



**Clay Brick and Paver  
Association of Victoria**

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FILE No:

DOC:

24 July 2000

Mr Ian Searles  
General Manager - Adjudication  
Australian Competition and Consumer Commission  
PO Box 1199  
DICKSON ACT 2602

Dear Mr Searles,

Please find enclosed an Application for Authorisation and supporting attachment and appendix from our Association in relation to a proposed levy scheme to fund a program directed at increasing and maintaining the intake of apprentice and trainee bricklayers in Victoria. Also enclosed is a cheque for \$7500.00 being our application fee.

The Clay Brick and Paver Association of Victoria represents the interests of manufacturers of clay bricks and clay pavers in Victoria. The four members of the Association are responsible for over 90 per cent of the manufacture of these products in the state.

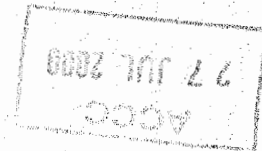
As you will appreciate, our industry has a responsibility to current and future consumers to encourage and promote an adequate bricklaying labour market. The proposed Bricklaying Training Centre, to be located at the Chadstone campus of Holmesglen Institute of TAFE, is an extension of the brick industry's continuing commitment to training. The Institute has a history of strong performance in delivering industry's requirements.

Please do not hesitate to contact the writer should you wish to discuss or clarify our application. If necessary, the writer can travel to Canberra to assist your deliberations. We look forward to receiving your response. To assist your deliberations, I have provided a listing of organisations who have a direct interest in our application.

Yours sincerely,

J McC Doyle  
Executive Director

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**COMMONWEALTH OF AUSTRALIA**  
**Trade Practices Act 1974 - Subsection 88(1)**

**AGREEMENTS AFFECTING COMPETITION:- APPLICATION FOR AUTHORISATION**

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To the Australian Competition and Consumer Commission:

Application is hereby made under subsection 88(1) of the Trade Practices Act 1974 for an authorisation under that subsection.

- \* to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would have or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act.
- \* to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

1. (a) *Name of Applicant* - Clay Brick and Paver Association of Victoria.
- (b) *Short description of business carried on by applicant* - Industrial Organisation of Employers. The Association carries out promotion and representations to Government on behalf of the industry as well as promotion of bricklayer training.
- (c) *Address in Australia for service of documents on the applicant* - GPO Box 1614M Melbourne Vic. 3001.
- (a) *Brief description of contract, arrangement or understanding and where already made, its date:* The Association members are proposing a levy of \$2.00 per thousand to be added to the price of bricks and this levy would apply to all members of the Association and to such other companies who give a commitment to financially support the training of bricklayers. The levy is to be used to fund a program directed at increasing and maintaining the intake of apprentice and trainee bricklayers. The \$2.00 levy is proposed to be charged and appear as a separate item on all invoices.
- (b) *Names and addresses of other parties or proposed parties to contract, arrangement or understanding* -

Boral Bricks Pty Ltd, 90 Mount Street, Heidelberg Vic 3084  
Daniel Robertson Australia Pty Ltd, MC Box 115, Eastern Mail Centre Vic 3110  
Nubrik Pty Ltd, Stud Road, Scoresby Vic 3179  
Selkirk Brick Pty Ltd, PO Box 630, Ballarat Vic 3353

- \* The following who may give a commitment to financially support the training of bricklayers may also become parties to contract, arrangement or understanding
  - Victorian clay brick manufacturers, all located in country Victoria, who are not members of the Association
  - Concrete and masonry block manufacturers
  - Manufacturers of clay bricks and concrete and masonry blocks located interstate who supply the market in Victoria

3. *Names and addresses (where known) of parties and other persons on whose behalf application is made:* Not applicable.

4. (a) *Grounds for grant of authorisation:*  
 (b) *Facts and contentions relied upon in support of those grounds:*

See Attachment 1 and Appendix 1

5. *This application for authorisation may be expressed to be made also in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings that are or will be in similar terms to the above mentioned contract, arrangement or understanding -*

- (a) *Is this application to be so expressed?*  
 (b) *If so the following information is to be furnished:*  
 (i) *the names of the parties to each other contract, arrangement or understanding:*  
 (ii) *the names of the parties to each other proposed contract, arrangement or understanding which names are known at the date of this application:*

Question 5 is not applicable to this application.


6. (a) *Does this application deal with a matter relating to a joint venture (see section 4J of the Trade Practices Act 1974)?*  
 (b) *If so, are any other applications being made simultaneously with this application in relation to that joint venture?*  
 (c) *If so, by whom or on whose behalf are those other applications being made?*

Question 6 is not applicable to this application.

7. *Name and address of person authorised by the applicant to provide additional information in relation to this application:*

John Doyle, Clay Brick and Paver Association of Victoria, GPO Box 1614M, Melbourne Vic 3001.

Signed by/on behalf of the applicant

  
 J McC DOYLE

**JOHN PATRICK McCABE DOYLE  
 EXECUTIVE DIRECTOR  
 CLAY BRICK AND PAVER ASSOCIATION OF VICTORIA**

Date:

24 July 2000

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## ATTACHMENT 1

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We would submit that the application should be granted as there is a public benefit from such a levy to be used to fund a program directed at increasing and maintaining the intake of apprentice and trainee bricklayers.

The present shortage of bricklayers is a major concern to the brick industry and to the building industry, particularly in the housing sector. Authorisation would serve the public benefit for the following reasons:

- \* consumers would benefit from an increase in the number of qualified bricklayers on the market, such benefits flowing from an improvement in the quality of work provided to consumers by the fully trained bricklayers;
- \* consumers would benefit from the flattening of peaks and troughs in demand for bricklayers, which has the effect of raising the cost of hiring bricklayers during periods of peak demand;
- \* a greater availability of bricklayers would increase the likelihood of builders completing building projects on time as a result of trained bricklayers becoming more readily available to employers.

In co-operation with Holmesglen Institute of TAFE, the Clay Brick and Paver Association of Victoria has developed the attached Discussion Paper (Appendix 1) in relation to the proposed Bricklaying Training Centre. Holmesglen TAFE is the primary provider of building and construction industry training in Victoria. The Institute is widely recognised in Victoria, Australia and overseas as a very high quality provider of education services. The options in relation to facilities, as appearing in the Discussion Paper, have been developed in order to maximise the quality and output of the Bricklaying Training Centre. The precise level of funding generated from the proposed levy cannot be accurately estimated at the present time as the total level of industry support cannot be established until the outcome of this application for Authorisation is known and because the level of future sales of product is dependant on economic circumstances.

The Discussion Paper is submitted to support the Application for Authorisation.

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# **BRICKLAYING TRAINING CENTRE**

## **DISCUSSION PAPER**

**Clay Brick and Paver Association of Victoria**

**and**

**Holmesglen Institute of TAFE**

**Prepared by  
Barrie Morrison**

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## **EXECUTIVE SUMMARY**

The Clay Brick & Paver Association of Victoria has been a strong supporter of the Victoria training system for many years. This support has been in the form of student awards, tools for apprentices and more recently the appointment of an Industry Placement Officer, based at Holmesglen Institute of TAFE.

