



**THE VALUE OF A TRADE  
QUALIFICATION**

A RESEARCH REPORT

**Prepared For:**

**BUILDING AND CONSTRUCTION  
INDUSTRY TRAINING FUND**

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## EXECUTIVE SUMMARY

### 1. Executive summary

Qualitative research in the form of depth interviews and discussion groups were held with construction managers, building supervisors, tradespeople and apprentices in the building and construction industry.

The two primary objectives of the research were:

- 1. To gain an understanding of the value those working in the building industry place on a trade qualification acquired via completion of an indentured apprenticeship comprising on and off the job training;**
- 2. To identify strategies BCITF can implement to increase the value placed on gaining a trade qualification.**

Other areas for exploration in the research included:

- Current context or operating environment for the building industry generally,
- Industry recruitment practices,
- Quality and the relationship of qualifications to quality,
- Attitudes to industry qualifications and training (including RPL – Recognition for Prior Learning), and
- Experiences with apprentices and apprenticeships.

Although not specifically canvassed, stakeholder attitudes towards BCITF were also gathered.

The research took place between 7<sup>th</sup> September and 23<sup>rd</sup> October 2007.

### Context and operating environment

Research participants identified a large number of factors that impact on the industry and how it operates, ranging from macro issues such as the *resources boom* and *housing affordability* to micro issues such as the move by brick manufacturers towards *larger bricks* and the *decline of artisan skills*.

## Recruitment of tradespeople in the industry

It was generally agreed that varying economic conditions affect the ease or difficulty of recruiting tradespeople to work in the industry. During a building boom, as has been the situation recently, several factors impact:

- Rates of pay increase – high rates further push up the cost of housing, thereby reducing demand
- There is a consequent impact on quality – increased numbers of unqualified tradespeople enter the industry to take advantage of the ‘boom’
- There is a shortage of specific skills – e.g. tilers, gyprockers and painters.

### **General recruiting practices**

The most usual practice is for building supervisors to source teams of tradespeople to build their projects. This means that ...

- Supervisors have a list of preferred contractors that they use repeatedly.
- Supervisors make sure their best teams always have work to prevent them being poached by competitors.
- Although few supervisors and building managers said they checked certification and qualifications, newcomers to the builder may be asked for prior job references (the supervisor might then go and check the quality of the job done) or peer referees – i.e. having worked with someone who is known to the supervisor.
- Supervisors are not only looking for contractors who produce good work but also someone who just ‘gets on with it’ and doesn’t waste time. They are also averse to tradespeople who complain, or chase the dollars, and say that these are the people who will go from their books when the ‘bust’ times come.

### **Qualifications**

Although it was reported that the industry is rife with unqualified tradespeople (estimates of up to 50%), **qualifications are rarely checked**, although the most care was taken in selecting a ‘finishing’ tradesperson compared to other trades, because of the importance of the customers’ first impressions when they take delivery of their new home.

Some difficulty was reported with checking qualifications because of *lack of knowledge* (i.e. if not qualified in that trade themselves a supervisor might not know about appropriate levels of qualification) and also that due to the number of immigrants there were *many training organisations that are unrecognised* (e.g. Guilds).

While some builders said they looked for qualified tradespeople (to maintain their positioning as a quality provider) some trades are notorious for unqualified practitioners e.g. brickies, gyprockers and carpenters.

## Quality and standards in the building industry

There were many definitions of quality put forward indicating that the concept is somewhat fluid in the industry. These ranged from ...

*"There is only one standard of workmanship. People too often get mixed up between specifications and quality. There is no compromise on quality."*

...to...

*"There are no set ground rules for what is good quality, what is standard, what is acceptable."*

It was claimed that quality is hugely affected by the current economic environment, with high pay rates driving tradespeople to rush jobs. This environment is also said to increase the number of 'cowboys' operating in the industry, also seeking to take advantage of the financial windfall.

**However, of some importance to BCITF's research quest, many of the tradespeople in the research claimed that the holding of qualifications does not necessarily guarantee a good quality job, nor does it mean that those without qualifications will do a substandard job.**

Different perspectives of quality were expressed by different parties in the research.

- Builders and building companies rely on their reputation to *maintain their market position*, so maintaining their quality position is seen as important.
- Subcontractors and tradespeople define quality work as work that is *approved by the building supervisor and work they can be proud of*. 'Following' trades also introduced the notion of a *'clean finish'* as an indication of quality.
- Building supervisors also confirmed the *'clean finish' principle* as a good indication of quality.
- Apprentices defined quality as *receiving the approval of their employer* and by comparing with what they learnt at TAFE, although the latter is typically seen as the 'proper' way of doing things and not necessarily the best or most efficient way. *"Quality work has to look good and not take too long."*
- Customers (attributed views attained from tradespeople in the research) were said to be more likely to judge quality by their perceptions of the way their new home is finished (hence the focus on finishing trades by supervisors and builders).

It was generally agreed that the person with most control over quality is the **building supervisor** thus the factors that most impact on quality are:

- The lack of qualified supervisors.
- The supervisor's background experience – which trade area, if any, they have experience in.
- The number of buildings (houses) each supervisor is required to supervise.
- The quality of the supervisor's teams of tradespeople.

Interestingly there was no definitive relationship between qualifications and quality due to the perception that having qualifications did not necessarily guarantee a top quality job and vice versa.

Generally though, it was expected that having qualifications assured a certain level of competence e.g. qualified tradespeople were more likely to ...

- Know their trade,
- Take pride in their work,
- Be reliable, and
- Be able to read a plan.

## Industry qualifications

### *Attitudes to qualifications*

There were mixed opinions about the value of qualifications with some participants adamant that qualifications were of little value while others thought they were of vital importance. However, it was apparent that qualifications are not needed in order for people to work in the current environment and this makes it difficult to maintain any sort of quality standards.

The advantages that qualifications bring were said to include:

- Opportunities into the industry and into bigger and better building companies.
- Longer term career path in the industry (after the boom ends).
- Personal satisfaction and reward at the achievement (pride).

However, many participants felt that experience on the job, work ethic, reliability, attitude and efficiency were more pertinent drivers of standards than a formal qualification or certificate.

There was universal interest in valuing and ensuring quality in the industry. The idea of certification or registration was often mooted by participants as a means of ensuring quality across the industry.

While there was little knowledge amongst unqualified tradespeople about the availability of the RPL scheme, and some comment about whether it was necessary in the current environment, there was widespread support for the capacity to be able to be recognised for long experience in the industry.

### ***Attitudes to apprenticeships***

The expense of taking on an apprentice was said to be too onerous for many small businesses and subcontractors. It was reported that for the first 2 years an apprentice is of little value (compared to the cost) and then for the last 2 years when they presented the opportunity to recoup some benefits that's when they were most susceptible to being poached.

Larger companies however sometimes saw apprenticeships as a long-term investment in the future of their company. This was because they could 'grow their own (younger) workforce' thereby ensuring their company's sustainability in the future. The Dale Alcock model of apprentice training was mentioned frequently as a good model for the industry due to its main strength of building a pool of loyal subcontractors.

The downside for these companies was the large number of resources required to look after the apprentices, because it was deemed important to manage their experiences and 'nurture' them to ensure they stayed engaged (rather than allowing them to be 'put off' by their contact with people who have no personnel or training skills).

While it was not the purpose of this research to explore structural issues related to the apprenticeship nonetheless many participants offered views on this.

## The marketing of qualifications

If BCITF wishes to increase the proportion of tradespeople with qualifications working within the industry, there are two factors to consider: experience in the industry and qualifications.

Aspect	Target group	Positioning / strategies to consider
<b>Experience</b>	<ul style="list-style-type: none"> <li>Tradespeople with many years experience</li> <li>Mature-aged</li> </ul>	<ul style="list-style-type: none"> <li>What will happen when the current boom ends?</li> <li>Disassociate from the 'cowboys'.</li> </ul>
<b>Apprenticeships</b>	<ul style="list-style-type: none"> <li>Building companies</li> </ul>	<ul style="list-style-type: none"> <li>Increase the perceived value of using qualified sub-contractors</li> <li>Encourage them to train their own workforce thereby improving their own sustainability</li> <li>Encourage building companies to support quality and training in the industry more widely</li> <li>Reduce the structural barriers for taking on apprentices</li> </ul>
	<ul style="list-style-type: none"> <li>Subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Encourage them to think long term not short term</li> <li>Promote the benefits to them of taking on apprentices</li> <li>Provide more financial incentives to subcontractors to encourage them to take on more apprentices (or decrease the financial risk to them)</li> <li>Encourage building companies to reward subcontractors by allocating apprentices to their best subcontractors</li> </ul>
	<ul style="list-style-type: none"> <li>Apprentices</li> </ul>	<p><b>Short term</b></p> <ul style="list-style-type: none"> <li>Further promote the idea that "<i>Trades leave professional jobs for dead</i>"</li> <li>Work to try to overcome the perception that many apprentices have that apprenticeships are second best i.e. that they are "<i>too dumb to go to uni</i>"</li> <li>Leverage the physicality of apprenticeships as this is one of their appeals to some</li> <li>Lobby to increase the remuneration of young apprentices or provide additional financial incentives to complete</li> </ul> <p><b>Long term</b></p> <ul style="list-style-type: none"> <li>Leverage on the idea of being their own boss</li> <li>Emphasise the long term financial benefits</li> </ul>

Additional information is provided on each of these aspects in section 8 of the report.

## Considerations for the way forward

The brief comments and considerations made here are based on the findings of this research.

- **Consider customising information, marketing and services to different target audiences**, in particular the *supervisors* (since they are the ones who have direct control of quality on site) and *builders* (to pressure supervisors into changing the way they might approach things) and *apprentices* (students, school leavers and mature-aged apprentices).
- **Targeting building supervisors for additional training:**  
Due to the huge impact that building supervisors have over building quality on site, it is important to consider strategies to ensure that supervisors are adequately trained and / or have appropriate trades skills or general building experience. Providing further training for supervisors is therefore indicated.
- **Key positioning and messages for consideration:**  
In moving forward it is desirable to find a positioning that will not be rejected. It is therefore essential to not go down the route of saying that people need a qualification in order to work in the industry (as a marketing strategy) since that would be rejected out of hand as this is patently not true. Therefore focus should be placed on:
  - *Quality, competence and experience* – getting recognised for skills (apprenticeships and RPL), know the difference, etc.
  - *Preparing for the future* (long term careers, security when the boom busts).
  - *Leveraging interest in quality* – being able to differentiate yourself from the rabble – avoid being regarded as a cowboy.
- **The research also highlighted a role for an appropriate industry lobby group (perhaps BCITF) in...**
  - advocating for VET in schools
  - increasing trainer skills and people management skills in the industry (perhaps using the Dale Alcock model and others as key case studies; using testimonials to build a business case and demonstrate value).
  - considering what can be done to address *structural impediments* to apprenticeships such as the costs of training, employer incentives, duration of apprenticeships, relevance of TAFE training, employer training, etc.
  - exploring models and the marketing of RPL and shortened apprenticeships in light of the findings herein.

- **Finally there is a role for BCITF in...**
  - stakeholder management. As noted in the report, stakeholder expectations need to be managed, especially around what the organisation's roles actually are. In particular the industry appears to require more feedback from BCITF about what is actually being done to address their needs for the future.

## 2. Background and introduction to the research

### 2.1. Background

The Building and Construction Industry Training Fund (BCITF) is a statutory authority that supports the employment and training of apprentices in the building and construction industries in close collaboration with:

- WA Minister for Education and Training
- Building and Construction Industry
- WA Department of Education and Training
- other stakeholders and government agencies.

The building industry is made up of a number of sectors under the scope of the BCITF, namely the residential housing, commercial and engineering sectors. The BCITF Board is committed to ensuring that decisions made regarding distribution of the building levy funds result in **quality training outcomes**, an **increase in the skill level of workers**, and an **increase in the number of skilled people** in the building and construction industry.

