the fundamental reliance upon forward planning and budgeting in infrastructure, and procurement and procurement policies. The inconstancy and lack of rolling capital works programs impact negatively on training and employment in civil construction.

This environment demands a responsive and supportive training system which;

- acknowledges the difficulties faced by civil construction enterprises gaining skills through the formal training system
- recognises the need to improve access to accredited training,
- recognition of current skills, skill sets and programs that increase participation in training, and
- recognises compliance and regulative requirements which could be maximized to provide accredited outcome opportunities

The majority of training in the industry is compliance based. This takes two forms:

- Regulatory licences – most of which have a time based element attached hence require maintaining currency;

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- Supply chain based where lead contractors (large civil companies) that the sub-contractors (smaller operators) effectively work for require the implementation of their own quality assurance systems, inductions and processes. (including verification of competency).

Therefore, the necessity for training based on national vocational competency standards is low unless it is required to meet compliance obligations. The key areas of competency based training are in the areas of Verification of Competence (VOC) and Licensing Persons Performing High Risk Work (LPPHRW). Although someone may have a licence for high risk work (conducted and issued under the terms and conditions of the new Work, Health and Safety legislation); the onus is on the employer/lead contractor to verify competence through a VOC process. Therefore, an assessment of the issuance of competency often occurs. This suggests that there is limited support for full recognition of current competency/credit transfer, which in itself contradicts the objective of nationally accredited training.

## Key Findings

Throughout the development of this plan a number of issues and possible resolutions were identified. However it is considered that the most immediate concerns which necessitate the provision of a strategic and coordinated framework and the commitment to action have been consolidated in to four key areas.

These areas are:

- The Workforce Capacity
- The Training Complexities
- Capability to Deliver
- Availability and Accessibility to Relevant data

These key areas include some longstanding and critical issues, which have the capacity to continue to instigate frustrations by many stakeholders including Training Providers, Governments, their agencies and industry.

### **The Workforce Capacity**

- Whilst the industry is currently facing challenging times in relation to current and future work projections it is evident that, with the combination of an aging workforce, retrenchments, retirements and the lack of recruitment activity that the existing workforce will deplete. The fiscal cost of rebuilding the workforce based on reactive response plans creates the inevitable labour shortage, followed by the skill shortage.

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## **The Training Complexities**

- The substantial lack of knowledge by the industry (94% of which are small businesses) regarding the training system contributes to disengagement, frustration and low level of participation in the training system. Employers demonstrated the desire to obtain knowledge and understanding of how the system works and how it may contribute to address training needs.
- There is an abundance of stakeholders, service providers, associated flyers and information in relation to workforce planning and development programs and support mechanisms. The services environment is often competitive with many providers having contractual and sometimes conflicting obligations to fulfill. However it is clear that for the civil construction industry (94% small business) to truly invest time and resources into workforce planning and development and to realize the benefits, a more efficient and effective communications method needs to be put in place.
- An independent guide (such as the industry association/member body) to work on behalf of/with the enterprise to break down complexities and apparent systemic barriers would see a significant increase in engagement of the industry.
- Further participation by industry to drive the training system will provide connectivity and industry intelligence, necessary to inform stakeholders (including government) of industry demand and for the continuous improvement in the development of training programs, funding support and services.
- The incumbent cost to industry participating in the VET system, which is not currently recognized nor is it considered to be an “included cost” in the training system will be presented in a concise form. This would enable all parties to be informed of the inherent. Industry contribution required within workforce planning and development. Furthermore it would make significant improvements to industries capability to measure training activities and provide strong foundations for management processes.

## **Capability to Deliver**

- Due to the large number of small businesses operating in the industry, the disparity of operations, skills requirements, work location and overall nature of the industry, the capability and capacity of the RTOs is challenged.
- RTOs stated that they have little or no inclination to increase their workforce capacity in relation to the industry sector. This raises a number of critical concerns relative to any possible increase in demand from industry. Importantly, there are the foreseeable



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requirements and impending implementation of “Licensing Persons Performing High Risk Work”. This will require RTOs to increase both capacity and capability if the standards are to be addressed, enabling the industry to fulfill its legislative requirements.