This latter initiative commenced in 1998 because of concerns about the lack of trained bricklayers servicing the Victorian Building Industry and the cyclic nature of training numbers. This initiative has had a dramatic effect on the numbers of commencing apprentices across the State, particularly in 2000.

The CB & PAV is now ready to extend this support for training in a new direction. It will be applying to the A.C.C.C. in June 2000 to introduce a total levy of \$2 per 1000 bricks on the brick manufacturers and their customers. This scheme has already commenced in N.S.W.

It is then proposed that funds from this levy will be used to develop a Bricklaying Training Centre (BTC) at Holmesglen Institute of TAFE. Holmesglen is currently the largest provider of training for the brick industry. This proposal will double the existing capacity.

Funds will be used for capital development and for a Group Training Company to suit the special needs of this industry.

Further funds will be required to support the recurrent costs of increased training numbers, particularly apprentices. Of the seven (7) providers of bricklaying training in the state, five (5) are running at or slightly above capacity. The funds generated by the levy could be used to address this issue in the short and long term.

The BTC will be a focus for the industry, delivering apprenticeship, pre-apprenticeship and industry based short courses, both accredited and non-accredited.

The support of government (State and/or Federal) is crucial to this exciting industry/TAFE initiative. So often industry and TAFE are criticised for being inflexible or not focussed on the same direction. This is an example of cooperation at its clearest.

## TABLE OF CONTENTS

<b>1. Introduction</b> .....	<b>1</b>
<b>2. Centre Objectives</b> .....	<b>2</b>
<b>3. Background</b> .....	<b>3</b>
3.1 Rising Costs .....	3
3.2 Training Statistics .....	4
3.3 Labour Market Forecasting.....	5
3.4 Training Providers.....	6
3.5 NSW Response to Bricklayer Shortages .....	7
<b>4. Proposed Bricklaying Training Centre</b> .....	<b>7</b>
4.1 Funding.....	8
4.1.1 <i>Recurrent funding</i> .....	8
4.1.2 <i>The Industry Levy</i> .....	8
4.1.3 <i>Payments from Host Employers</i> .....	9
4.2 Costs .....	9
4.2.1 <i>Capital Costs:</i> .....	9
4.2.2 <i>On-going Costs</i> .....	10
4.3 Management Structure .....	10
4.4 Operational Structure.....	11
4.4.1 <i>Current HIT. Bricklaying Resources</i> .....	11
4.4.2 <i>Proposed BTC Resources</i> .....	12
<b>5 Group Training scheme</b> .....	<b>14</b>
5.1 Objectives of the Group Training Scheme.....	14
5.2 Organisation of the Group Training Scheme .....	15
<b>6. Benefits to Government, Industry and the Community</b> .....	<b>16</b>



# **Bricklaying Training Centre**

## **Discussion Paper**

### **1. INTRODUCTION**

The Bricklaying Training Centre (BTC) is a concept developed jointly by the Clay Brick and Paver Association of Victoria (CBPAV) and Holmesglen Institute of TAFE (HIT).

The concept is borne out of industry concerns about the current shortage of competent bricklayers, the high percentage of bricks being laid by informally trained people and the low numbers of apprentices in training for bricklaying. The industry sees an urgent need for a long term expansion of pre-apprentice and apprentice numbers.

The shortage of bricklayers is of particular importance to the housing sector of the industry where approximately 85% of homes in Melbourne and 70% of homes in the rest of the state are currently constructed using clay or masonry bricks<sup>1</sup>. At the present time this sector of the industry in Victoria is suffering from a critical shortage of competent bricklayers. This shortage is causing serious delays for builders, slowing the completion of homes across the state and causing a lowering of quality standards.

Training facilities across the state are full and there are apprentices on waiting lists. This is in part caused by the current boom in the industry, an industry which is cyclic by nature. However the upturn has been evident for several years now and training places have not kept pace with the industry need for competent tradespeople.

To alleviate these problems the intention is to create a training centre which will build on the current provision at HIT, and provide a more comprehensive and strategic approach to bricklaying training provision for Victoria in the future.

The BTC will become a Centre of Excellence for Bricklaying training in Victoria. The Centre will become a major focus to assist the Victorian Bricklaying industry to improve the standard of bricklaying and to increase the number of competent Tradespeople in the industry by increasing the available training places, and by implementing an effective method of Labour Market Forecasting for this and associated areas.

The Brick Manufacturing Industry through the CBPAV, and previously the Victorian Brick Manufacturers Association, have supported training initiatives in the past

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<sup>1</sup> Clay Brick and Pavers Association of Victoria, Market Survey



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through the funding of an Industry Placement Officer from 1998 to 2000, through the donation of products and materials for training, tool kits and awards for apprentices, and financial support for employers.

Preliminary discussions have taken place between HIT and the CBPAV concerning all aspects of the proposed BTC, of particular importance has been the issue of funding. A similar training centre has been developed in NSW which commenced operations early this year. Funding for this Centre is being raised through an industry levy and a similar levy has been proposed by the CBPAV to fund capital works and some of the on-going costs associated with the BTC.

A Group Training Scheme will also be set up as part of the BTC. The BTC will then be able to offer employment as well as training to ensure that the best candidates are attracted to the industry.

## **2. CENTRE OBJECTIVES**

The Centre has the following major objectives:

- To create a Bricklaying training Centre capable of being a major focus for the Victorian Bricklaying industry.
- To improve the standard of bricklaying in the industry.
- To increase the number of overall available training places for the industry.
- To create a more articulated pathway for bricklaying training, from entry level to post trade studies.
- To create a centre capable of applied research and consultancy in the bricklaying area.
- To gain Government support and assistance for this initiative in the short and long term.

In order to adequately achieve these objectives it will be important to communicate with all organisations with an interest in this area in order to seek their support and advice and to inform them of any proposed actions which may affect their operations. These organisations will include the HIA and the MBAV, employee organisations and all other training providers.

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### 3. BACKGROUND

#### 3.1 Rising Costs

Over the last two years the shortage of bricklayers has caused an increase in the cost of brickwork, which is passed on as an increase in the cost of housing. The extent of this increase is shown in the table below.

	Cost of bricks to buy per 1000	Average Cost of bricks to lay per 1000
1997	\$350 - \$450	\$450
1998 - 2000	\$400 - \$500	\$750

Source: Clay Brick and Paver Association of Victoria

The cost of laying bricks rose to as high as **\$1200 per thousand** in some areas of the housing sector during 1999.

The shortage of bricklayers combined with the increase in the cost of laying bricks has caused the following problems to the industry:

- The delay in housing starts, for major builders of domestic housing, in 1998/99 has increased from 12 to 20 weeks with the ensuing problem of increased costs.
- Quality issues related to less than competent bricklayers being used because builders cannot get the required numbers of competent tradespeople. These include sub standard workmanship and customer dissatisfaction.
- Builders are now actively looking locally and overseas for alternative building materials and systems which can be utilised using workers with lower skill levels.