In recognition of the importance of training in the trades as a means for passing on requisite knowledge to master a particular trade, the BCITF collects and administers the training levy for the building and construction industry and provides subsidies to employers of apprentices, via direct indenture and through group training schemes. Incentives of up to \$13,750 are available to reduce the cost of training and these are paid on registration and at the end of off-site training, thus encouraging the completion of an apprenticeship in the building trades. In addition, bonus subsidies are also available to assist employers and apprentices in meeting the costs of training.

Despite the range of incentives available, the “training rate” at which apprenticeships are taken up, is below the rate needed to ensure the skill level of the workforce is maintained as older workers retire or move on. In addition, the attrition rate amongst those who commence their apprenticeship is at a significantly high level to cause concern. While Recognition of Prior Learning (RPL) processes are available to assist those who can demonstrate competency and experience working in the industry to gain a qualification, the take-up of this option has been low.

There is a recognised need to promote and assist increases in the take-up of apprenticeships in order to address future skills gaps in the building and construction trades. However, the current economic climate of full employment *and* labour shortages presents a number of issues for achieving this goal:

- Firstly it has become apparent that, not only is it seen as not necessary to attain a trade qualification, but it is quite acceptable to work in the industry without a qualification and to gain skills on-site. Previous research has found that the construction industry has been most in favour of qualifications. However, in the current climate of full employment and a labour shortage in the trades, the emphasis has been on *getting the job done* rather than on attaining qualifications.
- Secondly, the buoyant market has meant that there is little, if any, difference between the earning capacity of qualified (skilled) and unqualified (or partly skilled) tradespeople.

In line with its objectives of supporting training of apprentices, the BCITF commissioned TNS to investigate the perceived value of a trade qualification amongst specific target groups.

## 2.2. Research purpose

Previous research has focused on the employer view of a qualification and how it is used as an aid in recruitment. *Qualifications use for Recruitment in the Australian Labour Market*, (Keating 2005) indicated that employers typically rely on networks, local contacts and work experience to recruit at the trades level. In the report *What Value do Employers Give to Qualifications* (Ridout et al 2005) the construction industry was found to be most in favour of qualifications. However, in the building and construction industry today, there has been a proliferation of sub-contractors who are self employed tradespeople working in the industry, and given the economic climate the focus is on getting the job done.

This research is to focus on those working in the building industry at the trades level to determine:

- whether the industry values a trade qualification acquired via completion of an indentured apprenticeship
- whether there are any steps or strategies that the BCITF can implement to increase the value placed on gaining a qualification.

The **objectives** of the research are therefore:

### 3. To gain an understanding of the value those working in the building industry place on a trade qualification acquired via completion of an indentured apprenticeship comprising on and off the job training;

- What is it in an apprentice's value set that means he/she is comfortable to leave the apprenticeship before it is finished? How can the importance of finishing things, learnt at school be applied amongst apprentices?
- What factors can derail an apprentice's commitment to his/her training? What is the value of a qualification?
- How is quality in workmanship measured?

- Are some trades more prone to shortcuts and compromises in quality?
  - Is there a relationship between shoddy or poor work and a lack of on the job or off the job training or lack of qualification?
  - What issues arise when previous tradespeople on a job do not have a qualification? What flow on effect is there in terms of morale and the practicalities of being able to do a good job?
  - Is there a direct cost to the industry / consumer from lack of qualifications / poor work?
  - What is the industry view of a trade qualification?
  - What is the industry's view of RPL?
  - To what effect is the current apparent lesser importance of a trade qualification a function of the booming economy? Will the 'value' of a qualification increase when there is less work around?
  - What are the implications of a poorly trained workforce in relation to factors such as insurance, consumer confidence, contract eligibility?
  - Do building supervisors or companies specify trade qualifications as necessary to work for them and if so why?
4. Based on the answers gained to the above questions, the second objective of the research is to **identify strategies BCITF can implement to increase the value placed on gaining a trade qualification.**

### 3. Methodology

The desired research objectives dictated that a **qualitative** approach be adopted.

Both depth interviews and discussion groups were conducted to complete the requirements of the project.

In total, **19 depth interviews** were undertaken, structured as follows:

- Twelve were conducted face-to-face within the metro area at the interviewees' places of employment.
- The remaining 7 were conducted by telephone with builders in regional WA.
- Eleven were conducted with *builders and contract managers* who are responsible for setting their company's standards for how their buildings will be constructed and/or ensuring that those standards are adopted throughout the company.
- The remaining 8 were conducted with *building supervisors* who work for large building companies and are responsible for ensuring that the company-set standards for how their buildings are to be constructed are adhered to by individual subcontractors and employees.

The interviews lasted between 50 and 75 minutes.

The interviews took place between 7<sup>th</sup> September and 11<sup>th</sup> October 2007.

In addition, **7 discussion groups** were undertaken as follows:

Group Number	Group composition	Day/Date
1	Qualified subcontractors and / or qualified self-employed tradespeople	Tuesday 16 <sup>th</sup> October
2	Unqualified subcontractors and / or unqualified self-employed tradespeople	Thursday 18 <sup>th</sup> October
3	TAFE apprentices	Wednesday 17 <sup>th</sup> October
4	TAFE apprentices	Wednesday 17 <sup>th</sup> October
5	TAFE apprentices	Wednesday 17 <sup>th</sup> October
6	Qualified employee trades people (i.e. working for sub-contractors or builders)	Wednesday 17 <sup>th</sup> October
7	Unqualified employee trades people and / or ex-apprentices (i.e. have dropped out of an apprenticeship)	Tuesday 23 <sup>rd</sup> October

The discussion groups were conducted between 11<sup>th</sup> and 23<sup>rd</sup> of October 2007.

### **Recruitment of participants**

Some of the participants for interviews and discussion groups were drawn from lists provided by BCITF, however many had to be sourced by Antenna Business Services from publicly available sources. Snowballing from other participants was also undertaken and in addition, all those who took part in the research were asked whether they knew of any other unqualified tradespeople working in the industry who would be willing to attend a discussion group.

### **Incentives**

Incentives in the form of \$100 gift vouchers for Bunnings were paid to each person who took part in individual interviews. In terms of the discussion groups, some participants were not as easy to attract as others and therefore incentives of \$100 Bunnings vouchers were paid to the builders and building supervisors and a \$75 Bunnings voucher was paid to other tradespeople who took part.

Apprentices were not paid an incentive, although those who took part in the 45 minute discussion were provided with light refreshments (sandwiches and sausage rolls).

### **Logistics**

The group discussions were conducted in the evenings. Each focus group comprised between 6 and 12 participants and lasted for around 90 minutes. Apart from those conducted with apprentices, groups were held at the TNS office in West Perth, which provided BCITF the opportunity to observe the groups through the customised viewing facilities.

Apprentices groups were organised by BCITF in conjunction with TAFE Balga. The apprentices groups were conducted during the lunch break at the college. Between 35 and 40 young apprentices took part in total.

### **Discussion guides**

A discussion guide of potential topics was drawn up in collaboration with BCITF, for each of the target groups included in the research. A copy of the discussion guide is included in Appendix A.

## FINDINGS

*“I love the building industry. It’s fantastic. Tradespeople need to be passionate about it and proud to work in the industry.”*

## 4. Context and operating environment

Stakeholders are very willing to discuss the factors that impact on the way the building and construction industry operates because all these factors impact on the way they do business.

It is important to first look at the environment within which builders are currently working in order to understand attitudes and beliefs about apprenticeships and training in the industry.

Not surprisingly, the most pressing concern expressed was the current **resources boom in WA**. The demand for tradespeople in the resources sector is said to be having a dire impact on the availability of trades for the local building industry.

*“The mining industry is killing the building industry.”*

There is also a huge **shortage of qualified tradespeople** – while primarily a result of demand from the resources sector the fact that there are so few available is also seen to have come about by changes to attitudes towards undertaking apprenticeships and also changed workplace structures over time.

**Changed attitudes towards undertaking apprenticeships** came about because young people began to prefer or were encouraged to seek university degrees rather than enter a trade. Thus, over time there has been fewer apprentices entering the industry.

*“They don’t want to get their hands dirty anymore. They prefer IT these days.”*

**Changed workplace structures** included:

- The move by companies to reduce the number of direct employees and use subcontractors to complete the work, as well as
- The WA Government not training as many apprentices. In the past Homeswest used to be a large trainer of apprentices and this is no longer the case. Again, this is a result of outsourcing work to external contractors.

*“When I finished year 10 in 1979 there was Westrail. Nowadays the government has closed down all those agencies where you could go to get a trade. All the departments had apprenticeships.”*

The **boom-bust cycle** also has an impact on the structure of the industry. The cyclical nature of the industry was perceived to have a number of effects by research participants ...

- In a ‘boom’ ...
  - > ...subcontractors can seek more money for the same work because they are in demand, and this increases the cost of building. In turn this acts to depress the market as fewer customers can afford to build.
  - > ...the increased money that needs to be paid to get subcontractors results in them reducing the number of hours they work (as they can earn the amount they need in

less hours), which contributes further to the skills shortage (as each trained person is not working to capacity).

*“During a boom contractors can make as much money working shorter weeks and this contributes to the shortage as work hours are reduced. During a bust they work longer hours and take home less money.”*

- > ...untrained people find it easier to get work so apprentices tend to drop out because they can earn a lot more money as labourers. This contributes to increased numbers of unqualified tradespeople working in the industry. Many research participants estimated the level of unqualified tradespeople to be as high as a half of all tradespeople. This is discussed further in following sections.
  - > ... tradespeople become more selective about the jobs they will work on. For example they will choose to work only on simple houses because they get the same amount of money regardless of how specialised the work is.
- In a ‘bust’ ...
    - > there is a glut of tradespeople looking for work and as a result they will work for less and are less selective. It is claimed that this makes it much easier to focus on qualifications when recruiting (although based on the information provided it is doubtful that this occurs. This is discussed more in following sections of the report).
    - > ...tradespeople will work harder or for longer hours to earn a ‘good’ amount of money to live on.

A factor that is starting to impact and will have increased impact in the next decade is that **baby boomers are reaching retirement age**. Coupled with the fact that fewer young people are entering there is the prospect of considerable disruption to the industry in the near future.

*“There needs to be a huge influx of young people into the industry.”*

A few people suggested that this will result in further changes to building practices as alternative methods are found to address skills shortages e.g. greater prefabrication, use of alternative materials.

Somewhat counter to this is the claim that in the past few years of the boom, some retired tradespeople have returned to the industry to help boost their retirement funds.

Some participants also claimed that many of the **artisan skills** reside with the baby boomers and that their departure from the industry will have an enormous impact on the industry going forward. However, it was also claimed that the artisan skills are no longer valued as the push to get things done more quickly and more cheaply has made the use of those skills impractical.

Somewhat related to this is the increasing trend to **specialisation amongst the trades**. Many of the older participants compared current times, whereby now each trade has a narrow area of competence, to the past when they felt tradespeople had a wider range of skills. Some claim that multi-skilling is now a thing of the past.

*“30 years ago a carpenter was trained in all trades – as a builder. But a bricklayer will only have expertise in bricklaying.”*

It was also claimed that the “**double brick mentality**” of Perth customers is also a major influence on the industry. It is claimed that Perth is the only city in Australia that has this mentality. One major impact this has on the industry is that bricklayers are in huge demand and the other is that there is a need for large quantities of bricks, leading to a shortage in supply.

A particular impact on bricklayers of this is the **move to larger bricks** by brick companies. While this was an innovation to overcome the shortage of bricks it increases the physical stress on the tradesperson of a day’s labour lifting these larger (and heavier) blocks. The trades are already claimed to be **hard physical work** leading to tradespeople retiring from the building industry a lot earlier than those in office jobs, due to the wear and tear on their bodies. Thus, while the short term impacts of larger bricks may be shorter building times and fewer bricklayers required, in the long term it may contribute to earlier retirement thereby reducing the number of experienced bricklayers.

