

Portable Long Service Leave Levy Consultation
Director, Industrial Relations Strategic Policy
Office of Industrial Relations
GPO Box 69
Brisbane QLD 4001

QLeavelevy@oir.qld.gov.au

To whom it may concern

Re: Portable Long Services Leave Levy Consultation

On behalf of Construction Skills Queensland, thank you for the opportunity to provide feedback on the Portable Long Service Leave Consultation Regulatory Impact Statement (RIS) with regards to the Queensland Government's proposed changes to QLeave levies.

I also note that there are no changes proposed to the training levy component and therefore no material impact on the Building and Construction Industry Training Fund (Qld), trading as Construction Skills Queensland (CSQ), as the regulated body that holds training levy payments in trust for training for the industry.

I am pleased to see that the proposed changes will not directly impact the training levy which was established by Government in recognition of the criticality of skills development and training for this important industry in Queensland.

CSQ has invested the training levy in an open, fair, efficient, effective and transparent way to ensure that the skills needs of the Queensland building and construction industry are met today and that the workforce is skilled and ready for the future.

CSQ is required to prepare an Annual Training Plan (ATP) each year that outlines our annual investment of the training levy back into the industry via programs and services that focus on attracting new entrants into the industry and developing and retaining existing workers in order to ensure the industry has access to the skilled workforce it needs now and in the future.

The programs and services in the ATP are shaped each year by extensive and ongoing consultation with industry together with an analysis of the forecast building and construction activity and the supply of skills available to the industry.

CSQ's programs and service delivery responses have evolved to reflect the ever-changing needs of industry that result from activity levels in the industry and the impact of social, technological, environmental, economic and political drivers on the industry and its workforce requirements.

Investment of the Training Levy

I would like to take the opportunity to draw your attention to some of the achievements of CSQ as custodian for the training levy over the past 20 years which demonstrates how we have successfully continued to invest the levy

CSQ

Level 2
143 Coronation Drive
Milton Qld 4064

PO Box 3294
South Brisbane Qld 4101

1800 798 488
info@csq.org.au
csq.org.au

back into growing the skills base of Queensland's building and construction industry. These achievements and the history of the training fund's impact on the industry are highlighted in the attached submission and demonstrate the ongoing importance of the training levy for the Queensland building and construction industry.

As the custodian of the training levy over the past **20 years**, CSQ has been entrusted to invest **\$498 million** back into direct skilling opportunities for over **295,000** industry participants.

These opportunities have included:

- supporting apprentices with their training costs through tuition fee assistance
- supporting employers with a range of incentives to start, re-start or retain apprentices in their businesses
- providing flexible training responses and short courses to help existing workers address specific skills needs and meet licensing and safety requirements
- offering a pathway for individuals to have their existing skills recognised and combined with the gap training required to achieve nationally recognised building and construction qualification
- offering post-trade courses to existing workers to build their career and help them adapt to emerging technology and workplace changes
- investing in delivering skills and experiences to new industry entrants to make them job ready and prepare them for a career in construction
- managing funds under a co-investment model with the State Government for the delivery of industry-led training in the civil sector
- supporting the entry, skilling and retention of workers from a diverse range of backgrounds, including Indigenous Queenslanders and women
- working with industry partners and unions to deliver workforce planning and skills development activities and implement project-specific training and planning support to assist contractors to deliver key major projects in Queensland
- supporting the well being of workers in the area of mental health, safety and asbestos disease related illness

Should you require any further information regarding the successes of CSQ and the important role that the training levy continues to play in creating a skilled construction industry in Queensland, please do not hesitate to contact me at brett.schimming@csq.org.au.

Yours sincerely



Brett Schimming
Chief Executive Officer

Encl. CSQ Submission - Portable Long Service Leave Levy Consultation

Portable Long Service Leave Levy Consultation

Construction Skills
Queensland's
Submission

May 2019

Introduction

This submission has been prepared to highlight the history of Construction Skills Queensland (CSQ) as custodian for the training levy over the past 20 years and highlight our achievements in investing the training levy back into growing the skills base of Queensland's building and construction industry.