#### 3.2 Training Statistics

Training numbers have always been problematic in the building industry because of the cyclical nature of the industry. However, over the past five years although the industry, particularly the housing sector, has been experiencing a steady increase in job starts the number of apprentices entering the industry remained almost constant until 1998. From 1998 to 2000, in an attempt to increase the number of entrants to the industry, the CBPAV has provided funding of \$200,000 to cover the salary cost of an Industry Placement Officer and to provide a marketing budget.

In 1998 and 1999, largely due to this funding, the numbers of registered apprentices increased, this increase has continued into 2000.

The statistics shown in the table below indicate the number of Bricklaying Apprenticeship commencements, they do not include trainees undertaking pre-apprenticeship courses, some of whom do not continue to employment.

## Comparison of Building Commencements/Approvals and Bricklaying Apprenticeship Commencements

Approvals/Commencements for Dwelling Units		Bricklaying Apprenticeship Commencements	
1986 - 1987	32,280	1986	122
1987 - 1988	32,460	1987	208
1988 - 1989	38,374	1988	N/A
1989 - 1990	29,994	1989	370
1990 - 1991	23,024	1990	292
1991 - 1992	24,963	1991	110
1992 - 1993	28,155	1992	64
1993 - 1994	31,466	1993	165
1994 - 1995	29,458	1994	N/A
1995 - 1996	22,500 (est)	1995	128
1996 - 1997	27,850	1996	129
1997 - 1998	36,438	1997	144
1998 - 1999	37,978	1998	275
1999 - 2000	40,000 (est)	1999	332

Source: Australian Bureau of Statistics and Office of Post Compulsory Education, Training and Employment.

**Note:** Building Commencements used for 1986/87 to 1995/96. Building Approvals used for 1996/97 to 1998/99.

The table above shows that the number of apprentices in training does not increase until the number of housing approvals increases, or until a shortage of competent tradespeople becomes noticeable. When people leaving the industry due to retirement and other factors are taken into account the number of bricklayers in the industry would have decreased at this time. This creates a situation where the number of competent tradespeople in the industry decreases during a time of increased housing starts.

**This indicates that the current training system does not meet the needs of the industry during periods of high activity and also does not forecast the serious shortage of competent tradespeople the industry would experience.**

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In considering this historical data, the major issue facing the industry and the training system is, how do we get more people into training when the industry turns down, and how many should we be training?

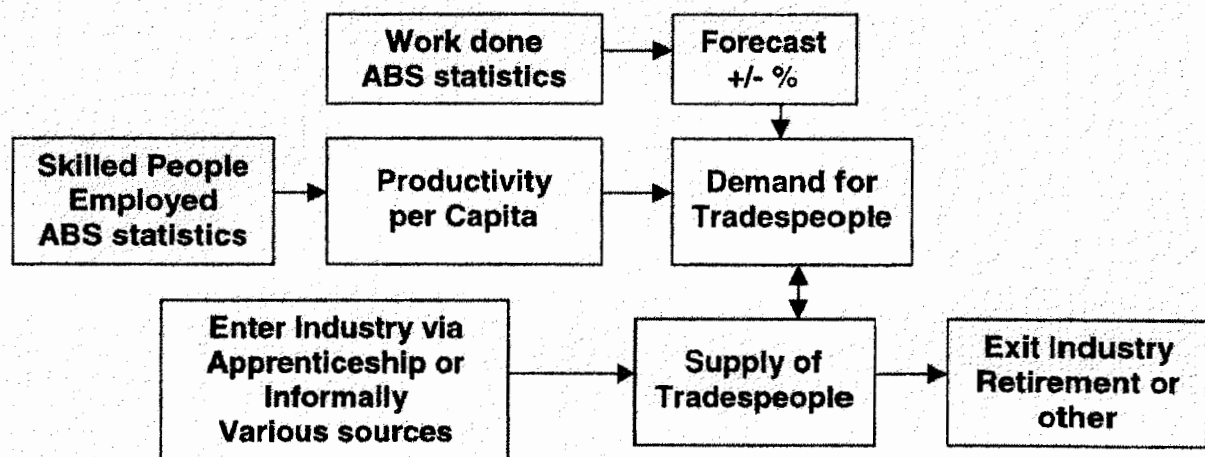
### 3.3 Labour Market Forecasting

As has been mentioned earlier the Building industry is one of cyclic activity. Over the years this cyclic activity, has made it difficult to accurately predict training demand and consequently training funding. There have been many times when the numbers in training have not been able to adequately meet the needs of industry.

The Tasmanian Building and Construction Industry Training Board (TBCITB) has developed a Labour Market Forecasting Model to address this issue.

The model is based on an American computer modelling software product called STELLA.

The aim of the model is to forecast the skill requirements of a particular industry. The basic concept is as follows:



A Labour Market Forecasting Model of this type would be a valuable asset which could be utilised by the BTC for its own forecasting and as a fee for service activity for other potential industry sectors.

Potential clients could include:

- Housing Industry Association
- Master Builders Association
- Small Employer Associations
- Office of Post Compulsory Education, Training and Employment
- Employee Organisations

- Construction Training Australia
- Furnishing Training Victoria

Negotiations are underway with the Tasmanian Building and Construction Industry Training Board on two options for accessing the Model:

- contracting the TBCITB for information related to bricklaying training in Victoria.
- developing a joint venture arrangement between the TBCITB and HIT to market the model in Victoria.

### 3.4 Training Providers

This year (2000) because of the severe shortage of competent bricklayers there has been an increase in the numbers of trainees enrolled for both pre-apprenticeship and apprenticeship training. There are currently in Victoria seven providers offering training in pre-apprenticeship, apprenticeship or a combination of both training modes. There are also a number of Victorian apprentices attending Albury Institute of TAFE (NSW). The current enrolment at these organisations, together with any increase which may be possible in the current facilities, is shown in the table below.

**Current enrolment and possible increase**

Provider	Pre-App.	App.	Spare capacity in current facility
HIT	24	225	NIL
NMIT	24	84	
Bendigo	12	18	NIL
Ballarat	24	60	NIL
Gordon (Geelong)	0	100	NIL
VUT (Newport)	30	12	
B.I.G.S.	0	60	NIL
Victorian Apprentices attending Albury		10	N A
<b>Total</b>	<b>114</b>	<b>569</b>	

**Note:** VUT re-commenced training pre-apprentices in 1999 and apprentices in 2000.

The table above shows that with two exceptions the current facilities are operating at capacity. Also, in discussions with other training providers, held when collecting these statistics, it was noted that at the time of writing, some facilities are already operating above their design capacity by using temporary accommodation and that five of the providers have a waiting list of either pre-apprentices, apprentices or both.