Another major impact is **housing affordability** with this having a depressive influence on the industry overall through the reduction of the number of people who can afford to purchase new homes.

*“Affordability is a big issue – taking the price of houses out of the reach of more and more people. This will be a major factor in ending the current housing boom.”*

The number of new homes being built is currently impacted by **extended completion times** that have been apparent over the past three or four years, with fewer people allegedly choosing to build for that reason. Extended completion times are the result of pressure on teams of tradespeople to complete the work that is available.

*“It must be hurting a lot of builders.”*

Extended completion times also have a significant impact on **builders and customers financially**. It was claimed for instance that over the life of the contract the cost of many services may increase and consequently the builder’s estimates are likely to be incorrect by the time the trade gets to the site.

A further impact of housing affordability is the move to more **prefabrication** in building and **alternative building materials** and / or methods. This is said to be more obvious in regional areas than in the city.

*“I think there will be a trend to more and more prefabricated components. Due to the lack of qualified trades they will have to shift some parts of building construction into factories. That way they can also better manage the quality.”*

## 5. Recruitment of trades people in the industry

Builders and supervisors noted a range of different issues in relation to the recruitment of tradespeople throughout the building industry in WA. Varying economic conditions affecting the state have impacted on the ease or difficulty of recruiting tradespeople. Recent demand for labour was said to have eased slightly due to housing affordability issues (i.e. the price of houses precluding people from building), and this in turn has impacted on recruitment practices (i.e. reduced demand for trades to complete buildings).

The general consensus among participants was that during a building boom several issues are experienced. These are:

- **Rates of pay** – during high demand boom periods, workers are in demand and employers are forced to pay higher rates. According to builders the current slower market will create greater stability and the (relative) scarcity of work will mean that contractors will work for less.

*“This last boom was phenomenal. We had to pay ridiculous rates – double what we were paying a few years ago.”*

- **Impact on quality** – the building boom created opportunities in the industry and resulted in people entering the market who otherwise would not have. The market can therefore be characterised by often inexperienced workers taking advantage of the demand for labour. Over time the impact on the industry is that poor skills are passed on, impacting on the quality of labour within the industry generally.

*“The boom is now ten years old. There are therefore youth in the industry now who have been trained by people who take their job for granted. As a consequence bad skills have been passed on.”*

In less buoyant times this situation is reversed: *“The cream comes to the surface and the bad ones fall off.”* According to a number of participants, recruitment is now somewhat easier given that rates of pay are less inflated than they have been in recent years. Rather than being forced to select workers based on availability, employers have more flexibility to recruit based on preferred practices, such as selecting experienced tradespeople or relying on referrals from another supervisor.

*“Depending on the climate we would look for different things in a sub contractor: twelve months ago we would look at anyone who was willing to work because you would be waiting up to four weeks for some of the trades. Now we would employ someone based on references from another supervisor.”*

*“It was difficult for us to find trades people about six months ago but now things have slowed down a bit. It is still hard but better than it used to be – now we can sort of pick and choose who to use. I say this with some caution though because it depends on the trade as well. For example I have enough tilers so I can pick and choose now but I don't have enough brickies so I can't pick and choose in that area.”*

- **Shortage of specific skills:** However despite the boom having slowed down, some recruitment difficulties are still common. Typically it is hardest to source good specialist ‘finishing’ trades such as tilers, gyprockers and painters. Discussions also highlighted perceptions that:
  - one in three bricklayers might have a qualification while the others will have worked their way up from a labourer without attaining formal qualifications.
  - plasterers will generally not have qualifications.
  - although roof carpenters might have some form of industry qualification it was not necessarily in that particular discipline.

## 5.1. General recruiting practices

Generally supervisors source their teams on behalf of a builder or company. The supervisors are usually employed by the building company so there is a formal relationship between those two parties. The supervisors build long and lasting relationships with their preferred contractors, working with the tradespeople they know, using those who may have previously worked with the supervisor or company and have proven their experience through past work. Word of mouth referencing or utilising people used before are regarded as the most reliable means of recruitment.

When recruiting a new contractor, supervisors will often ask to see a previous job. This is quite common in regional areas/ small towns where it is relatively easy to check the quality of a potential contractor’s work however this is seen as more difficult in Perth. Some building companies said they rarely checked corporate references for tradespeople as it was seen as unlikely that the response from a competitor regarding a contractor could be trusted at face value. However in other instances, while qualifications and trade registrations were rarely, if ever checked, peer referee checks were given a great deal of credence.

*“If we don’t know them we won’t ring another company to find out – we couldn’t trust their response – they might tell us for example that a brickie was good but in fact he’s crap. So we don’t check references. We make sure they are not on any of the supers’ black-lists though.”*

*“Often it’s you’re a brick layer and you’ve worked with Joe Bloggs and we’ve checked with Joe Bloggs and it’s a reasonable job and he starts.”*

*“I don’t know of any builder that checks for qualifications. The only qualifications we look for is really their hands on experience out on site and their reputation.”*

A key factor in the selection of subcontractors is a desired work style rather than just qualifications. Those in demand display practical attributes such as getting on with the job and producing good work.

*“We select subbies on the way they work. Those that don’t bitch and moan are top of the list. The ones we prefer are those that do a good job, are reliable, and don’t stuff us round.”*

Other recruitment methods include advertising through print media and trade-sharing with other companies (see next section). On occasions where the regular supply of trades is insufficient a company may advertise through print media for new tradespeople. This is also the practice for jobs at sites which involve travel. In these cases, companies may either advertise for a local workforce or offer travel incentives to their regular tradespeople.

Few employers mentioned keeping a database of regular contractors, as their supervisors were said to hold the details, although one company was in the process of developing a list of preferred contacts. Where details were held it seemed it was usually for accounting purposes. Preferred status would depend on assessments by supervisors as to the reliability and quality of workmanship of the contractor.

It was said that the following might be key criterion for the selection of sub-contractors:

- They must have their own insurances in place – their workers compensation policy number and public liability insurance certificates would be noted.
- If they are qualified their certificates might be checked – this was stated although not many actually agreed that they did check. One of the reasons given for why qualifications weren't often checked was that it is difficult to recognise the different forms of qualifications that might be presented, particularly with so many overseas workers in the marketplace.
- Blue carded – everyone on an industrial site is said to need to have a Blue Card in place to ensure they are aware of safety issues.
- What sorts of jobs they can do - if specialised work is required then a tradesperson with particular skills is said to be valuable.
- Police clearances for maintenance work – it was not seen as acceptable to send a tradesperson around to clients' houses to complete maintenance work if they do not have a current police clearance.

## 5.2. Loyalty/retention

It was often noted by participants that subcontractors are usually loyal to their supervisor, often more so than to their builder or company. Retention of good subcontractors therefore hinged on good relationships forged with supervisors who make sure that their best teams are looked after by ensuring they get continuous work to prevent them being poached by other builders or companies. Within a particular company or group, supervisors might consider allocating their tradespeople to another supervisor's project in order to keep them in work, which again ensures they don't lose them to an 'outsider'.

During boom times, good tradespeople can be lured away by higher wages. Therefore working conditions become very important and a good supervisor will be able to keep good trades-people during the boom times by promoting good working conditions and utilising 'loyalty'. Employers may also engage in trade-sharing with other friendly or sister companies as a means of ensuring continuity of work for their tradespeople, thereby building contractor loyalty.

*"Supervisors look after their best teams, so the subbies are keen. When supervisors shift firms they often take all their subbies with them."*

*"We are loath to share tradesmen – good teams always get looked after so they won't be tempted by others."*

However, there was also a group who were described as 'prostitutes'. 'Prostitutes' are said to be those who have no loyalty to their builders / supervisors and go to the highest bidder. Builders talk about these subcontractors or contractors with disdain and claim that as soon as the boom is over these will be the tradespeople who will not get their work.

### 5.3. Qualifications

Qualifications are often only checked when a specialised task or finishing trade (e.g. tiling, painting) is required, rather than for bricklaying or concreting work. Others noted that qualifications were not checked because builders are sometimes not qualified themselves, are not in a position to ascertain the authenticity or standards of particular trade certificates (*"they might be downloaded from the Internet for all I know."*) or do not believe that having a piece of paper necessarily makes a tradesperson competent.

*"Typically we'd only ask to see qualifications if it was a specialised task we wanted done. Or a finishing trade like tiling or painting (not bricklaying or concreting). The owner walks into their new home that's the first thing they see."*

*"The company does not actually check their trade certificates because approximately 60% of the industry is not trade certified because they enter the industry as labourers. Qualifications are not a significant factor in employee choice because they mean nothing to the employers. Employers themselves aren't qualified to recognise the qualifications".*

While some builders said they looked for qualifications,– it was regularly estimated that around 50-60% of tradespeople working in the industry are not qualified. While this estimate was heard commonly, it was more difficult to locate non-qualified tradespeople to take part in the groups than it was to find qualified tradespeople.

While it was noted that good quality work could be produced without qualifications, it was alleged that the boom had created a glut in unqualified tradespeople, particularly among bricklayers, gyprockers and carpenters.

*"We take them on even if not qualified if they can do a good job. In a boom situation like we've just had it's worse. Some labourers work with a brickie for 4 or 5 years or worse, 6 months, and then think they can go out on their own."*

*“I push hard to keep standards high. In a boom the quality of work suffers. Supervisors need to push to manage the tradies properly.”*

While qualifications are not considered vital for recruitment, the value of qualified trades was noted by several employers, particularly in relation to:

- Potential for doing a better job – knowing a trade means that a tradesperson will often take more pride and responsibility in/for their work, are more reliable in their output and can read and follow a plan.
- Training apprentices – the more qualified a tradesperson, the more useful the information they can impart to an apprentice.
- Producing quality in the finished product – the more qualified a tradesperson, the more interested they are said to be in the finished product.

## 6. Quality and standards in the building industry

### 6.1. What is meant by 'quality'?

What people in the industry mean by 'quality' is somewhat difficult to define precisely. Each of the builders who were asked to describe quality or their approach to quality gave a different definition ranging from ...

*"There is only one standard of workmanship. People too often get mixed up between specifications and quality. There is no compromise on quality."*

...to...

*"There are no set ground rules for what is good quality, what is standard, what is acceptable."*

### 6.2. Quality assurance measures

It was claimed by some that quality is the measure of how well the finished product measures up to comparison against the *building company's display homes* - if they are able to build the home exactly as it is on display, then quality has been achieved – and the *building regulations*.

*"The display home is the minimum standard – people buy from that. That acts as the reference point for buyers. There's also the Building Code of Australia and the Builders' Registration Board to monitor quality."*

The building regulations and the Australian Standards were frequently mentioned as measures of quality.

One participant claimed that although the building and construction industry as a whole does have a quality assurance policy it does not amount to much.

*"It's simply words on paper."*

*"The whole industry needs professional improvement in standards, paperwork and documentation."*

### 6.3. How quality is affected by the current economic environment

Many of the general contextual issues summarised in section 3 of this report have an impact on quality.

It was generally claimed that quality deteriorates in a boom situation with more unqualified tradespeople in the industry and a drop in standards as workers try to complete jobs faster to meet demand and of course earn more money in the process.

*"Quality in the industry has deteriorated. But it was worse 6 months ago at the height of the boom."*

*“The pressure of time in the current building boom has resulted in a quality trade-off.”*

*“The standard has dropped because of a mentality that this is as good as you can get (in the current environment).”*

Thus, in a boom situation it is said that the number of ‘cowboys’ increases. ‘Cowboys’ is a term that is used widely in the industry – most usually to describe tradespeople who do a substandard job and these are usually perceived (by most) to be those who do not have qualifications.