About CSQ

CSQ is an independent industry-funded body supporting employers, workers, apprentices, trainees and career seekers in the building and construction industry in Queensland.

Each year, CSQ sets out how it will invest levy funds into services and programs that directly support the growth and development of the skills base of the Queensland building and construction industry. These priorities are outlined in our Annual Training Plan (ATP) which is based on evidence derived from a combination of emerging market conditions, skills forecasting and modelling, and extensive industry consultation.

CSQ has a strategic approach to industry engagement that encompasses strategic, ongoing, targeted and place-based consultation within the building and construction industry to ensure we are abreast of the issues that affect skilling and training.

CSQ works collaboratively with the Queensland Government to ensure that the training delivery we procure for the industry is complementary and does not duplicate public VET investment in Queensland. Similarly, CSQ does not fund qualifications available to the market through alternative mechanisms and assesses this landscape when making investment decisions each year.

Every year CSQ reviews the effectiveness of our programs and tests findings with industry and these learnings have assisted us to develop and evolve programs to ensure participants are suited and prepared to enter the industry and supported to grow and learn throughout their careers.

CSQ Snapshot

Purpose

To provide the Queensland building and construction industry with the information and skills it needs to ensure a strong and sustainable future.

Vision

A skilled workforce that meets the evolving needs of Queensland's building and construction industry.

Priorities

Attract

- Attracting the right talent
- Promoting the industry
- Inspiring and providing pathways into the industry

Develop

- Providing training solutions
- Leveraging investment in skills
- Workforce planning

Retain

- Helping keep talented people in the industry
- Industry and enterprise engagement
- Workforce health and well-being

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.

CSQ also supports strategic and innovative skilling solutions to respond to emerging issues in the industry.

History and origins

The Building and Construction Industry Training Fund Origins

The Building Industry Training Levy was established in 1998 under legislation and came into effect on 1 January 1999. As noted in the Consultation Regulatory Impact Statement (RIS), the levy at that time was 0.05% payable on all building and construction work in Queensland where the cost of the work exceeded \$80,000.

To accommodate collection of the levy, the *Portable Long Service Leave Act 1991* was amended to include a provision that the Portable Long Service Leave Authority would collect the levy and pay it into an entity that would be set up as a charitable trust. The Building and Construction Industry Training Fund (BCITF) was set up for this purpose. It was determined that the levy would be administered by Construction Training Queensland (CTQ), the then Building and Construction Industry Training Advisory Body (ITAB).

The Trust Deed set out the objects of the fund to:

- generally foster, promote, advance and assist the acquisition and enhancement of the knowledge, skills, education and training (both theoretical and practice) of persons employed or otherwise providing services in and to the Building and Construction Industry and to otherwise foster, promote, advance and assist other organisations involved in such training and educational activities for such persons thereby benefiting and advancing the education of such persons and educating and benefiting the industry and the public by provision of beneficial and more efficient Industry services and products;
- encourage and promote the enhancement and creation of training and skills by such persons as aforesaid;
- generally advance and promote the acquisition of knowledge of skills, trades, work and job methods and techniques on the Building and Construction Industry.¹

The trustees of the trust established a management agreement with CTQ for the administration of the funds collected in accordance with the objects of the fund. Under the management agreement, CTQ was required to provide a training plan approved by the trustees which outlined the proposed expenditure for the forthcoming year.

In 2005, the Building Industry Training Levy was increased from .05% to 0.1%. With the levy increase, to ensure the transparent and appropriate management of the fund, a new standalone structure was introduced. The BCITF was to operate as a separate organisation funded by the levy with CTQ providing research and intelligence to the BCITF under a Service Provider Agreement.

¹ Trust Deed – Deed Declaring Trust for the Establishment and Maintenance of the Building and Construction Industry Training Fund (QLD)

In 2006, with the introduction of the State Government's Queensland Skills Plan (QSP), the Government advised that it would no longer fund ITABs under annual performance agreements and would look to new advisory arrangements with a preference to creating industry skills centres of excellence. For the building and construction industry this meant that a single entity would again become responsible for managing the fund and providing research and intelligence. Government and industry worked together to create CSQ.