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### **3.5 NSW Response to Bricklayer Shortages**

In response to a shortage of competent, fully trained tradespeople, similar to that experienced in Victoria, the Clay Brick and Paver Association of New South Wales established pilot training facilities to explore opportunities to increase the flow of apprentices to the industry and to utilise State Government funding available for training.

This Association is now providing funding (based on a levy from members sales) and to place the training activities on formal business lines by establishing a fully funded, structured Group Training Company.<sup>2</sup>

The funding arrangements have the approval of the ACCC. Funds are flowing from the manufacturers and their customers and the system has been fully operational since 1 March 2000.

The amount of the Levy is \$1 per thousand units from the manufacturers and \$1 per thousand units from the customer. The Levy is collected at the point of sale and is shown on the invoice.

It is estimated that in NSW this Levy will raise \$1.4 million per annum on current sales. The Levy, together with the various government subsidies which are available and payments from host employers, will be used to fund the capital costs and operation of the training centre and the group training company.

The members of the CBPAV consider that there is no need for their organisation to be directly involved in training in Victoria because they are satisfied with the quality of training being undertaken by the existing providers. Their main consideration is to increase the capacity of the training facilities available for bricklaying while at the same time ensuring that the quality of the training is maintained or improved.

## **4. PROPOSED BRICKLAYING TRAINING CENTRE**

The issues raised in the previous section of this paper show that, over a five year period, while the industry need for bricklayers increased the number of trainees remained constant until CPAV funding was made available for promotion and an Industry Placement Officer to recruit apprentices. They also show that the training system in the current facilities is unable to cater for the number of trainees required to provide the required number of competent tradespeople.

It is clear that more training places must be made available to cater for new entrants to the industry and to cater for those people working in the industry whose skill level is not delivering the quality outcomes to which consumers are entitled.

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<sup>2</sup> Business Plan for the Brick Industry Group Training Company



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In response to the industry need this proposal for a Bricklaying Training Centre and a Group Training Scheme, was prepared following meetings and discussions held between CBPAV and HIT, and subsequent investigations and discussions with training providers and other interested parties.

The following issues were raised as a basis for further discussions.

#### **4.1 Funding**

Funding for the BTC will come from four sources:

- The existing recurrent funding from the Office of Post Compulsory Education, Training and Employment (OPCETE) provided to HIT
- A levy raised by the CBPAV from the manufacturers and their customers
- Payments from host employers of the Group Training Scheme associated with the BTC.
- Fee for service activities

Total revenue is estimated to be as follows:

<b>2001</b>	<b>2002</b>	<b>2003</b>
\$1,054,674	\$1,086,135	\$1,086,135

##### **4.1.1 Recurrent funding**

Funding for apprentice training is currently supplied to the providers by the State Government through the Office of Post Compulsory Education Training and Employment (OPCETE). This funding is dependent on student numbers. However, these numbers are estimated by the provider during budget discussions. Any increase in student numbers which goes beyond the numbers budgeted for would require funds being diverted from other training programs. This may not be possible with the current level of student demand in all areas at HIT and at other providers.

Other funding sources may need to be considered to complement the existing sources if there is a large increase in trainee numbers. Part of the industry Levy could be used for this purpose.

##### **4.1.2 The Industry Levy**

The members of the CBPAV estimate that an industry Levy, similar to that in operation in NSW, would raise between \$0.45 million and \$1.6 million. The lower figure (\$M 0.45) is based on current sales from members of the CBPAV only, with an allowance of 20% for any possible future downturn. The CBPAV considers that the lower figure should be used for planning purposes until other possible contributors have committed to the proposal.



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John Doyle from the CBPAV is, or will be, approaching other possible contributors. These include the following:

- The three Victorian clay brick manufacturers who are not members of the CBPAV
- Concrete and masonry block manufacturers
- Interstate manufacturers who supply the Victorian market

The implementation of the industry Levy will be critical to the funding of this proposal. Funds raised by the industry will indicate that the industry is serious about improving training.

This will make it easier when approaching government for assistance by showing that the industry is prepared to help itself. It will also show the Council of HIT that they will not be left alone in financing the considerable changes that they will be asked to make to the organisation of the institute.

Capital costs could be repaid over time from the levy. These capital costs would include any costs associated with making space available on the Chadstone Campus of HIT which could not be provided from other sources, particularly state or federal government capital grants.

The industry Levy could also be used for the operating costs associated with the Group Training Company which are not recouped from payments made by host employers.

#### **4.1.3 Payments from Host Employers**

As with all Group Training Schemes, Host Employers would be expected to provide payment for the time an apprentice is made available to them. Rates for these payments would be in line with those currently operating in the building industry. The industry levy could also be used for the operating costs associated with the Group Training Scheme which are not recouped from payments made by host employers.

## **4.2 Costs**

In establishing the BTC, there will be both capital costs and on-going costs.

### **4.2.1 Capital Costs:**

The capital costs will include those incurred in providing the required space at the Chadstone Campus of HIT. To achieve this it may be necessary to relocate the Industrial Skills Department. Therefore the capital costs will be made up of two components:

- 
- Relocation of the Industrial Skills Department **\$500,000**
  - Refurbishment of Building 4 to accommodate the BTC
    - Proposal 1 **\$326,000**
    - Proposal 2 **\$786,000**

A detailed breakdown of these costs appears as **Appendix 1**.

#### **4.2.2 On-going Costs**

The estimated expenditure is shown in detail in the Financial Plan which appears as **Appendix 2**. However the final totals appear below:

<b>Expenditure</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Salaries	\$915,342	\$982,502	\$982,502
Operating Costs	\$139,332	\$103,633	\$103,633

These figures assume the following:

- Salary increases of 6% in 2001 and 7.6% in 2002 for Teachers
- Salary increases of 6% in 2001 and 5.6% in 2002 for admin. staff
- Salary rates inclusive of on-costs
- Alternative funding identified to cope with salary increases.
- Costs are for a 4 cylinder vehicle inclusive of running costs

#### **4.3 Management Structure**

The proposed Management structure for the Bricklaying Training Centre can be seen in **Appendix 3**.

Briefly, there would be a Board of Directors overseeing the training and group training arms of the Centre. Then two Committees of Management, one to be responsible for the operation of the training function and the other to be responsible for the Group Training Scheme. The aim would be to ensure that all major "players" have some form of representation within the Centre and that proper processes are put in place for liaison with all other training providers and organisations not represented on the Committees of Management.

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#### 4.4 Operational Structure

The BTC. structure would build on the existing HIT facilities and resources which are described below.

##### 4.4.1 Current HIT. Bricklaying Resources

###### Training:

The current Training provision includes:

	SCH	Places	
Certificate II in Building & Construction	7,680	24	
Certificate III in Building & Construction			
Stage 1	19,200	60	
Stage 2	26,880	84	
Stage 3	15,360	48	
<b>Total</b>	<b>69,120</b>	<b>216</b>	<b><u>\$487,900</u></b>

The average Student contact Hour (SCH) cost provided to the department is approximately \$7.05 at present. A further \$2.75 is utilised to provide a wide range of student services, administration and infrastructure costs.