*“There are a lot of cowboys running around trying to make big bucks in a boom.”*

There was one or two people in the groups who agreed they might be classified as ‘cowboys’ because they had no qualifications, however they did not accept that because of the absence of qualifications their workmanship was inferior to others. **So, importantly, it was claimed that holding a qualifications does not necessarily guarantee a good quality job and not all of those without qualifications do a substandard job.**

*“If you were to ask a supervisor ‘do you want someone with trade qualifications who could be a ratbag, might take a while and is going to ring you five or six times a day or do you want this guy, we don’t know if qualified but he’s a real smooth operator, does a neat job, will be gone in five days and you’ll probably hear from him once’...he will go for the second option.”*

## 6.4. Attitudes about quality

There were a number of different perspectives expressed about quality depending on the type of participant. The different approaches are discussed in more detail in the following sub-sections.

### 6.4.1 Builders and building companies

As customers shop around and choose their builders based on perceptions of quality (via word-of-mouth and other forms of personal research), building companies rely on their reputation to attract new clients. Accordingly it is important for builders to maintain a marketplace positioning based on proven quality, as no customer is going to intentionally commission their new home from a company that has a reputation for poor quality housing.

### 6.4.2 Subcontractors and tradespeople

Subcontractors and tradespeople tended to define quality as work that is approved by the building supervisor and / or work that they are ‘proud of’.

It was also reported that the ‘following’ trades also act in a quality assurance capacity with some detecting errors or shoddy work.

Several of the tradespeople in the discussion groups claimed that they made their money from fixing the shoddy work of others. It was also claimed by them that because of the

current high pay rates for bricklayers some builders were employing unskilled tradespeople at a lesser rate. However, they claimed this was false economy because in the end it costs more to fix sub-standard work than it does to do it right in the first instance.

#### 6.4.3 Building supervisors

Building supervisors (along with 'following' tradespeople) were most likely to mention the notion that a quality job is one which has a 'clean finish' that makes life easier for the 'following' trade. By this they meant that the bricklayer must do their work in a way that makes the work of the plasterer easier, and the plasterer must do their work in a way that makes the work of the tiler or painter easier, etc.

*"The bricklayer makes a mistake and leaves it to the plasterer to fix up. The plasterer stuffs up and leaves it for the setter and they leave it for the next guy and that's how it gets stuffed up."*

Further detail about building supervisors and quality is provided in section 5.5 (Who monitors quality?).

#### 6.4.4 Apprentices

Apprentices tended to define quality mainly by the approval of their (host) trainers - they know they have done a quality job when their boss approves it.

*"When it's not good enough they tell you it's shit."*

*"My boss tells me if it's wrong. But then he cuts corners himself."*

Several apprentices also mentioned that their boss in particular was a better tradesperson than many others in the industry and that they learnt a lot about quality from looking at their boss's work compared to others.

*"I can see from looking at other people's work and looking at my boss's work that his is really good."*

Apprentices also judge by what they are taught at TAFE. However for many, TAFE is more likely to judge their work according to the 'proper' way to do something than their boss is – the boss is more concerned with getting things done efficiently. It appeared therefore that there was a gap between what TAFE trainers teach and what is practical and efficient, with some apprentices reporting that their bosses tell them to ignore what they have learnt at TAFE.

*"Quality work has to look good and not take too long."*

It was generally agreed that in relation to quality there are very few perfect jobs in the industry in terms of measurement and angles and several apprentices claimed that their boss told them that in the building industry it was a matter of what can be 'gotten away with'.

*"If you can hide something so the average person can't see it, then hide it."*

Several apprentices reported that they could sometimes get away with poor work depending on whether it could be covered up or not and that only when it could not be covered up did they have to redo their substandard work.

It was only a minority of apprentices who reported that their boss was focused on quality and made them do a good job every time.

#### 6.4.5 Customers<sup>1</sup>

Some research participants claimed that customers actually performed the same function as building inspectors, and that over time customer knowledge had increased.

*“The expectations of the consumer have risen as consumers have more demands and knowledge of the standards.”*

*“Yes. There are clients who would pick something that every other man and his dog wouldn’t even notice. It comes down to your own interpretation of what you think is good and bad.”*

However, others claimed that customers were more likely to simply judge quality by their perceptions about the finishing of their homes, and comparison to the display homes they were exposed to, any previous homes they may have built and the homes of their friends and family members.

Builders themselves talk about the importance of the ‘finishing’ trades in the quality equation for customers and claim that paying extra attention to the detail (of painting and tiling) can have a huge positive impact on customers’ level of satisfaction with their new homes.

*“Customers measure quality by picking up discrepancies in colour and finish. It’s purely a visual thing. It is very rare that a customer would pick up on the specification of the building.”*

However, there can often be a variance between customer expectations and deliverables, as explained by one participant...

*“We build with our heads and customers build with their hearts. They are building their dream. Sometimes we can’t deliver their dream – we are building to specification. However there is no such thing as 100% we try to deliver as close as we can to that. That means it’s not 90% and it’s not 110%.”*

There were mixed views expressed by industry participants as to whether customers would pay a premium for quality, however this may be a function of the different types of interviewees – some were representatives from high end builders and some were from the first home buyer end of the market.

*“Customers understand that there is a premium that they are paying and they expect to get the quality for it.”*

*“Customers will not pay a premium for quality. They expect quality for whatever they pay.”*

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<sup>1</sup> It is important to note that no customers were included in this research. Customers’ perspectives were gathered from discussions with industry based research participants.

*“The more the client pays the more they expect in terms of quality.”*

However, in terms of checking qualifications it was generally agreed that while customers might shop around to find a builder with a sound reputation in the industry, they don't normally check whether the sub-contractors and tradespeople working on their building actually have appropriate qualifications.

*“Our clients do not check on the credentials of our tradesmen because they trust us to hire the right people to do their work for them.”*

## 6.5. Who monitors quality?

It was generally agreed by most parties that the person who has the most control over quality on the building site is the building supervisor. Consequently, the factors that are said to impact most on whether a quality product is delivered are:

- **number of houses** that the supervisor is supervising at any given moment
- lack of qualified **supervisors**
- **supervisor's background experience**
- **quality of the supervisor's teams of tradespeople.**

Each factor is discussed in turn.

The **number of houses** needing to be supervised at any given moment ranges enormously. This can be a function of the 'quality positioning' of the building company – at the high end of the market each inspector is expected to have fewer houses on the go at any one time and would therefore play an integral role in ensuring that the company's high quality positioning is maintained, while at the budget end of the market the supervisor would have a lot more. In fact, it was claimed by a couple of participants that the number of houses is sometimes far too many to enable even a cursory glance at work progress, and results in the supervisor visiting the site very infrequently.

*“We make sure our supervisors have a maximum of 15 buildings to supervise. We know that the quality of supervision deteriorates when supervisors are given too many buildings.”*

It was also claimed by several participants that along with the shortage of good tradespeople there is a **shortage of good building supervisors**. Most of those who have been in the industry for 20 years or more are perceived to “*know their stuff*” but the younger supervisors who have been recruited in the last few years may only have been around in the industry for a short period of time and increasingly do not have experience in the hands on side of the industry – coming instead from the administration or office side of the company. As a consequence they may be seen to have **no building skills and little knowledge about how the industry operates** at a 'grass roots' level, so they are ill-equipped to pass judgment

on how well particular aspects of the building have been completed, and are not well respected by tradespeople.

While supervisors from office backgrounds are perceived the most negatively, where the supervisor **only has practical expertise in one area** this is also seen to negatively impact their ability to judge quality workmanship.

*“A supervisor needs to have a wide range of building skills. For example if a supervisor has experience in bricklaying they can confidently tell a bricklayer what is wrong with their work and the brickie will respect that.”*

The **quality of the supervisor’s teams of ‘preferred’ tradespeople** was also vitally important. It was almost universally agreed that it is the supervisor who has control over which tradespeople are employed on which jobs.

## 6.6. The repercussions of poor quality

Builders were acutely aware of the repercussions for them of poor quality workmanship. The main implications mentioned were:

- orders to rectify
- damage to their business reputation
- time and cost.

*“When a bad job is done the customer will tell 50 people. If it’s a good job they’ll probably tell 2 people. Have to watch the reputation of the company, especially in a small town.”*

Another repercussion of poor quality was said to be the adverse effects on staff morale.

## 6.7. The perceived relationship between qualifications and quality

Interestingly no definitive relationship was perceived between qualifications and quality. While most participants agreed that qualifications did provide assurances about skill levels, most would also concur that experience was equally important. As stated earlier, having qualifications does not necessarily guarantee a good quality job and not having qualifications does not necessarily result in substandard work.

There were a lot of different claims made about qualifications in the industry.

Qualifications were generally thought to contribute to *competence* with the general expectation that if a tradesperson has a qualification they were more likely to:

- know their trade
- take pride in their work
- be reliable
- be able to read a plan.

The last point, plan reading, was raised relatively often. It was stated that sometimes in a team of workers only one person would be able to read a plan, so that individual would need to tell all the other tradespeople what they had to do on the site and where. A plan reading exercise was also said to be one way of sorting out the “... *wheat from the chaff* ...” because if a tradesperson had a qualification they should be able to read a plan, whereas if they did not have a qualification they would generally not know one end of a plan from the other.

Contrarily, others claimed that qualifications make no difference because ...

*“It all depends who you’ve been trained by. You’re only as good as the person who trained you. If they have faults, you have them too.”*

*“Having a trade certificate does not necessarily mean a person is competent. It all boils down to attitude and work ethics not certification.”*

Qualifications were also said by a few to equate to *efficiency*, with qualified trades more able to work effectively in all situations due to their greater knowledge of how to do things.

*“The better the quality the more efficient in the long term. The best tradies are those who work consistently to a good standard, have a routine and are more organised.”*

## 7. Industry qualifications

### 7.1. Value of a qualification

There were mixed opinions about the value of qualifications with some participants adamant that qualifications were of little value (i.e. they made no difference) and others feeling that quality standards were underpinned by a qualifications system which clearly mattered and was of great worth to the industry.

There was widespread acknowledgement that there are a lot of unqualified or partly trained people working in the industry and a general acceptance of this as necessary given labour shortages and demand for construction. The managed use of unqualified people was seen as usual practice and universally accepted as not having an overly negative impact on quality (see previous discussion). There was also a strong view expressed by those in the research that qualifications were not currently...

- needed to enter the industry and work on site
- valued by many working in the industry
- a criterion for hiring.

However, while this was accepted by many (although not all) as the current paradigm, there was an underlying implied assumption that qualifications were still important and should be valued:

*“The questions you would ask are ‘Have you done it before?’ ‘Who have you worked with before?’  
‘The question, ‘Are you a qualified trades-person?’ wouldn’t even come into it. Which is really wrong isn’t it?”*

In addition, there was a level of concern expressed about the lack of young apprentices coming into the industry and declining interest in trades, further indicating an underlying assumption of the value of qualifications even amongst the unqualified or partly qualified. The primary areas of concern were the loss of labour supply, particularly in the future when baby boomers retire, and also with regard to the loss of quality training, further emphasising the value of a formal qualification.

#### 7.1.1 Advantages of qualifications

Participants with qualifications cited the following advantages of having qualifications for them personally and for their employees:

- greater opportunities in the industry (e.g. larger or higher quality companies)
- longer term career path in the industry (beyond boom periods)
- personal satisfaction / reward at the achievement (pride)

Formal qualifications were seen as a way of **opening doors** or creating **further opportunities**:

*“Having a qualification gives you something extra that some others do not have.”*

*“Those who do have qualifications provide better quality work and have learnt all the skills they need to run their own business, like tax and obligations for managing staff, teams and equipment. Some sites can have large turnover. Basically a 4<sup>th</sup> year apprentice can run a site [and this provides great value].”*

Those looking beyond short term goals were more likely to see that the value in a qualification was that it could lead to more stable work, greater diversification of tasks and the opportunity to run their own business one day. Those cognisant of the limited life of physical work such as brickies' labourers for example, had considered a formal qualification as a way out of physical labour. Older participants in the study who were now operating their own successful businesses recounted how they themselves had been prompted to undertake further study to get a builder's qualification because of their age and their limited 'shelf-life' as a bricklayer.