- A collective approach by the industry to identify training requirements, support mechanisms and delivery strategies and working with RTOs would be of significant value to both parties.

Some of the key benefits would include:

- quality and relevant training
  - increased efficiencies
  - cost effectiveness
  - increase in industry participation
  - a better informed network of training providers and industry, resulting in the reduction of mutual frustration
- The collective requirements of the National Work, Health and Safety Act (Verification Of Competence and Licensing Persons Performing High Risk Work) drive the demand for enterprises to invest in the creation of a workforce which necessitates qualified Trainers and Assessors
  - There are clear fiscal demands for both, RTOs and industry to work collaboratively in the development and ratification of training delivering and assessment expectations. This is beyond those regulatory obligations of the VET system and more related to business acumen.
  - The consequences from the recent changes to the Australian Apprenticeship Incentive Program are expected to impact negatively, and will contribute to further withdrawal of industry from the apprenticeship/traineeship environment for both new and existing workers. This will impact on the issues already being faced in a “thin training market”.
  - With the Civil construction industry being a “thin training market” the threat of being overlooked or not considered in relation to the establishment of the new TasTAFE is a high risk. This risk could become a reality if a fiscal; decision is made by TasTAFE based on:
    - due to the seeming lack of training activity,
    - costs in establishing and maintaining capability requirements
    - the likelihood of the return on investment, and
    - being uninformed

This would be detrimental to the civil construction industry. Therefore to minimize the probable risk and in order to inform and remain informed of possible impacts on the civil

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construction industry a formal communications strategy with the appropriate and responsible persons at TasTAFE should be developed and implemented as soon as possible.

### **Availability and Accessibility to Relevant data**

- As evidenced throughout this report the civil construction industry cannot rely on the traditional data collection methods in order to evidence its skills and labour demands. Not only is this a concern in relation to the immediate issues identified, but it will be further exacerbated due to changes in technology and how this impacts on the capacity of its workforce.
- Given its diverse workforce, location and activity the civil construction industry in Tasmania is ideally situated to provide government with the necessary level of industry intelligence required, such as impending changes and demands on the industry and how these will affect future planning requirements.

This industry driven workforce plan will make significant improvements to industries capability to measure training activities and provide strong foundations for the management processes of its workforce planning and development requirements, now and into the future.

## Action plan

The sole purposes of these actions are to provide the industry with the knowledge and ownership to drive and manage its workforce planning and development needs. The Civil Construction Industry Workforce Advisory Group (CHINWAG). CHINWAG was formally established in November 2011 with membership comprising of the following stakeholders:

Tasmanian and Commonwealth government agency representatives: CCF (Tas), broad cross section from the civil contracting industry including representatives from

- Small medium enterprises
- Large enterprises
- Representing a diverse range of operations
- gender and culturally diverse representatives, as appropriate; and
- regional representatives.

It is the working committee and as such will be reliant upon physical resources to undertake the necessary actions. CCF (Tas) currently provides secretarial support to CHINWAG however the critical actions identified will require additional resources if the results are to be realised. Due to CCF (Tas) having minimal resources at its disposal the actions identified within this action plan will rely heavily on the ongoing support provided to CHINWAG.

Action commitments 1. Resourcing the Gap	Priority	Timeframe	Responsible stakeholder	Funding Bodies to be approached
<ul style="list-style-type: none"> <li>• CCF(Tas) to seek funding support for the continuance of CHINWAG –</li> </ul>	High	Feb-March 2013-	CCF (Tas)	Skills Tasmania SkillsDMC Skills Connect
<ul style="list-style-type: none"> <li>• Identification of seed funding support opportunities</li> </ul>	High	Feb-March 2013-	CCF (Tas) Skills Tasmania and DEDTA	Australian Workforce and Productivity Agency Industry