CSQ was launched on 31 July 2007 as the Building and Construction Industry Centre of Excellence established via an agreement between the State Government and the BCITF (Qld). CSQ became the new hub for industry and government engagement allocating resources of the BCITF (Qld) with a view to empowering industry to deliver the right skills to the right people at the right time.

Since its establishment, CSQ has continued to be the peak engagement body for skills and workforce development in the Queensland building and construction industry as recognised by industry and government.

Governance

BCITF (Qld) Limited trading as CSQ operates under a Corporate Governance Charter which outlines the roles and responsibilities of the Board, Chair, Chief Executive Officer and related committees in the operation of the company.

The Minister for Training and Skills is the sole shareholder of the company and appoints the CSQ Board in accordance with government processes for significant appointments. Under the Constitution, the Board comprises an independent Chair, one representative from the Department, three industry representatives and three employee representatives. Directors are appointed for a three year term by the Minister.

The Board provides CSQ with strategic direction and advice and ensures that the levy funds are managed in accordance with the requirements of the Trust Deed and are equitable, transparent and fiscally responsible governance and in line with industry needs.

A focus on the needs of industry

As a result of the ever-changing needs of industry, the skilling strategies, programs and priorities implemented by CSQ have always been developed and amended to reflect the industry's skilling needs.

The early years

CSQ's early years of operation saw an unprecedented need for new approaches to skilling across the industry as a result of an extremely tight labour market created by a 5% unemployment rate, the lowest seen in 30 years. Focus during this time was directed to attracting entrants into the industry as well as developing industry culture to value, support and develop its workforce.

This model saw the introduction of a Regional Skills Formation Strategy empowering each region to set their own skilling agenda. To assist in this strategy regions, were provided with a number of regionally-based staff to assist in developing and implementing these plans.

It was also during this time that CSQ saw the need for a fresh approach to evidence-based research and planning and initiated its own internal research program aimed at ensuring that industry trends and industry intelligence combined to form a reliable evidence base for policy and planning.

In 2008, a Work Solutions Centre and CSQ Helpline were also established to provide seamless upfront assistance to people interested in a career in the building and construction industry.

The Impact of the Global Financial Crisis (GFC) and Natural Disasters

By 2009, the industry was feeling the impact of the GFC and saw a significant downturn in activity. It was during this time that CSQ realised the need, more than ever to strategically target funds towards the most critical and pressing needs of the industry.

As a result of these unprecedented conditions, the focus was moved from increasing the supply of skilled labour to retaining the existing skilled workers in the industry including apprentices and trainees. This shift in focus aimed to protect the considerable investment already made in attracting new entrants to the industry and to ensure there was a future 'skills bank' for the industry.

During this period, focus was on four key areas of Attract, Train, Retain and Develop and CSQ grew its regional staffing to facilitate improved service delivery and consultation with industry. This included the provision of mentoring services to apprentices and trainees to improve retention and completion rates.

In 2011, the building and construction industry was at the heart of efforts to rebuild the state in the wake of widespread flooding, cyclones and the ongoing recovery from the GFC. CSQ's strong regional engagement model at that time enabled CSQ to quickly assess on the ground skilling needs for the disaster recovery efforts.

The mining boom

At this same time the resources sector was growing with massive planned infrastructure and reconstruction activity. This period saw a need for coordinated workforce planning across the resources, construction and manufacturing sector with the role of CSQ being vital in providing a peak engagement body focusing on the needs of the building and construction industry.

The once-in-a-generation megaproject

The three simultaneous CSQ-LNG construction projects on Curtis Island and associated gasfield pipelines began in 2009 and represented the largest concentration of private-capital investment in Australia's history. This \$60 billion-plus investment flowed throughout the state, transformed the local community and took the training levy to new highs.