This acknowledgement of the career pathway was greatest among older research participants, whereas today's apprentices were reported by these same tradespeople as being more susceptible to be lured by the wages promised in the resources industry and less able to see the longer term benefits of a trade qualification. However, despite the fact that many of the TAFE apprentices who were included in the research talked about the unfairness of the wages and the difficulty they faced living on that amount (basically needing to live with parents in order to be able to survive) and thus how challenging it was when their mates went off to the mines and were paid 'a fortune', claimed that they kept thinking of the long term benefits they would gain by having a trade certificate. Although, they did know others who had dropped out of their apprenticeships to go labouring or into the mining industry.

Although some of the TAFE students did say that there might be a possibility they would go into resources, it would not be until they finished their apprenticeship. There was also some resistance to the fly-in fly-out lifestyle:

*“You might make more money but you don't have a life.”*

*“I worked on the mines for 2 weeks and left. It's the people you work with on a mining site. They're assholes. When you start off they treat you worse than a boss treats his first year apprentices.”*

### 7.1.2 Qualifications, competence and quality of outcomes

Quality outcomes, standards and performance measures were frequently discussed by all tradespeople in the research, however there were mixed views about whether a qualification uniformly delivered competence and high quality outcomes. Many felt that experience on the

job, work ethic, reliability, attitude and efficiency were more pertinent drivers of standards than a formal qualification or a certificate.

Several participants stated openly that qualifications were not important, claiming rather that the ability to demonstrate competence to a supervisor or potential employee that is a better measure of employability. Qualifications were also viewed as somewhat less important at this point in time due to the high demand for tradespeople but this was reported to be a compromise position, that is, it may not be the case ordinarily in quieter times.

*“In times of labour shortage, all potential employees are given a go. With a slower market, employers can afford to be more choosy when hiring trades.”*

While a trade qualification may be seen as an important means of ensuring quality and maintaining standards in the industry – qualified workers are generally claimed to take more pride in their work, take personal responsibility, be reliable in output, and able to read and follow a plan – in practice, the real value of qualifications in the market place was less evident and overtly questioned by some. For example, the decisions made about hiring labour, even among larger or longer standing companies, did not often focus on qualifications, but rather more on who is reliable and easy to work with. Attitude and quality of outcomes were seen as overriding factors. All else being equal then, qualifications might be the deciding factor:

*“We select subies on the way they work. ...When we get the subies on our books we get them to fill in a form to get on the system. I don’t know whether we ask for qualifications on that...We ask for their workers comp insurance policy number and their public liability insurance certificates.”*

*“If he calls himself a carpenter, I don’t even check his papers. As long as he can do the job at the hourly rate and within the time frame, I’ll give him a job”.*

A small number of participants however, reported more positive attitudes towards qualified tradespeople remarking that they are sought after and respected. Employers claimed to prefer qualified tradespersons because they could then expect that person to have experience and **theoretical knowledge** of their specific trade area. Those who were qualified were also preferred over those who are not, as qualifications imply greater adherence to quality standards (although this was not seen as a guarantee) or at least knowledge of the appropriate codes to apply:

*“These guys take pride in their jobs and finish off their work well. I think they have a proactive attitude. We try not to work with unqualified tradesmen because of our quality standards.”*

*“If you gave me a qualified and an unqualified guy I would pick a qualified guy if they both have the same attitude towards work. Obviously attitude is not something you see before one gets employed so I would employ the qualified one if I did not know them before they applied. I think if the whole industry worked on a license system then we could properly control the quality in the industry.”*

Even those who had qualifications themselves and valued the experience and theoretical knowledge they could bring to the industry did not assume that qualifications necessarily

resulted in a good worker or a quality job. For these employers, the qualification was not valued or used:

*“Qualifications mean nothing. I know within ten minutes whether a trade is good or not.”*

There was diversity of opinion across the industry when it came to the value of qualifications in different trades. For example, there was a general view that a qualification is more important for structural trades (bricklayers, roof carpenters) than for finishing trades (ceramic tillers, painters) who are not as responsible for the structural integrity of the home. Some questioned the notion behind making painting, plumbing and electricians a qualified trade yet not bricklaying, plastering and roof carpentry. Others, however, felt that quality (and qualifications) mattered most on specialised projects or ones where the customer would notice sub-standard work:

The lack of emphasis on qualifications was also reflected in the fact that many participants didn't know how many of the people they work with were qualified. While some expressed an interest in knowing the numbers, most made the assumption that there were many unqualified people – speculation ranged from 15% to 50% of the workforce being unqualified.

While a lack of qualifications was accepted and qualifications were not relied upon to deliver quality and certainty of outcomes, the underlying and long term future of quality work was seen to be through training and qualifications. Some did believe that qualifications brought advantages to quality through pride in work, currency of knowledge etc. and that this would be passed on to future workers in the industry:

*“Generally those roof carpenters who have the qualification do a better job because they've got more understanding of the current code. They need to keep up with it and they're the ones who ask the questions when there's a relevant change.”*

*“The more qualified they are the greater their potential to do a better job... The more qualified they are the more useful information they can impart to apprentices. ..The more qualified they are the more interested they are in the finished product.”*

While there was no consensus over whether qualifications guaranteed competence or quality, there was universal interest in valuing and ensuring quality in the industry. Standards and performance measures were valued by many participants, with considerable interest expressed in how standards could be assured, with many suggesting registration, licensing and related schemes beyond the qualifications system currently in place (see section 7.1.1).

### 7.1.3 Unqualified trades people's attitudes to qualifications

Unqualified tradespeople recognised some of the benefits that qualifications gave people with regard to job opportunities, however, many were generally unconvinced that they would be better off with a qualification. In particular, younger tradespeople or those who had been in the industry for shorter periods of time were more cynical about the value of qualifications.

Several unqualified tradespeople who had been working for long periods (over 15 years) had an attachment to qualifications, having studied other trades for example qualified tilers working as bricklayers (who could earn more money), or having commenced studies and dropped out before completion. Several were in the position of currently having apprentices themselves and shared similar views to qualified tradespersons about the low status of apprenticeships and the challenges of attracting and retaining young people in the current labour market.

While most were unaware of RPL, of those who were aware, some had enquired about but were unconvinced of the benefits – concluding it wasn't really necessary or feeling that they were 'too tired to be bothered' with the extra effort this might involve. However, in principal, there was widespread support for the recognition of experience in the industry.

While qualifications may be of interest or even seen as advantageous to some unqualified people, ultimately they were not seen as necessary for them to obtain work or of any particular advantage for gaining work or higher wages in the current climate.

The unqualified tradespeople in the research claimed that the outcomes of their work were not of lower quality when compared to qualified tradespeople. The length of time on the job and learning through this work experience (compared to formal, structured learning for a qualification) was identified as just as valuable if not more worthwhile than an apprenticeship. Most felt that they would not be a better tradesperson even if they had gone through an apprenticeship.

*"My business partner in Victoria has three apprentices and is the best wood carver you would come across, but he hasn't got a certificate."*

Some were overtly critical of TAFE claiming the training was out of date:

*"It's old fashion. They teach you a lot of stuff you don't use."*

Certain trades such as electricians however were seen to require formal qualifications for safety reasons – it could be dangerous if they didn't have the appropriate training.

It was suggested that there should be greater recognition of and value placed on experience and time in the industry. While believing experience should be recognised, there was concern over quality assurance and several mentioned interest in the concept of registration

or boards as a means of providing recognition, licensing or assurance of quality and there was high value placed on the application of **standards** (quality of outcomes).

*“There needs to be something like the painters board where trades people can go and say I have been working in this industry for this number of years can I get a registration. Not having a qualification does not necessarily mean that you are not good but we need to have a registration board to check that tradesmen are working according to some standards.”*

Although they themselves did not have a formal qualification, the quality and integrity of the industry was still important to these participants, rejecting the label of ‘cowboys’ and taking pride in their work. They were looking to other means other than formal qualifications, which appeared to have limited value to them in the current market, to achieve quality standards or recognition.

## 7.2. Attitudes to apprenticeships

### 7.2.1 Taking on and managing an apprentice

In general it was felt that it was difficult to convince many managers or small business owners of the business case of hiring apprentices:

*“Taking on an apprentice is expensive. A decade or so ago an Italian brickie I knew was earning \$1000 a week and an apprentice would cost him \$250 a week. He had a \$1000 a week lifestyle doing 5 days of work and to take on an apprentice he would need to work on Saturday. He said “why should I?”*

*“We have had apprentices in the past but currently have none. Takes too many resources and it’s hard to get staff to look after them. Training takes a lot of time.”*

Some participants reported that they saw apprentices as somewhat of a liability and claimed that taking on an apprentice impacts negatively on productivity by slowing down their work and reducing their daily throughput (due to having to supervise a junior).

The link to future labour supply, i.e. apprentices as an investment in the future labour force, was recognised by some (but not all) employers with some builders and construction managers claiming that the main benefit to them from taking on an apprentice was that they would develop an ongoing relationship with the apprentice, and this was seen as a **long-term investment for the future of their company**.

*“I certainly see apprenticeships as an investment – the apprentice benefits because they get the training and I benefit because I get the relationship with them. That will be ongoing unless they chase the big bucks and go with another builder. Then my time and investment goes to waste. The subsidy is not enough to offset the cost of training.”*

Those who were supportive of apprenticeships thought the way to increase the number of apprenticeships would be for project builders to employ them. However, convincing managers that it’s ‘good for the business’ was perceived to be a challenge given the resources needed to manage them.

*“Another problem with project builders in regional areas is that they are usually managers not owners of the business, and they don’t really have a long term perspective of training and apprenticeships. Building companies that are run by their owners ... often put a lot into training. They see the value in it and they do it seriously, and have done so for a long time.”*

Good apprentices are at risk of being poached (within and out of the industry) and attrition is an issue if loyalty is not established. The risk of losing the investment made in the first two years of an apprenticeship is a disincentive for some employers:

*“It’s not worth taking an apprentice sometimes because in the first 2 years you lose money on them and you need the second 2 years so you can recoup the cost. But the last 2 years is when they are most valuable and susceptible to offers from elsewhere. It can be frustrating when the apprentice heads off elsewhere in the final part of their training and someone else gets all the benefit.”*

General difficulties of employing apprentices were reported to be the large amount of supervisory resources required and it being too hard to find suitable staff with adequate time to look after them. The ability to **manage apprentices** was therefore identified as a key issue in the decision to take them on and in influencing retention (and hence return on investment). Participants observed that many of the people who look after apprentices are not trainers and have few management skills.

*“Tradesmen or ex-tradesmen who don’t have a lot of formal education. They’re conservative and they are not great at communicating so not good at managing staff.”*

*“Our management structure is not supportive of apprentices. It’s not a high priority.”*

*“Any good manager knows they have to look after their staff. Otherwise the whole system falls down. If we put them on we’d give them to a subie to train. The problem is that a lot of the people who are assigned apprentices are tradespeople who while they may be great tradesmen haven’t received personnel management training, with the result that they run into trouble with employees.”*

Some participants called for ways of developing a culture of nurturing apprentices, developing a career path and getting beyond the first two years:

*“In the first 2 years an apprentice is a direct cost. They’re pretty useless for the first 2 years. Apprentices are seen as cheap labour for the first 2 years. They get disillusioned and give up. Is it any wonder? Sometimes they’re not taught anything.”*

*“Good supervisors will go to the sites regularly and listen to them talk – about their life. That way they feel like they’re valued and that also increases their loyalty.”*

Some felt that businesses might need to look external to the organisation for a solution.

