

Policy Proposal

Transport & Infrastructure Industry Jobs Hub (TIJH)

March 2019



Overview

The shortage of an appropriately-skilled workforce is recognised as the number one risk to delivering Victoria's record infrastructure spend, and if not addressed may lead to cost blowouts, delays and unprofitable projects.

On 23 January 2019 in Melbourne, 17 government and industry leaders came together at a Victorian Capacity Building Workshop to develop a proposal to improve the delivery of the Government's major transport and road infrastructure pipeline, focusing solely on workforce resourcing initiatives that could be implemented immediately and collaboratively between government, industry and training providers.

Background

Traditionally, the Victorian Public Works Department engaged apprentices and engineering graduates for a period of four years to ensure competency.

Over the last few decades, the Government has progressively moved toward contracting out, which has resulted in the loss of the robust government-run graduate and apprentice training programs and a lack of capability within government departments.

Victoria is now entering the biggest build in its history, with more than \$40 billion in the transport infrastructure pipeline alone. This is exacerbating the constraints in the capacity of the workforce within the construction sector and within government.

This is partly because while there are multiple training providers, schools and programs, there is no credible body that tracks construction workers, and skills they have acquired, within the construction and engineering sector over the period of their career, making it difficult to appropriately plan the pipeline.

It is further constrained by the pipeline of work in New South Wales, Queensland and other states and territories that are concurrently focusing on major public transport infrastructure projects and significant road projects.

Currently, contractors hire the majority of apprentices and graduates but this system is flawed as the contractor may not have work in the pipeline for the length of the apprenticeship/graduate program and can view training as an adverse cost and drain on productivity.

The Victorian Government, through the Construction Industry Leadership Forum, is collecting the data which demonstrates the number of jobs that will be created or needed over the current infrastructure pipeline and the number of skilled people that are available.

It is clear, through the government's election commitments and agenda that job creation is a priority and a model is needed to attract, track, train, retain and mentor construction workers in the sector.

KEY RECOMMENDATION

Transport & Infrastructure Industry Jobs Hub (TIIJH)

The recommendation is to create a **Transport & Infrastructure Industry Jobs Hub (TIIJH)**. The hub would be a collaborative partnership between government, industry, associations and training providers.

It will act as a coordinating body that can attract, track and train people in the construction sector, particularly on transport and road projects.

In its formative stages, the hub would create implementation plans for a specific project or group of projects and ensure:

- 1. Flexible training:** The hub will enable participants (trainees/graduates/apprentices/cadets) flexibility on road and transport projects, allowing them to move between contractors to attain a broader breadth of skills. This acknowledges the fact that an individual contractor that has engaged a trainee may not be on the job long enough to complete the training or is too specialised in one area.
- 2. Data analysis:** Working with the Major Transport Infrastructure Authority's (MTIA) Office of the Director General, the data analysis for the jobs needed to effectively deliver the pipeline will be progressed. This is essential as it is impossible to create the demand profile and know the number of roles which need to be created now and into the future without investing in this area.
- 3. Jobs, Skills and Training:** In partnership with industry, unions, RTOs and TAFE, develop the career pathways and courses that sit behind the jobs that are going to be in highest demand and identify, support and innovate the training providers and associations who deliver practical and contextualised training and mentoring.
- 4. Train the Trainer:** Develop a contextualised transport and infrastructure "Train the Trainer" program, (TAE40116 Certificate IV in Training and Assessment), targeting experienced industry personnel. For example, targeting personnel transitioning to retirement and return to work plans through WorkSafe and employer.
- 5. Skills Passport:** Create a system where a digital record of core skills and experience obtained through qualifications and on the job experience is recorded for all technical workforce participants. This will improve the delivery of projects by allowing project managers to select staff who have applied their skills in a relevant context, or encourage employees to pursue specific opportunities to round out their skills base. Similar models have been employed successfully by other industries, such as the Rail Academy and Rail Basic Safety Skills Ticket.
- 6. Procurement rules:** Manage and enforce workforce development in the contract and preference contractors who actively build capability by employing directly and meeting their commitments.

Implementation Model

Option A

The hub is embedded within government and includes industry participation. Initially focusing on a specific group of projects in its early stages to test the model's effectiveness.