Short courses for Industry (Tuck pointing, Glass block) and the community (Basic Bricklaying and Home Handyman) are also conducted in the evenings and at weekend, on an ad hoc basis.

Post Trade courses and subjects are currently available at HIT, through the Advanced Building Studies Department. These Post Trade courses include Builders Registration and Supervision.

###### Staffing:

Manager (non teaching) Approximately 0.3 of his time is allocated to bricklaying.

6 F/T staff x 800 hours

1112 Sessional hours per annum

Storeperson/Labourer.

**Note:** 2 additional staff are employed in servicing other institute departments such as Carpentry with their bricklaying training requirements.

###### Facilities:

Currently, there is approximately 1100m<sup>2</sup> of workshop space, 100m<sup>2</sup> classroom space and office space for the 7 staff to accommodate the existing operation.

###### Budget:

Manager	21,000	0.3 of Manager's current time
Teachers	335,000	
Sessional	52,000	
Storeman	32,500	
Goods & Services	47,000	Supplemented by Industry donations
<b>Total</b>	<b>\$487,500</b>	

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#### **4.4.2 Proposed BTC Resources**

##### **(a) Pre-apprentice and Apprentice Courses**

The existing courses will be replaced by the new General Construction Training Package to be implemented progressively from February 2000. This package includes qualifications in, Certificate I, Certificate II and Certificate III at present, and will eventually extend to Certificate IV and above.

Broadly speaking, the pre-apprenticeship and apprenticeship courses which pre-dominate at present should continue, with some change of their content. However their titles may vary.

An important addition to delivery of the Training Package will be the delivery of small business competencies. These are available in the new Training Package Resource material but will need some additional development.

To increase the numbers of trainees required by the industry and to cater for the needs of the Training Package, it is envisaged that there would be a doubling of current pre-apprentice and apprentice numbers.

It is also intended that the BTC would specialise in the delivery of the competencies described in the Training Package which are delivered at stage three of the current program. This would be to ensure that there is at least one training provider offering training in the advanced skills of bricklaying. This training would be available to trainees of the BTC, to bricklaying trainees from other providers, and qualified bricklayers, who have difficulty accessing these programs in their own geographic area.

##### **(b) Other Training Programs for Industry**

A range of training programs should also be offered based upon industry demand. These could include training in the following areas:

- Industry specific (tuck-pointing, glass blocklaying)
- Small Business Management
- OH & S
- Industry seminars
- Community training programs

Most of these training programs would be fee-for-service and should return a profit to the Centre.

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**Proposed Services:**

In addition to the training programs, it is proposed that the BTC be capable of offering a range of services to industry. These could include:

- Consultancy Services (Training Needs Analysis, Skills Audit)
- Trade Accreditation
- Assessment Services
- Administrative assistance to industry (GST Implementation, publications list, Newsletter, on-line advice service)
- Applied research & development
- Labour Market Planning (Bricklaying, Building and Construction, Furnishing)
- Marketing & promotion, to industry and the educational sectors
- Industry advisory centre
- Product launch space for industry
- Development of new training areas
- Overseas training opportunities and consultancy services

**Staffing:**     Manager (non teaching)  
                  Co-ordinator (0.3 release from teaching)  
                  Industry Placement Officer  
                  11 F/T teaching staff (approx.)  
                  2 Storeman  
                  2500 Sessional hours (approx.)

**Facilities:**

The current bricklaying facilities on the Chadstone campus are in Building 4, adjacent to the Industrial Skills Department. These facilities are fully utilised by the current student numbers.

The Industrial Skills Department is spread over several locations both on and off the Chadstone campus. This department would be much better served, for ease of management and organisation, if they were accommodated under one roof and with more space at their disposal. This would have to be achieved in a new location, possibly away from the Chadstone campus.

If this relocation were achieved, modifications could be made to the Industrial Skills area to ensure that the BTC also benefited by having the whole facility in the same area.

Modifications to the area currently occupied by the Industrial Skills Department would allow for additional facilities to cater for the following:

- Brickcutting rooms

- 
- Storage of materials
  - Specialist skill bays
  - Brick profile areas
  - Staff office space
  - Reception and administration area
  - Meeting room
  - Additional classroom space

A Financial plan for the proposed facility appears as **Appendix 2**.

## **5 GROUP TRAINING SCHEME**

The major advantage of setting up a Group Training Scheme in conjunction with the BTC would be in attracting high quality trainees to the industry. The BTC would be able to not only offer training to prospective students but would also be able to offer employment. This will be seen as an advantage when trying to attract the best candidates possible.

The members of the CBPAV in particular can see the benefits of operating both schemes under the same management structure as has been done by their organisation in NSW.

### **5.1 Objectives of the Group Training Scheme**

- To provide sufficient apprentices on an on-going basis to increase the number of tradespeople available to the industry at minimum cost to host employers by co-ordinating the available Government and industry funds.
- Improve the pathways into post trade training, both skills training and management/organisational training.
- To assist in the development of a Bricklaying Training Centre, and the development of facilities elsewhere in the state, that will provide quality training to new entrants to the industry and to improve the skill level of those informally trained people currently in the industry.
- Appoint and develop management and staff capable of managing the operations as a business.
- Ensure that trainees can demonstrate the appropriate competencies to be acceptable to Host Employers.
- Develop the organisational skills, training skills and methods required to satisfy trade training needs throughout Regional Victoria.



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## **5.2 Organisation of the Group Training Scheme**

The most effective organisational structure for a Group Training Scheme is through a Group Training Company (GTC). During discussions with the CBPAV it became clear that if a GTC was to go ahead it would be as a function of the BTC under the organisation of HIT.

This issue was investigated by HIT in 1994. At that time it was made clear by the state government that they would not support an institute of TAFE operating as a Group Training Scheme. Numerous enquiries since that date have met with a similar response.

This leaves the following alternatives:

1. HIT again investigate setting up a GTC which could be used for trainees of the BTC and other trainees attending the institute.

Attitudes at a government level may have changed since the last approach was made.

2. Set up GTC under the auspices of the CBPAV but operated as part of the BTC.

It should be noted that registration of the GTC in NSW with the ACCC has been a lengthy process.

3. Negotiate with the Clay Brick and Paver Association of NSW with a view to setting up a Group Training Scheme as a subsidiary of their GTC.
4. Extend and/or re-negotiate the current relationship that HIT has with Southern Suburbs Group Training Incorporated.

The CBPAV have considered these options and have indicated that option 3 would best suit their purposes. John Doyle will communicate with the Clay Brick and Paver Association of NSW to investigate this matter further.

It is recommended that the council of HIT consider the most beneficial alternative which will allow both organisations to achieve their goals.



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## **6. BENEFITS TO GOVERNMENT, INDUSTRY AND THE COMMUNITY**

In setting up the BTC described in this discussion paper there are many benefits to Government (both State and Federal), to the industry and because of the quality issues involved, to the community in general. However it can also be said that unless some change is made to the organisation of bricklaying training the quality of the final product will deteriorate and the building industry will continually find methods of construction which do not include traditional brickwork.