*“You don’t need to know anything about construction you just need to know about training and have good staff management skills.”*

## 7.2.2 The value of quality training

Regardless of views about the value of qualifications, most tradespeople (qualified and unqualified) were in agreement that quality training made a difference and was often hard to provide in the current market due to time and cost constraints and the non-availability of good trainers.

*“If people are not being trained by good trades-people, they in turn will not be good tradespeople, resulting in a serious lack of quality trades in the future. New trades entering the industry need to learn how to read a plan - these are the skills that set apart good and bad trades-people”.*

For many the value of apprenticeships was seen to be not in the qualification it eventually provided but in the hands-on training apprentices would receive. Structured training taught by someone with a quality focus and who has good training skills was seen to be an ideal to strive for but (unfortunately) was often not realised due to time pressures in the industry, the opportunity costs of time spent on training and a lack of good training approaches.

Several research participants mentioned more holistic training models including additional training and support to apprentices provided by a **'pool' of loyal and stable sub-contractors** about topics such as running their own business, including managing financial and tax requirements. This was seen as Dale Alcock's highly successful approach, and was much admired. However, to the contrary, builders who do not currently have such a training program in place claim that it is too expensive.

The barriers for implementing a training program included:

- The company being too small to be able to afford to implement a full training program in its own right.
- (Regional) branches of companies often run by managers not owners and managers are more interested in short term (personal) outcomes such as profitability of the company rather than long term workforce (sustainability) measures.

On the job training was said to be of most value and it was suggested that variations in the quality of tradespeople is not a matter of qualifications but comes down to who trained them. Again, being a highly skilled tradesperson doesn't always translate into being a highly skilled trainer of others:

*"Part of the issue is the way tradesmen teach apprentices – labourers mix the mortar for the tradie. On some sites the tradesperson supervises until they are sure the labourer has got it right, on others they only show them once and then expect them to get it right. These tradies have no particular skills at training others."*

Not all participants in the research endorsed TAFE training (see later discussion) however there was some support given for structured training and an understanding of the theoretical and more holistic training that apprenticeships can provide. Reading a plan, knowing different aspects of the trade and being able to apply a more holistic knowledge rather than learning by rote were seen to be benefits of formal training that experience alone doesn't give a worker.

### 7.2.3 Reflections on the apprenticeship system

While it was not the purpose of this study to explore structural issues related to the apprenticeship system, many participants offered opinions about the system, such as making comments on wage rates, employer incentives, the (possible) durations of apprenticeships etc.

- **Competitive Wages:** Many felt that the industry was filled with unqualified or partly trained people because apprentice wages are so low, with reports that apprentices simply opt out and become labourers in order to earn enough to live on. Addressing the wage rate issue and providing alternative options for, and relative to, other employment options available (such as mining industry jobs) was seen as critical, as the choices available meant it was difficult to be competitive.

*“Apprenticeships are seen as a poor alternative to uni – you can earn \$32,000 as a sales assistant at Bunnings, why take \$14,000 to do apprenticeship?”*

Some spoke of school-based apprenticeships which could aid in expediting higher wage rates for apprenticeships so school leavers would be on higher wages when they started full-time in the industry (see below).

- **Trades as careers, VET in schools:** Several participants mentioned support for the idea of school-based apprenticeships.

*“Since the kids have to stay at school in years 11 and 12 – make those years apprenticeship years so that when they come out they have completed 2 years of an apprenticeship. Then they’d be worth something to industry.”*

Others commented that there was a need to change perceptions of trades and that this needs to happen at the school level, in the community and within the industry to support models of building longer term career paths rather than riding the short term wave of the current boom and not planning for the future.

*“Need to change the attitudes of the industry - make a career path. Some succession planning to replace all those approaching retirement.”*

- **Quality control and recognising skills:** Control was cited often as what was needed in the industry to ensure that the standards are being met. As noted elsewhere in this report, the **introduction of a licensing system** was proposed as a way to encourage unqualified but skilled trades-people to become recognised within the industry for their skills. Tradespeople said they prefer to be registered in order to prove that they have been through a formal system and can guarantee to their clients that they know what the standards are and understand the job they need to do.

*“If they brought in a licensing system, a builder could pick a bricklayer that hasn’t got a qualification and based on the quality of his work the builder could recommend that person gets his license.”*

The current level of awareness of RPL is very low among tradespeople (see section 6.4).

- **Shortened apprenticeships:** While some suggested that reduced term apprenticeships (two or three years) might assist in addressing some of the issues for the industry in the short term, particularly in fast tracking those who have ability, many thought that two years was not sufficient and expressed concern that these reduced apprenticeships would result in “half qualified” tradespeople thus reducing quality and eventually leading to decreased levels of expertise and specialised skills.

*“How could a 4 year apprenticeship lose 2 years without sacrificing something?”*

There was greater support for this concept in particular areas or types of trades. For example, apprentices could specialise in certain areas such as roofing or particular aspects of joinery. Each apprenticeship could work as a stand alone component and apprentices could build up their skills in areas of specialisation.

*“In roof carpentry where there are 2 components - roof fixing and fitting doors and architraves. They usually do one component or the other – so they could split that into 2 x 2 year apprenticeships.”*

Thus, some believed that the length of the apprenticeship might not be a contributing factor to reduced quality. That is, apprenticeships of four years may not be any better than two year apprenticeships because, particularly in the carpentry trades, there is no longer a need for the specialised skills that were taught in a four year apprenticeship in the project home market. Most carpentry work involves working with pre-fabricated doors and shelves. Therefore no specialist skills are required i.e. *“They don’t need to know how to make dovetail joints – they’re not used any more.”*

- **Employer incentives:** From a business point-of-view it was felt that the government subsidy was not sufficient to cover the cost of training, and some builders believe that they are penalised for providing industry training when they are absorbing the costs themselves. This discouraged businesses and subcontractors from taking on apprentices.
- **The TAFE system:** Some tradespeople claimed that the TAFE modules are out-of-date and need updating so they can be more effective. Apprentices themselves claim that while TAFE trainers might teach them to do things properly, their bosses don’t regard what they have learnt as being of value since they do things differently, and they are only interested in the apprentice doing things in the way that they believe is of most use and most effective. It was generally believed by all research participants that apprentices learn more on site than at TAFE. Some claim that what apprentices get out of TAFE is minimal for the time they spend there. Plus apprentices report that they get bored if the work is irrelevant.
- **Non-qualified tradespeople supervise apprentices:** It was apparent through a number of the discussions that non-qualified tradespeople are actually training apprentices. This issue might be of some concern to the industry in terms of quality training (i.e. how can a tradesperson with no qualifications train newcomers to the industry?), but it does indicate that even those who have no qualifications in a particular area see value in training apprentices.

*“My boss hasn’t got a piece of paper and he pisses on all the other brickies I’ve seen.”*

### 7.3. Impact of the booming economy on apprentices

As outlined earlier, the current context of the resources boom together with increased career choices for young people results in a competitive space for career and job choices. The number of job alternatives and the current high levels of wages and salaries undermine the value of trade qualifications and even further position apprenticeships as an 'option of last resort' through inability to compete with these more attractive alternatives.

*"The mining industry is hurting WA building industry, taking a lot of tradespeople out of the industry."*

The value of attaining a qualification also seems to be somewhat diminished in these boom times with trade-offs on time, quality and money occurring to get work done. Even large companies, with good reputations and who value qualifications, make such compromises, compounded by the fact that the industry generally accepts that certificates are not necessary.

*"We look for qualifications but sometimes they're hard to find...About half of the tradespeople working in the industry are probably not qualified. We take them on even if not qualified if they can do a good job. In a boom situation like we've just had, it's worse."*

*"In a boom the quality suffers. There are a lot of cowboys around trying to make the big bucks in a boom. Builders are desperate and they will take on anyone to get the job done. Sometimes it backfires."*

*"30 years or so ago everyone told you that you should get your certificate, but all that has changed now."*

Boom times also seem to result in a greater focus on short term gains over longer term business or career opportunities. Potential apprentices are said by some to be easily enticed to leave school and work for the mines and many of them are not convinced about the options possible through a trade. Similarly employers who are resisting taking on apprentices or are not prepared to invest in quality training don't see the longer term industry issues and are not currently prepared to run their business with a view to investing in the future:

*"It's a business. You're not just a tradesperson. They need to be encouraged to approach it differently."*

### 7.4. RPL (Recognition for Prior Learning)

Only a small number of research participants were aware of RPL. When the process was explained some disagreed with the concept because they consider it as fast tracking (i.e. can be a compromise on quality), but others thought it was a good way of getting unqualified trades people to demonstrate their skill level and attain a qualification thus addressing quality issues.

*"Give opportunity for people in the industry who have experience but no qualifications to do short top-up courses to get qualified."*

*“Have experience recognised – not as a trade certificate but as trade recognition.”*

Some were concerned for the quality standards of RPL suggesting a minimum number of years be set to ensure that applicants have had enough experience in the industry before they are qualified.

*“...need to have pretty strict requirements in qualifying a person using RPL. There has to be some way to determine that the applicant is fully competent in the work.”*

Others questioned whether RPL would be attractive or worthwhile to people in the current climate:

*“Not many people are interested in RPLing for qualifications because qualifications are irrelevant in the current market where there is a shortage.”*

*“Most tradespeople would be too tired and can't be bothered doing RPL.”*

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## 8. Industrial and organisational matters

A number of additional matters were also raised by participants in the research about the industry in general and the organisation (BCITF) during the interviews and discussion groups.

### 8.1. The industry itself

One thing that was apparent from the research was that many of the people who work in the building and construction industry are passionate about it, despite the perceived problems and the somewhat pessimistic outlook about what might happen in the future.

*"I love the building industry. It's fantastic. Tradespeople need to be passionate about it and proud to work in the industry."*

There was also a sense of frustration that was communicated by participants in the research about the lack of unified action from the industry.

*"For the industry to survive we need to be more proactive [in terms of taking on more apprentices]."*

From an outsider's point-of-view it appears that there are a large number of bodies and organisations (HIA; MBA; BCITF; unions; etc) that represent different interest groups within the industry, but no single voice of industry to represent all parties and provide overall guidance and strategic direction. In terms of addressing the challenges faced by the industry then, only piecemeal solutions are likely to eventuate because each organisation is only representing the interests of its own members and not the best interests of the industry in its entirety. **This is an important point in terms of recommendations arising from this research.**

#### 8.1.1 Certification or registration

The topic of certification or registration was not specifically canvassed in any of the groups or interviews but nonetheless it was proposed by many participants in the discussions and interviews as a way of lifting standards within the industry and improving the value of trade qualifications. The following quotes have been selected to represent the diversity of opinion expressed. It is important to note though that they are only a selection, as many others also made similar comments that are not reported here.

*"We can license the tradesmen e.g. you commit three offences and you are back to school to study for your license."*

*"There should be enforced registration based on meeting certain criteria."*

*"Trade registration would increase the value of a trade qualification."*

*"It's surprising that roofers and brick layers do not need to have certificates, yet painters do. Painting is not as important to safety as roofing and bricklaying is."*

*“The electrical and plumbing trades are perceived to be of higher value because they have to be certified.”*

However, while certification was frequently mooted as a desirable strategy, there were also one or two who expressed the negative of the additional cost and the impact on schedules.

*“They cost a lot more because they have to be certified and you have to wait around for them [plumbers, electricians and painters].”*

## 8.2. BCITF

Investigating stakeholder opinions about BCITF was not an objective of the research, however in conducting the interviews it was found that many participants wanted to comment about the organisation so this feedback is also included in the report.