Action commitments 2. Creation of the Knowledgeable Network	Priority	Timeframe	Responsible stakeholder	Supporting stakeholders
<p>a</p> <ul style="list-style-type: none"> <li>• Regional information sessions are provided to civil construction enterprises in relation to workforce planning and development programs.</li> <li>• Information to include but not limited to:               <ul style="list-style-type: none"> <li>○ Application Process</li> <li>○ Funding Process</li> <li>○ Reporting requirements</li> </ul> </li> </ul>	High	April 2013 May – June 2013	CCF(Tas) CHINWAG	TBCITB ,Skills Tasmania, SkillsDMC  RTOs, AAC, Job Services Australia Agency  GTOs  Industry
<p>b</p> <ul style="list-style-type: none"> <li>• CHINWAG is to become the “Knowledgeable Network”               <ul style="list-style-type: none"> <li>○ Participants to share current knowledge and experience regarding workforce and development strategies</li> <li>○ Develop strategies to address management of support programs within the industries work environment</li> </ul> </li> <li>• Investigations and review of “industry brokerage” models are undertaken and considered</li> <li>• Identify and consolidate skills and training needs with a projection of 12-18 months deliverables</li> <li>• Identify relevant support programs which support a collaborative approach</li> </ul>	High	2013-2015	CCF(Tas) CHINWAG	Skills Tasmania DIER DEDTA SkillsDMC Industry

Action commitments 3. Increasing Delivery Capabilities and Managing Expectations	Priority	Timeframe	Responsible stakeholder	Supporting stakeholders
<ul style="list-style-type: none"> <li>• A formal communications strategy is developed and implemented with the appropriate and responsible persons at TasTAFE</li> </ul>	High	Dec 2012/Jan 2013	CCF (Tas) /CHINWAG	TasTAFE/Skills Tasmania/DoE
<ul style="list-style-type: none"> <li>• Formation of RTO and Industry collaborative network (established under CHINWAG)</li> <li>• Dedicated session provided at CHINWAG meetings for RTOs</li> <li>• Action plans are developed to address, but not limited to: <ul style="list-style-type: none"> <li>○ Quality and relevant training</li> <li>○ Increase efficiencies</li> <li>○ Development of agreed processes and standards</li> <li>○ Development of preferred provider register</li> </ul> </li> <li>• Risk assessment strategy development re Licensing Persons Performing High Risk Work. Work Health and Safety Regulations: <ul style="list-style-type: none"> <li>○ Assessor and Resource requirements</li> </ul> </li> <li>• Verification of Competence</li> </ul>	High - Medium	2013-2014	CCF (Tas) CHINWAG	RTOs Industry
<ul style="list-style-type: none"> <li>• Review of enterprise qualified Trainer and Assessors <ul style="list-style-type: none"> <li>○ Identification of capability and capacity gaps</li> <li>○ Identification of support funding for TAE's</li> <li>○ Deliberation and planning for the development of TAE network and</li> </ul> </li> </ul>	High	2013-2014	CCF (Tas) CHINWAG	Industry RTOs SkillsDMC Skills Tasmania

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Action commitments 3. Increasing Delivery Capabilities and Managing Expectations	Priority	Timeframe	Responsible stakeholder	Supporting stakeholders
<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;"> <p style="text-align: center;">the connectivity with RTO operations and legislative requirements</p> </div>				

Action commitments 4. Planning the Future	Priority	Timeframe	Responsible stakeholder	Supporting stakeholders
<p>Undertake a review of the “Careers on the Move” program and investigate:</p> <ul style="list-style-type: none"> <li>• Possible adaptation in civil construction with particular focus on but not limited to career paths and opportunities for: <ul style="list-style-type: none"> <li>○ Civil Engineers</li> <li>○ Civil Estimators</li> <li>○ Female entrants</li> </ul> </li> </ul>	Medium-High	2013-2015	CHINWAG	DoE LGAT Engineers Australia Skills Tasmania RTOs GTOs UTAS Industry