The benefits of the proposal include those summarised below:

- Increased places available to the State Training System.
- Strong, tangible evidence of industry support for training.
- Improved quality in the building process, particularly the housing sector.
- Improved marketing of the bricklaying trade.
- Higher profile for the industry in the community.
- An improved ability for training and industry to better meet the peaks and troughs of demand.
- Greater range of facilities to address the entry level training needs.
- Improved pathways for students.
- Reduction in the loss of skill to the industry through greater access to re-training and trade accreditation services.
- Increased support to employers through the Group Training arm of the operation.
- More accurate Labour Market Forecasting.

**INDUSTRIAL SKILLS RELOCATION**

**A. Lease costs:** 2000m<sup>2</sup> of factory space x \$80m<sup>2</sup> \$160,000 pa  
 Advised that this factory space should come with sufficient external space to cope with our demands.

**Location:** to be discussed.

**B. Equipment list, additional to existing:**

	\$	
1. Travelling crane, pendant operated	35,000	
2. Elevated Work Platform	80,000	
3. Forklifts – 2 additional	70,000	
4. Additional racking for Warehouse training	8,000	
5. Furniture: Office	7,000	
Classrooms	2,000	
6. Audio visual for 4 classrooms	5,000	
7. PC's x 4 (new)	10,000	
8. Photocopier	2,000	
9. Additional Scaffold	35,000	
10. Contingency 10%	<u>26,400</u>	
	280,400	\$280,400

**C. Construction required:**

1. Relocation of new steel structure for Rigging/Dogging courses, includes classroom & storage underneath	30,000	
2. Mezzanine for Rope Access 100m <sup>2</sup> x \$750	20,000	
3. Contingency 10%	<u>9,600</u>	
	59,600	\$59,600
<b>Total A, B &amp; C</b>		<b>\$500,000</b>

Note: A Mobile Crane may be required. Approximate cost \$140,000

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## BRICKLAYING TRAINING CENTRE FACILITIES REQUIREMENTS

### PROPOSAL 1

#### **CHADSTONE CAMPUS: BUILDING 4**

##### A. Construction work required to extend current bricklaying area:

1.	Demolition: partition wall	9,500	
2.	Sand Storage area	9,000	
3.	Brick Store No. 2	16,000	
4.	(a) Brick cutting rooms x 2 (4 saws)	30,000	
	(b) Electrical & Sprinklers	5,000	
5.	Profile area: profiles	28,000	
	lighting	13,200	
6.	Existing Office fit out: Manager & Admin Centre )	14,100	
	Industry Offices )		
	Meeting Room fit out )		
7.	Contingency	15,490	
8.	Consultants 10%	13,728	
9.	Preliminaries 8%	10,982	
		\$165,000	165,000

##### B. Furniture & Equipment required:

1.	Pan mill	25,000	
2.	Bricksaws x 4	16,000	
3.	Forklift	35,000	
4.	Office furniture	10,000	
5.	Bricklaying Tools & Equipment	65,000	
6.	Hoist	5,000	
7.	Contingency	5,000	
		161,000	161,000

**Total** **\$326,000**

## BRICKLAYING TRAINING CENTRE FACILITIES REQUIREMENTS

### PROPOSAL 2

#### **CHADSTONE CAMPUS: BUILDING 4**

##### A. Construction work required to extend current bricklaying area:

7.	Demolition: partition wall	9,500	
8.	Sand Storage area	9,000	
9.	Brick Store No. 2	16,000	
10.	(a) Brick cutting rooms x 2 (4 saws)	30,000	
	(b) Electrical & Sprinklers	5,000	
11.	Profile area: profiles	28,000	
	lighting	13,200	
12.	Existing Office fit out: Manager & Admin Centre )	14,100	
	Industry Offices )		
	Meeting Room fit out )		
7.	Contingency	15,490	
8.	Consultants 10%	13,728	
9.	Preliminaries 8%	10,982	
		\$165,000	165,000

##### B. New Staff Mezzanine at rear of building (350m<sup>2</sup>)

1.	3 classrooms		
2.	Teacher staff room		
3.	HOD office		
4.	Toilets Level 1 & 2		
5.	Storage		\$460,000

##### C. Furniture & Equipment required:

1.	Pan mill	25,000	
2.	Bricksaws x 4	16,000	
3.	Forklift	35,000	
4.	Office furniture	10,000	
5.	Bricklaying Tools & Equipment	65,000	
6.	Hoist	5,000	
7.	Contingency	5,000	
		161,000	161,000