While most people knew that BCITF is funded via a levy on every construction project in WA, many participants claimed they did not understand what BCITF actually does or achieves with the levy. This is a serious concern for the organisation and indicates that some effort needs to be undertaken to build better relationships with stakeholders. The most often mentioned criticism was that there is **too little feedback provided** to the industry (individuals and organisations) about what BCITF does with the money that is collected through levies. A selection of comments follows:

*“There’s no communication between BCITF and the industry.”*

*“To be honest I don’t know what BCITF does. I know they take a lot of money from us but I don’t know what they actually do. I don’t think many builders do know either. There’s not enough feedback to the builders on what they actually do.”*

*“I don’t know a lot about BCITF. I have not been able to talk to them but I think they have little awareness of the industry.”*

*“There’s no feedback from them. No-one knows what they are doing. Are they successful?”*

*“BCITF is like a black hole. Someone I knew went to work for them and we never heard from them again – it’s like he vanished into Dr Who’s Tardus.”*

A major concern is the perception that BCITF, although mandated to support industry training, may not be delivering to its charter:

*“Training has been a big issue for a long time but nothing has happened.”*

*“Do they know why apprentices are leaving? Why don’t they tell us what’s happening so we can do something about it? They need to educate people about how to look after apprentices.”*

*“There’s no evidence of BCITF doing anything to encourage people into the industry.”*

*“There’s no return on the funding provided to BCITF. How many older workers have been replaced? Nothing has been achieved.”*

*“BCITF should give a bigger proportion of the levies they charge to the apprentice.”*

Other criticisms related to the organisation's focus ...

*"They are city-centric – the country gets no attention from them. The large Perth based building companies and commercial builders get all the apprentice allocations."*

From an organisational point-of-view, these are quite negative views and indicate that BCITF needs to take active steps to better manage stakeholders' perceptions and address the concerns raised.

## 9. The marketing of qualifications

As noted in the previous sections of this report, there is a dilemma for BCITF in how to proceed with the marketing of qualifications given the views expressed by representatives from the industry that **having a qualification does not guarantee quality and neither does not having a qualification mean that substandard work will result.**

In moving forward BCITF wishes to increase the proportion of tradespeople with qualifications working within the industry (thereby reducing the number of tradespeople who are not qualified). Based on the comments made by participants in the research there are two factors to be considered in the quality equation: *experience in the industry* and *qualifications*. Each is discussed in turn.

### 9.1. Experience in the industry

Some of the non-qualified tradespeople in the research did express interest in attaining some form of acknowledgement for all their years of experience in the industry, however little was known about how they might undertake this. As seen earlier, several had heard of RPL although most had not.

The major barrier to attracting tradespeople who do not have a formal qualification in the area in which they practice to RPL is that most can get jobs regardless of the fact that they have no formal qualifications. A key incentive for some however may well be the question: *What will happen when the current building boom ends?* It is probable that even if the industry does go into a bust cycle, if they have a strong relationship with a supervisor and have always done good work for that supervisor and are easy to work with, they will always get work regardless of the fact that they do not have a qualification. So, there will always be some whom the RPL option is not going to attract.

It is also probable that the tradespeople to whom RPL is the most attractive will be mature aged i.e. will have a considerable number of years experience in the industry, and not necessarily interested in taking work that is remote or not city-based. So it will be in their best interest to ensure a place for themselves in the building industry. A positioning for them might consist of messages about looking to the future or taking care of their future.

Another strategy that might be viable with this target group is the idea that they might want to disassociate themselves from the 'cowboys'. Nobody wants to be thought of as someone who does sub-standard work and so positioning RPL as a means of distancing themselves from the 'cowboy' tag could work for those for whom this is a concern.

## 9.2. Apprenticeships

The marketing of apprenticeships is a more complex area, since there are a number of factors that influence this. First there are many parties to whom marketing needs to be addressed (i.e. not just apprentices but also builders and subcontractors). Second, there are already a number of campaigns in existence that promote apprenticeships, including BCITFs own campaign for the building trades. Third, while there are many organisations in the building and construction industry itself, there is no 'single voice' for the industry.

A number of suggestions were made about apprenticeships – sometimes from the subcontractor point of view and sometimes from the apprentice point of view.

It was not disputed by anyone that there is a need for more (young) apprentices. While there is a shortage of skilled tradespeople in general, there was also an issue with succession planning i.e. who is going to take over when current baby boomer tradespeople retire?

General strategies that participants suggested as means by which to make apprenticeships more attractive include:

- Make apprenticeships more *valuable* so that more young people want to undertake them.
- Make apprenticeships more *honourable* – compared to a university degree apprentices are not as appealing.
- *Awards for best apprentice* also encourage young people and attract them to the trades.
- The government should take more responsibility and increase government spending on apprenticeships to make them more attractive to apprentices.

*“Government should put their hand in their pocket and use some of the funds they made during the boom time to address this issue.”*

*“Need to orientate the apprentices to know that they don't have to stick to the same trade for life. Can diversity or go into management.”*

Several participants claimed that in order to be awarded WA government building contracts subcontractors had to have apprentices employed so this was seen as an incentive to larger builders to take on the training role.

However, aside from the more general strategies there are a number of different perspectives to consider and these are discussed in the following sections.

### 9.2.1 Building companies' point of view

Building companies / builders rely on tradespeople to construct their products (buildings) and so it is in their best interests to have a qualified workforce. Some builders were already discussing the options themselves in terms of strategies to increase their access to trained tradespeople. For example one mentioned implementing their **own training program** as per the [much commented on] Dale Alcock model, and others by hooking into existing specialist group training schemes.

Having said that however, and as noted earlier in this report, it was not always the case that construction managers or building managers check the qualifications of the subcontractors they employ, often relying instead on their supervisors to screen potential tradespeople. So there are two aspects to any marketing strategy – first to **'sell in' the value to them of ensuring that any subcontractors they use are qualified** (and not relying on their supervisor to ensure this) and secondly to **promote the value to them of supporting training in the industry more widely**.

In this vein, many builders / company representatives had already identified the long term benefits to them of having a loyal, stable workforce, however there is another aspect that may act as a powerful motivator. It was claimed by a couple of participants that their workforce comprises tradespeople in their 50s and that made them worry about the future of their company. Emphasising **sustainability issues** may help them see a way to move towards ensuring the continuity of their business by introducing younger people into their workforce via apprenticeships.

However, the major barrier to sponsoring more apprentices from a business point-of-view was the **cost**. It was claimed that employers need to be properly recompensed for taking on an apprentice – and it was suggested that the cost needs to be staggered so that there is a larger financial incentive in the first six months (*"bosses operate at a loss in the first 6 months until their apprentices are competent enough to be put on the tools"*). It was suggested that this might also encourage more employers to take on greater numbers of apprentices.

Suggestions provided about ways in which building companies could be encouraged to improve the skill levels of tradespeople on their worksites included:

- BCITF (or Department) to give *bigger incentives to smaller companies* (as opposed to larger companies) to take on apprentices.
- Encourage companies to set-up their *own internal training programs*.
- Educate building companies about the benefits of having apprentices promulgate the idea that this is an opportunity to ensure that their workforce *places the same value on quality as they do as an organisation*.

- Educate businesses about considering apprenticeships as an *investment in the industry* not as a cheap source of labour.

Other strategies mentioned to improve the skill levels of tradespeople (not just apprentices) included:

- One participant said he was considering introducing a **preferred contractor award** for his [large] company's contractors to try to reward them and build their loyalty. He talked also of using that preferred supplier status to allocate apprentices – i.e. *to reward the best and most loyal contractors with apprentices that are subsidised by the company*. However he was still debating this scheme as he was concerned that contractors with his company's seal of approval would be marked as an attractive target for other building companies or supervisors looking for more workers.
- Building companies to **support the training of tradespeople who are selected to take on an apprentice about how to better manage their apprentices** because it is currently claimed that while those who are training apprentices may have exceptional skills in the trade, they very often do not have any particular skills in management and training and so they do not ensure that the environment is supportive of the apprentice.
- Ensuring that there is **ongoing education available for building supervisors** to make sure that they are increasing their skills in all areas of the industry. As noted elsewhere in this report building supervisors have control over building quality on site so it would be of benefit to building companies to consider upskilling building supervisors, not just in administering the company's quality standards but also in making sure that they have the necessary skills to make judgements about the standard of workmanship.

### 9.2.2 Sub-contractors' point of view

Some of the aspects listed above may also apply to subcontractors. In terms of subcontractors specifically though, their primary concern appears to be the potential financial liability.

*"Subcontractors are short term thinkers. The industry is cyclical, so based on the boom-bust cycle it is risky for them to take on the liability of an apprentice."*

Suggestions provided about ways in which subcontractors and contractors could be encouraged to take on apprentices include to:

- **Educate subcontractors about the benefits to them**, and the process of taking on an apprentice.
- **Give tradespeople proper (increased) incentives** to train apprentices e.g. provide greater monetary incentives in the first year of the apprenticeship because this is the period when the apprentice is the greatest cost to the tradesperson – that is they are not really capable of doing much work and they slow the tradesperson down in their own job.
- If there is a long term benefit for the builder i.e. increased loyalty amongst subcontractors, younger workforce, succession planning; etc then the **building company**

**might wish to consider subsidising its best subcontractors** to take on more apprentices.

As noted previously it was thought by some that **subcontractors often do not have the necessary management or training skills to provide a supportive environment** for apprentices and that this contributes to the attrition rate amongst apprentices. Apprentices confirm that there is a wide variance between bosses, with some being really good and others being so bad that apprentices ask to be shifted from one placement to another, or (as was reported by apprentices) simply quit to avoid the problems.

### 9.2.3 Apprentices' point of view

It should be remembered that much of the information about potential or perceived barriers to apprenticeships came from stakeholders rather than apprentices, since only a limited number of apprentices (via Balga TAFE) were included in the research.

It was claimed that **the notion of undertaking a trade qualification is often 'handed down' through families** and that it is unusual to see someone come to the industry from outside. However this perspective was put forward by someone in a country region and so that may be colouring their perspective. However, it is probably the case that for young people who have someone in their family working in a trade, the idea of an apprenticeship is more likely to be in their consideration set than it is for young people whose family members are predominantly university graduates.

It was reported by participants that despite people having 'looked down' on the trades for a long period of time, thinking them inferior to university degrees, in the present economic environment tradespeople are earning 'heaps' and this has increased the desirability of a trade qualification. In fact, it is claimed by many that "... **the trades now leave professional jobs for dead** [in terms of remuneration]." Somewhat contrary to this was the response given by apprentices at the TAFE discussions when asked why they had undertaken an apprenticeship the predominant answer was that they were *"not smart enough to go to university."*

It was also universally acknowledged that **a trade is hard work** and that the retirement age for tradespeople is lower amongst the trades than it is for other occupations because of the physical demands.

*"I am only 42 years old but the work is having a big toll on me physically. I feel the pain whenever I lift a brick. Not sure how long I can go on for. Certainly can't continue to do this job till I turn 50."*

This is said to impact on the decision by young people to undertake an apprenticeship – some are said to **prefer not to 'get their hands dirty'** and apprenticeships are certainly classed by some as 'dirty work'.

On the other hand apprentices themselves when asked about their reasons for choosing to undertake an apprenticeship talk about their **desire to work outdoors and to be doing something physical** rather than something 'intellectual' or theoretical. It is this desire to avoid theoretical work that causes many of them to claim to not like TAFE – some claim that there is too much reading and 'book' work involved.

The major *disincentive* mentioned by apprentices) was the **poor remuneration for what they are required to do**, although this cannot really be regarded as a *barrier* for those already in apprenticeships since they are in their apprenticeships regardless of this, but it was certainly put forward as a barrier for others by those in the research. The greatest temptation is on their worksites when they see others working as labourers who earn a lot more than they do for the same (physical) work.