Option B

Government contract industry and professional associations to do the above.

Option C

A combination of A&B. The government coordinating body contracts the associations to do the role in some areas (eg civil construction or engineering) while maintaining the role of overall coordination and enforcing procurement rules.

Financing Model

There are at least two models which could be utilised:

- the hub employs the trainees, apprentices, cadets and graduates; this should reduce the cost of those tendering to the effort required to provide the on-the-job training, and would need to be funded by capitalising the cost to project costs or through a 1% levy (or similar).
- the contractors employ the trainees for the period of time they are on the project without obligation to keep them on; which would likely be built into bid costs, or a contingency could be created in the contract which can be drawn down through evidence of the employment of trainees/apprentices and cadets /graduates.

Note: With either of these models, consideration needs to be given for those companies who already have trainees, cadetship and graduate programs.

Conclusion

By bringing the data collection and coordination of training under one umbrella hub, it will ensure a dynamic training system, a steady pipeline of trainees and confidence that the government will be able to deliver the major transport and road infrastructure projects on time and on budget.

Through developing and embedding a long-term partnership between government, industry, training providers and unions, there will be a secure long-term collaboration.

Overall, the formation and development of the hub will dramatically improve the capability, capacity and confidence of government and industry in front end engineering and design and ongoing project management.

SECONDARY RECOMMENDATIONS FOR IMMEDIATE BUDGET CONSIDERATION

1. Transport & Infrastructure Skills Training Program

- Review, refine and broaden the CCF Civil Skills Cadetship Program to grow the pipeline of new entrants and embed within the hub.
- Develop a government, industry and training collaborative program that targets new entrants/career changers to transition to high demand roles.
- Transport & Infrastructure E-mentoring Program.

2. Online program to match mentors and mentees across industry, with a case manager to oversee progress of mentoring.

- Mentoring is acknowledged as critical to staff retention and career development.
- Include mentoring modules for apprentices, cadets, graduates, and emerging leaders. Women to women and diversity matching may be appropriate.
- Mentor training and support to include teleconferences, guidelines and check-ins.
- Mentors and Mentees to be asked to review program at key intervals.
- Utilise and build on existing mentoring programs, such as the Roads Australia Fellowship Program.

3. Online Mental Health Training Modules

- Customised transport and infrastructure industry online awareness-raising, advice and training on mental health.
- Mental health issues are recognised as a significant challenge facing transport and infrastructure employees.
- It is hoped that the inclusion of mental health as a standard skills hub component will assist to destigmatise these issues for workforce participants.
- Review modules operating across the sector to create a best-practice module.

4. Online Inclusiveness and Unconscious Bias Training Module

- Recognising the cultural barriers to growing the pool of women and linguistically and culturally diverse people in the transport and infrastructure industry, growing participants' awareness of unconscious biases and the elements of diversity and inclusion is critical.
- This online training would encompass attitudes, skills and knowledge supporting diversity.
- It would explore unconscious biases, ethnocentric and ethno-relative mindsets and elements of diversity and inclusion.

5. Invest in Construction Industry Leadership Forum (CILF) Measures to Accelerate the Qualification of Outstanding Students

- Boost CILF measures to partner with education providers to deliver accelerated courses to enable outstanding students to graduate and enter the workforce more quickly.

6. Invest in, and pilot in Victoria, CILF development of a Workforce Management Plan to support SME's to manage apprentices and trainees.

- SME's are not resourced to develop and implement holistic management plans to support apprentices and trainees.
- CILF is developing an easily customizable workforce management plan to assist SME's to better support their employees.
- It is estimated that this plan could be applied to the approximately 50 apprentices and trainees employed by transport and infrastructure SME's in Victoria.

7. Rebuild governments' road engineering skills internal capability

- Designing effective procurement requires an in-house capability which no longer resides within government following outsourcing over the previous decade.
- Develop a program or compact that ensures government is working collaboratively with industry to attract and retains industry experts, particularly in the development of major projects.
- While industry is increasingly keen to participate in the co-design of projects and procurement approaches, it is recognised that critical major projects will benefit from increased government expertise.

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