**TOTAL**

**\$786,000**

## FINANCIAL PLAN – BTC

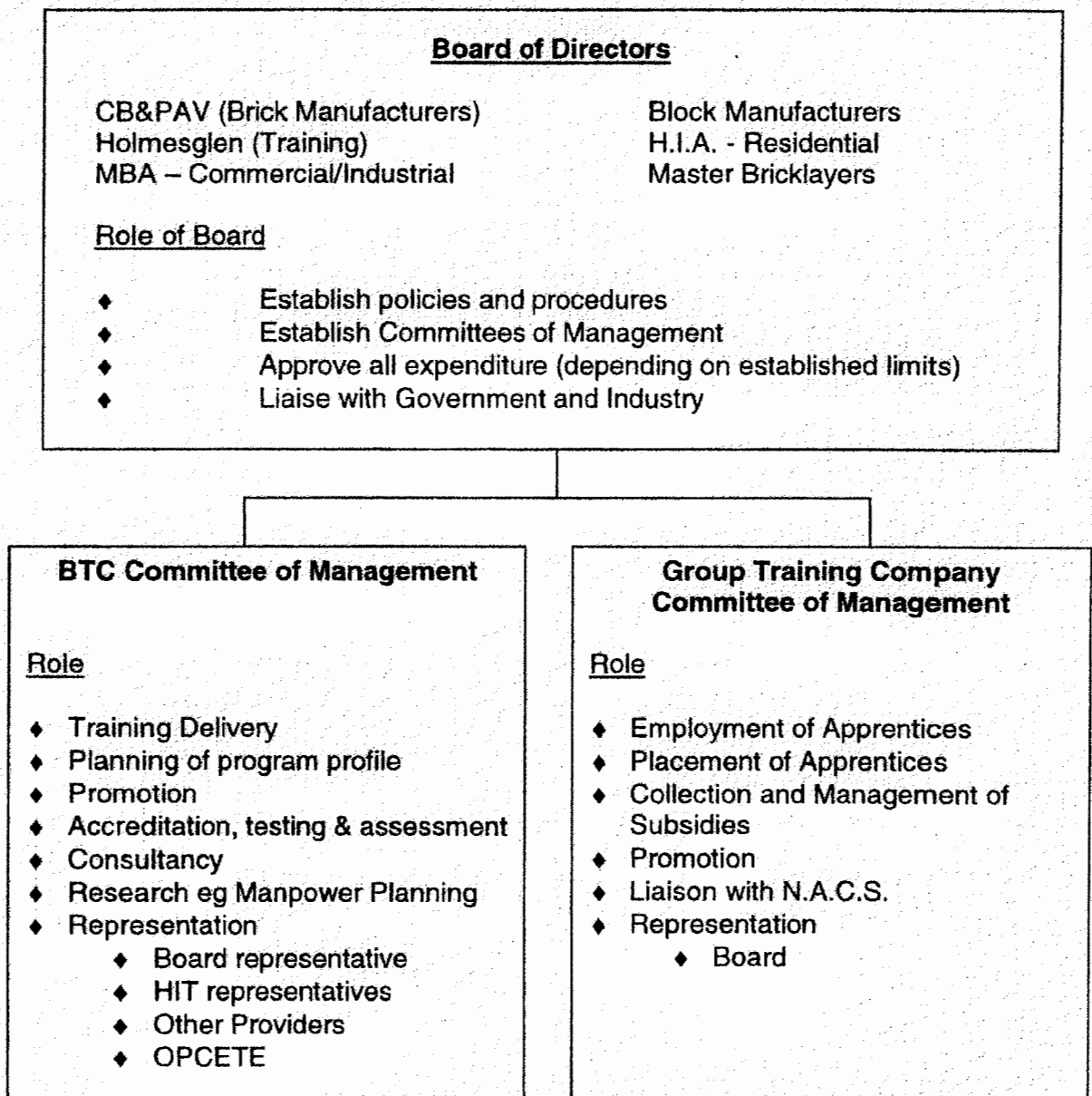
REVENUE	2001	2002	2003
1. HIT Recurrent	517,174 <sup>1</sup>	546,135 <sup>2</sup>	546,135
2. CP & PAV Contribution – Levy	450,000	450,000 <sup>3</sup>	450,000
IPO/Prom	75,000	75,000	75,000
3. SSGT Contribution	7,500	7,500	7,500
4. Fee for Service	5,000	7,500	7,500
	<u>\$1,054,674</u>	<u>\$1,086,135</u>	<u>\$1,086,135</u>
<b>EXPENDITURE</b>			
<b>1. Salaries</b>			
Manager (.4)	29,680	31,460	31,460
Industry Placement Officer	52,000 <sup>2</sup>	54,912	54,912
Coordinator	58,300	62,730	62,730
Teachers On Going	630,912	678,861	678,861
Teachers Casual	100,000	107,580	107,580
Storeman	34,450	36,399	36,379
Storeman - Casual	10,000	10,560	10,560
	<u>\$915,342</u>	<u>\$982,502</u>	<u>\$982,502</u>
<b>2. Operating Costs</b>			
Car Mileage	500	500	500
Teaching Consumables	46,532	46,532	46,532
Equipment/Furniture	1,500	1,500	1,500
Hand Tools	6,000	4,000	4,000
Photocopying/Printing	6,000	6,000	6,000
Postage	1,200	1,200	1,200
Promotion	35,000	23,301 <sup>6</sup>	23,301
Protective Wear	1,200	1,200	1,200
Reference Materials	400	400	400
Repairs & Maintenance	4,000	4,000	4,000
Stationery	1,000	1,000	1,000
Vehicle Costs	30,000 <sup>5</sup>	8,000	8,000
Infrastructure Costs	6,000	6,000	6,000
	<u>\$139,332</u>	<u>\$103,633</u>	<u>\$103,633</u>

**Notes**

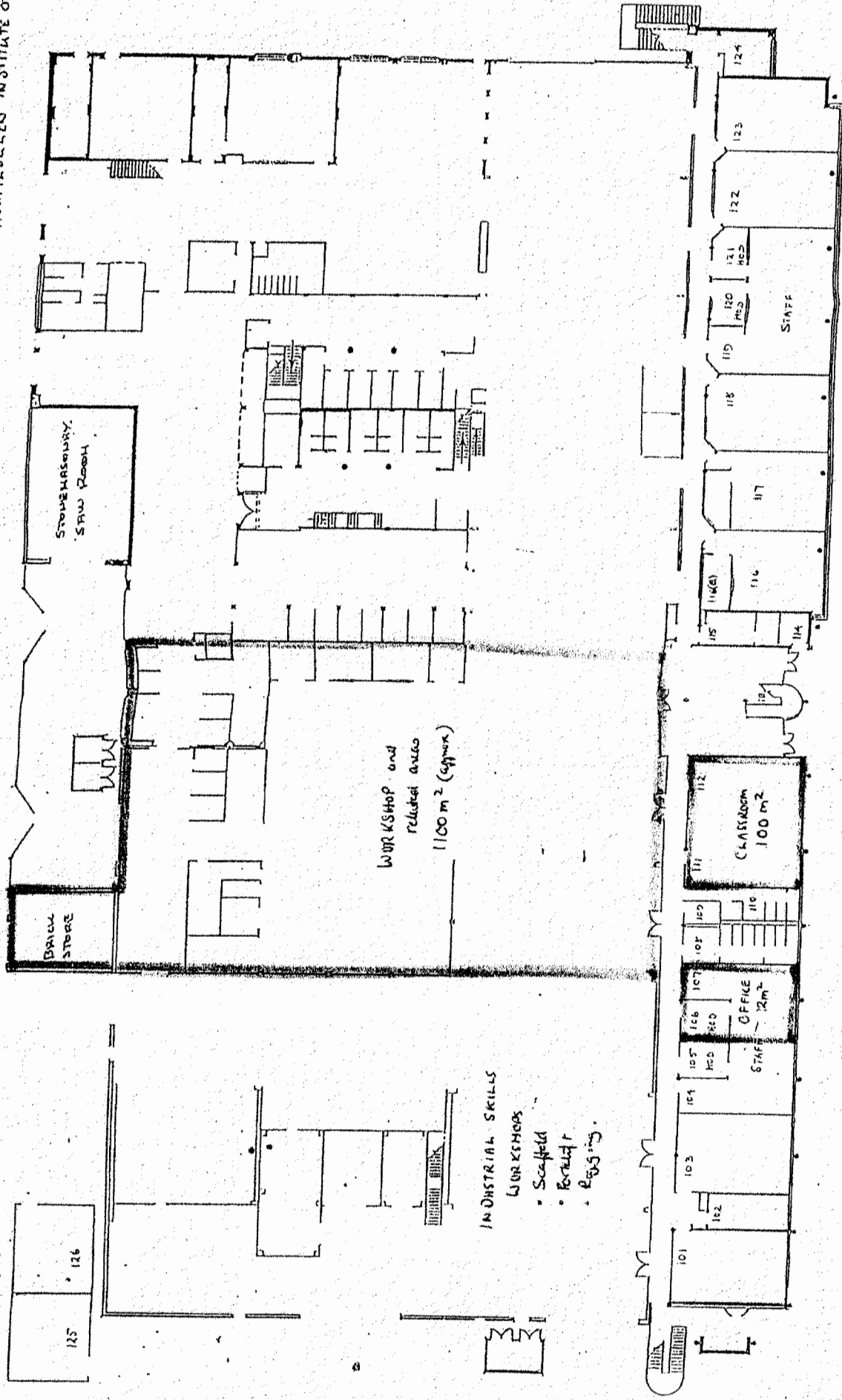
1. Salary increases of 6% in 2001 and 7.6% in 2002 for teachers.
2. Salary increases of 6% in 2001 and 5.6% in 2002 for admin.
3. Salary rates inclusive of on costs.
4. Levy contribution may need to be lifted to cope with salary increases, or alternative funding identified.
5. Costs are for 4 cylinder vehicle, inclusive of running costs.