Other reasons given by apprentices for having undertaken their apprenticeship were:

- They weren't smart enough to do anything else: "...I'm too dumb to go to uni."
- To start their own business and work for themselves (rather than for a boss).
- To take advantage of the opportunities a trade opens up.
- Their boss offered them the opportunity to undertake an apprenticeship from a labouring job. This suggests that some tradespeople are willing to support an apprentice when they have judged their 'mettle' and assessed them to be worth the effort.
- They hated school and wanted to escape from that regime.
- They needed to do something after leaving school and it was also seen as better than being on government allowance.
- Interestingly there was also a few who mentioned that they wanted to make sure they had the qualifications because once the boom is over they thought those without qualifications will find it hard to get work.

Suggestions provided about ways in which young people could be encouraged to take on an apprenticeship included:

- Make the industry more attractive to the younger generation by *raising the profile of building and construction apprenticeships* as a career and presenting it as a viable career option for high school students.
- *Show young people what they are getting into* before they enter the industry i.e. show them the lifestyle of the builders so they can see how well they could do with a trade.
- *Get them started in an apprenticeship in years 11 and 12* and then they are worth something to the industry when they finish school because they are two years qualified, taking them through that first two year period when they are more of a liability than an asset.

- *Target parental attitudes* to apprenticeships - some work needs to be done with parents to change their mind set around the trades because there is still the perception that undertaking a trade is a second choice.
- *Pay apprentices better* – to make the idea of an apprenticeship more attractive and to compete with what the resources sector is offering. This might be as simple as giving students a more realistic idea of what they could be earning when they get into the trade officially.

*“I was told I’d earn \$52K, but I earned more than that when I got into the trade.”*

- Give apprentices *positive feedback* and *financial incentives* – e.g. a financial bonus from their boss (\$50-100) at the end of the week for a job well done would go a long way to increasing their satisfaction with the job.
- *Pride* was often mentioned by practicing tradespeople as one of the attractions of the job, so fostering the sense of pride in achievements would aid greater satisfaction with what they are achieving.

*“Kids need to take pride in what they are doing.”*

As can be seen there are a number of *short term* and *long term* benefits to emphasise in marketing an apprenticeship.

However, as noted earlier, in addition to the incentives for apprentices themselves, industry participants identified the importance of educating the apprenticeship sponsor (either the contactor or the building company) about **how to nurture and support the apprentice** to ensure they stay and do not drop out before they have completed.

## 10. Considerations for the way forward

The brief comments and considerations made here are based on the content of the previous sections of this report.

- **Consider customising information, marketing and services to different target audiences**, in particular the *supervisors* (since they are the ones who have direct control of quality on site) and *builders* (to pressure supervisors into changing the way they might approach things) and *apprentices* (students, school leavers and mature-aged apprentices)
  
- **Targeting building supervisors for additional training:**  
Due to the huge impact that building supervisors have over building quality on site, it is important to consider strategies to ensure that supervisors are adequately trained and / or have appropriate trades skills or general building experience. Providing further training for supervisors is therefore indicated.
  
- **Key positioning and messages for consideration:**  
In moving forward it is desirable to find a positioning that will not be rejected. It is therefore essential to not go down the route of saying that people need a qualification in order to work in the industry (as a marketing strategy) since that would be rejected out of hand as this is patently not true. Therefore focus should be placed on:
  - *Quality, competence and experience* – getting recognised for skills (apprenticeships and RPL), know the difference, etc
  - *Preparing for the future* (long term careers, security when the boom busts)
  - *Leveraging interest in quality* – being able to differentiate yourself from the rabble – avoid being regarded as a cowboy
  
- **The research also highlighted a role for an appropriate industry lobby group (perhaps BCITF) in...**
  - advocating for VET in schools
  - increasing trainer skills and people management skills in the industry (perhaps using the Dale Alcock model and others as key case studies; using testimonials to build a business case and demonstrate value).
  - considering what can be done to address *structural impediments* to apprenticeships such as the costs of training, employer incentives, length of time of apprenticeships, relevance of TAFE training, etc.
  - exploring models and the marketing of RPL and shortened apprenticeships in light of the findings herein.

- **Finally there is a role for BCITF in...**
  - stakeholder management. As noted in the report, stakeholder expectations need to be managed, especially around what the organisation's roles actually are. In particular the industry appears to require more feedback from BCITF about what is actually being done to address their needs for the future.

**APPENDIX A:  
DISCUSSION GUIDES**

**BCITF**  
**STAKEHOLDER DISCUSSION GUIDE**  
**Builders and building supervisors**

*This discussion guide is intended as an outline only. There will be considerable scope within the discussion for exploring issues as they arise.*

*Questions are indicative only of the general subject matter to be covered and are not word for word representations of the moderator's questions.*

**INTRODUCTION & PROTOCOL (2 MINS)**

- Thanks for agreeing to take part – really appreciate your time and input.
- TNS Social Research is independent company, do a lot of government research on different topics. Examples.
- This project is for BCITF but our brief is to report honestly about the issues that are raised by the people we talk to
- I'm going to be asking you about your experiences with employing tradespeople. We're interested in your opinions. There are **no right / wrong answers** etc.
- Privacy Act – responses will remain confidential. No individuals will be identified
  - If at all possible I would like to audio record so I can take notes later
- AMSRS is our industry organisation – has a code of professional behaviour that members must comply with
- QPMR – Qualified Practicing Market Researcher
- Discussion will take about three-quarters to an hour

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**1. CONTEXT (10 MINS)**

- How long have you been in the building industry? How long with the company?
- How did you get to this position? University trained, up through the ranks, up through the trades, or some other way?
- What sorts of building projects does the company undertake? PROBE FOR:
  - Type/scope - residential; large / small scale corporate; community; etc)
  - Budget – large / small or medium budget
  - Number – how many projects per year
  - Locations – city only / rural / interstate or national
  - Products – luxury end / first home buyer / budget
  - Turnover
- How big is the company? How many full-time employees? How many sub-contractors?
- Do you take on apprentices? If yes: How many? Is that directly or through a group training scheme? Is that a regular commitment? If not: Why not?

## 2. RECRUITMENT PRACTICES (5 MINS)

Thinking about the tradespeople, either employees or sub-contractors ...

- How difficult is it to find tradespeople to work for you?
- How do you go about finding people to undertake the work you need?
- Do you have a list of preferred contractors? If yes: How do contractors get onto your list? What do you look for?
- Do you have some set criteria / prerequisites? If yes: What are they? LISTEN FOR: qualifications; apprentices; proven experience; references; etc).
- Do you look at examples of past work? Seek recommendations from other subbies? Do you ask other tradespeople who work with them for feedback? (once you have engaged them)
- In the current boom situation, do you ever employ from outside your list? How do you assess skill levels if you have to do that? Do you check qualifications?
- How do you know about their **range of skills if they do not have formal qualifications** (e.g. the ability to do unusual roof lines, arches, fireplaces etc that you would learn in a full apprenticeship)?
- What do you think makes a good tradesperson?

## 3. QUALITY (20 MINS)

- What's happening in the building industry generally at the moment? Are there any major issues or trends emerging? Is demand slowing?
- What are the major problems facing builders at the present time? PROBE FOR:
  - Supply of labour – **what trades in particular?**
  - Quality
- What is 'quality' in the building industry?
- How do you measure quality? Is there a measure? What are the factors that go into that measure? LOOKING FOR MENTIONS OF SKILLS AND QUALIFICATIONS.
- How do you balance quality and efficiency?
- Are there some trades you need to be more concerned about quality of their output than others (e.g. electrical and plumbing versus bricklaying)? If yes: Which trades are of most concern ? Need more monitoring? If yes: How do you monitor?
- Some people have suggested that there might have been a drop in quality of workmanship over the past few years? What do you think? Is it true? Why? Why not?
- If true: Where is it the biggest issue? Are some trades more at risk of compromising than others? If yes: Which ones? Why?
- What do you think might be causing people to have this idea? Would you say the industry is being deskilled, with many unqualified or partly qualified people working as tradespeople?
- Do you have any concern about the skill level of industry in the future?
- Do you know of many instances where unqualified trades people are doing trades work? Are there particular trades where this is particularly the case? If yes: Which trades are well-known for this?

- What are the impacts or cost implications resulting from poor workmanship ...PROBE FOR:
  - Having to redo work? Call backs?
  - Delays to projects?
  - Morale?
  - Increased liability
  - Insurance implications?
  - Contract implications?
  - Builder's warranty?
- What's your **company's philosophy or approach to quality**? How do you ensure quality workmanship?
- How do you balance quality with efficiency? How do tradespeople maintain quality in today's pressured environment where every minute is money?
- What about the customers? What impact do customers have on considerations of quality? Do they take a role in ensuring quality? Why? Why not? Would you say you build to a price because that is what the consumer wants? Is this good for the long term viability of the industry in WA?
- Do customers value quality? Will they pay a premium for quality? Why? Why not?
- How do customers measure quality? What do they look for?

#### 4. **QUALIFICATIONS (20 MINS)**

- Thinking generally from an industry point of view – what is the **attitude to qualified tradespeople**? **What is the attitude to** apprenticeships in general? PROBE FULLY
- Is training seen by building companies as **an investment or a cost**?
- If seen as an investment ask: What is it an investment in? Who benefits most?
  - Commercial profile of the company? Point of differentiation?
  - Individual workers
  - Employers
  - Consumers
  - Trained staff being poached?
- Is there a correlation between **quality and training**? EXPLORE IN DETAIL.
- How important do you think it is for workers to have a trade certificate?
- Does a trade certificate have any value? Why? If not: What is not valued? Is it more valued in some trades (like carpentry, painting?)
- What does it mean to have one versus not?
- What is the **value of a trade certificate**? What makes it valuable?
- Who is a trade certificate **most valuable** for?
  - The trainee? Why?
  - The employer? Why?
  - The industry? Why?
  - The customer? Why?
- Is it easy to ascertain what qualifications a tradesperson has? If not: Why not? Are some qualifications more recognisable than others? If yes: Which ones?

- There is a tendency for apprentices to **drop-out** before they complete their qualification, why is that, do you think? PROBE FOR...
  - Make more money elsewhere
  - See no value in completion - Why?
  - Focussed on the present not the future
  - Lack of understanding
  - Lack of commitment / don't finish things
  - Lack of flexibility in system / in TAFEWA
- **What impact will not completing** their apprenticeship have on them and their working career in the long run? What will the impact be on your business in the future if there are no qualified tradespeople?
- What do you think can be done to encourage more apprentices to finish?
- What will be the impact on the industry of not having skilled workers? What is the future for the industry when the Baby Boomers retire?
- How can more apprentices be encouraged to ...
  - Undertake an apprenticeship in the first place?
  - Continue/complete their apprenticeship?
- Do you know much about **Recognition for Prior Learning** (RPL)?
  - Do you have any **issues** with it?
  - Are there any **benefits**?

IF THEY HAVE AN APPRENTICE, ASK:

- What about **TAFE**? Are you happy with the quality of off-site training apprentices receive?
- Do you use, or have you considered using **group training schemes**?
  - Are there any **issues** with group training schemes?
  - Are there any **benefits**?
- Is it a prerequisite for all your employees / subcontractors to have trades certificates? Why? Why not?
- Do you **check the credentials** of those you employ? What credentials do you look for?
  - examples of past work
  - feedback from other tradespeople
  - recommendations from subbies?
- Do customers ask for **proof of credentials**? Or do they just assume that the builder does that? Does this cause any problems?

**5. BCITF (2 MINS)**

*In assessing the context or environment it is essential to ascertain their attitudes to BCITF. If not mentioned spontaneously ask:*

- What role does BCITF play in training apprentices?

**6. SYSTEM IMPROVEMENTS (2 MINS)**

- Thinking generally, is there anything about the current training system that can be improved?
- What needs to change to make things work better?
- What could be done to improve the perceived value of a trades qualification?
- How can we get the industry to employ more apprentices?
- Whose responsibility do you think this is?

**THANK AND CLOSE.**