A new approach to industry engagement

Towards the end of 2013-14, it became apparent that CSQ needed to refresh the long-standing approach to engaging with the building and construction industry across Queensland. Up until this point in time, CSQ had a team of dedicated regional staff and, whilst this one-to-one approach had served CSQ well, a range of shortcomings with this model were identified. The size and composition of the industry meant that not all employers, apprentices, trainees, schools and students were serviced by CSQ and growing the number of regional staff would

only go a small way to addressing industry coverage. The engagement with industry also tended to be operationally focused with troubleshooting a feature of CSQ's regional staff.

The combination of limited industry coverage and a desire to move to a more sophisticated engagement model, operating at a strategic level to address systemic issues within the industry resulted in an organisational restructure that placed CSQ on a path towards a one-to-many engagement approach that was premised on leveraging the membership bases, staff and sub-contractor networks and industry reach of strategic industry and government stakeholders.

The shift from mining to residential activity

By 2014 the industry saw the focus begin to shift away from engineering construction and more positive signs were emerging from the residential and commercial sectors. The growing residential and commercial sector was starting to place higher demands on the industry skills base making it essential for the industry to continue to attract new entrants.

By this time, CSQ had evolved by building stronger partnerships and having a more strategic strategy for industry engagement with consultation employing different methods including one-to-one, one-to-many and broadcast approaches.

CSQ recognised that workforce trends vary across the state and saw a specific need to develop detailed regional plans to maximise the value of the training investment across programs. Working with regional stakeholders CSQ closely monitored building and construction activity to ensure our investment and contributions were highly responsive to local needs. CSQ continues to develop regional plans as this strategic approach ensures we are delivering the training where it is going to be most effective and that our investment strategies match regional requirements.

New trends and technological advancements

The rapid development of technological advancements and new trends in the industry has seen significant productivity gains allowing us to do more with less. As more sophisticated technologies and processes are introduced, workers require higher levels of skills and training.

In recognition of the impact of technology on the industry, CSQ partnered with the CSIRO to help predict how the role of the construction worker will evolve over the next 20 years. The Farsight Project provides a vital roadmap as the industry enters a period of major transition where jobs in the future won't look like they do today. Our most recent work under The Edge project continues to explore future skills for the industry so that we can help shape industry thinking about future skills and inform CSQ's investment in training.

Current operations

CSQ is continuing to collaborate with industry to develop workforce skills that will allow workers and businesses to adopt new technologies and prepare the industry for change. Through our extensive industry engagement we know that industry wants more access to flexible, bite-sized training that can assist them to keep up with the evolving needs of industry and support continuous learning. Our increased investment in short courses responds to this need and will help fill the gap left by qualifications that are struggling to keep pace with the rate of change in workplaces.

CSQ is focusing on supporting statewide responses to meet industry's workforce development needs with a renewed approach and presence in regional Queensland.

Across the years, CSQ has also continued to deliver a range of functions previously delivered by ITABs in Queensland. These functions were part of the ITAB arrangements delivered by the former Construction Training Queensland (CTQ) and maintained because of the opportunity for CSQ, as the trusted source of advice and information on skills in the industry, to provide a voice for industry on the skills and workforce development needs in Queensland.

This includes representing the industry (and influencing the outcome) on issues that impact the quality of training and the availability of publicly funded training on offer to the industry and providing advice to decision makers on matters relating to training packages, courses, pathways and apprenticeships and traineeships.

In addition, CSQ continues to administer contractor compliance data on behalf of the Queensland Government, through the web-based Training Policy Administration System (TPAS) and assists contractors to comply with the Queensland Government Building and Construction Training Policy (the Training Policy).

CSQ has maintained constant investment in skills for the industry over the years as a result of our strong fiscal management of the training fund and by continuing to ensure that where the funds are invested are linked to industry activity, sentiment and need.

CSQ will continue to evolve with the industry to ensure that we remain relevant and connected to the industry we serve.

Investment over the years

CSQ's programs and service delivery responses have evolved to reflect the ever-changing needs of industry that result from activity levels in the industry and the impact of social, technological, environmental, economic and political drivers on the industry and its workforce requirements.

As the custodian of the training levy over the past **20 years**, CSQ has been entrusted to invest **\$498 million** back into direct skilling opportunities for over **295,000** industry participants.

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