Promotion budget reduced to balance Operating Costs. Needs further discussion.

**BRICKLAYING TRAINING CENTRE  
MANAGEMENT STRUCTURE**



BUILDING 4 : LEVEL I  
 EXISTING CONDITIONS  
 HOLMSELEN INSTITUTE OF TAFE



125  
 126

STORAGE ROOM,  
 SAW ROOM

BRICK STORE

WORKSHOP and  
 related areas  
 1100 m<sup>2</sup> (approx.)

INDUSTRIAL SKILLS  
 WORKSHOPS  
 • Scaffolding  
 • Bricklaying  
 • Laying

CLASSROOM  
 100 m<sup>2</sup>

OFFICE  
 72 m<sup>2</sup>

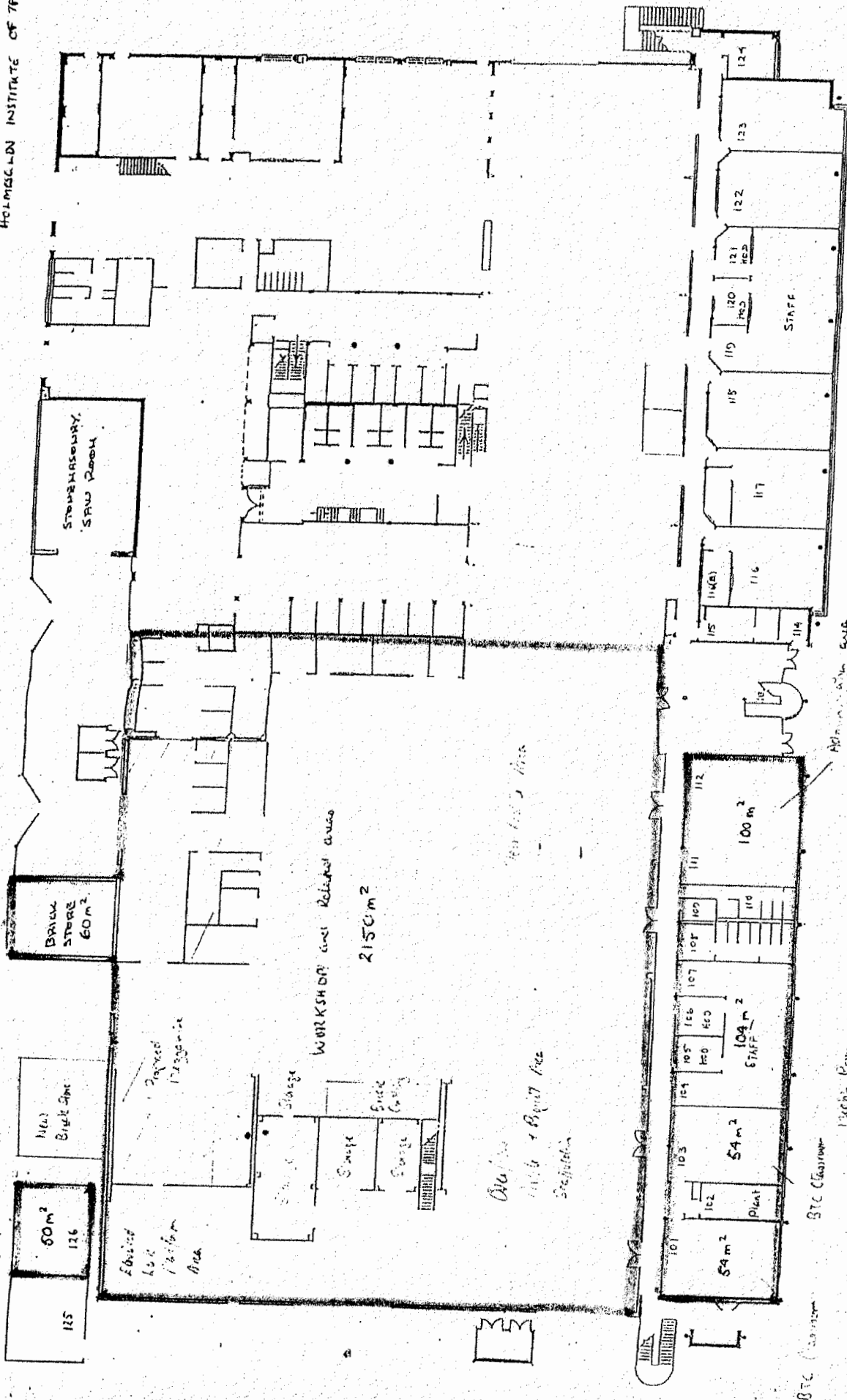
STAFF

BRICK LAYING TRAINING CENTRE

101  
 102  
 103  
 104  
 105  
 106  
 107  
 108  
 109  
 110  
 111  
 112  
 113  
 114  
 115  
 116  
 117  
 118  
 119  
 120  
 121  
 122  
 123  
 124



PROPOSED CONDITIONS  
HOLMESON INSTITUTE OF TRADE



Office space Teaching + Coordinator, Store -  
Class room x 2  
Toilets.

MAGAZINE

104 m² STAFF

54 m²

100 m²

BRICK LAYING TRAINING CENTRE

PROPOSED CONDITIONS

104 m² STAFF

54 m²

100 m²

54 m²

54 m²

54 m²

**CLAY BRICK AND PAVER ASSOCIATION OF VICTORIA**

**Application for Authorisation**

**- Listing of organisations with a direct interest in application**

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Holmesglen Institute of TAFE  
PO Box 42  
CHADSTONE VIC 3148  
Tel: 03 9564 1555  
(Mr Bruce Mackenzie - Director)

Housing Industry Association  
GPO Box 1614M  
MELBOURNE VIC 3001  
Tel: 03 9280 8200  
(Mr John Gaffney - Director, Victoria)

Master Builders Association of Victoria  
332 Albert Street  
EAST MELBOURNE VIC 3002  
Tel: 03 9411 4555  
(Mr Brian Welsh - Executive Director)

Office of Post Compulsory Education, Training and Employment  
PO Box 266D  
EAST MELBOURNE VIC 3002  
Tel: 03 9637 2000  
(Ms Meredith Sussex - Director)