

Aide-Memoire: Construction Skills Action Plan – Growing Construction Careers and Credentials

To:	Hon Chris Hipkins, Minister of Education
From:	Gillian Dudgeon, Deputy Chief Executive, Delivery
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This aide-memoire briefs you on the revised Cabinet paper Growing Construction Careers and Credentials

1. The Cabinet paper has been revised following the meeting on Thursday 26 July of the Ministerial Group on the Construction Workforce.
2. We have worked with the Ministry of Business, Innovation and Employment, the Ministry of Social Development and other agencies to develop the draft Construction Skills Action Plan. We briefed you on the previous version of the Cabinet paper in late July (AM/18/00498 refers).
3. We recommend that you release this aide-memoire in full once Cabinet has made decisions on the Construction Skills Action Plan, now expected to be on 17 September 2018.

TEC's action in the draft Construction Skills Action Plan is to help promote group training schemes

4. Over the last four years, tertiary education and training for construction-related careers has grown in learner numbers and funding. In 2017, government funding for construction-related education and training was around \$184 million and supported around 46,000 learners. The capacity of the education and training system is not currently a limiting factor to a skilled workforce. However, some of the key constraints are:
 - a lack of diversity in learners wanting to engage in construction careers; and
 - a limited pool of employers willing to offer work-based training.
5. With this in mind, TEC initially proposed helping to promote group training schemes to address the construction skills shortage. These schemes employ apprentices and contract them out to host employers. Some parts of the construction sector, notably plumbing and electrical, are well-served by group training schemes. Others, such as carpentry, are not.
6. Group training schemes enable employers to be involved in training apprentices without committing to the length of the apprenticeship. Group training schemes also have a larger proportion of young apprentices compared with the wider apprentice population. Helping promote group training schemes would help grow the number of employers supporting training and the number of younger people in apprenticeships.

7. On 23 May 2018, the Cabinet Economic Development Committee agreed in principle, subject to consultation with construction sector stakeholders, that the promotion of group training schemes be one of the five priority initiatives in the draft Construction Skills Action Plan [DEV-18-MIN-0094]. The other initiatives were:
 - Leverage Government Procurement;
 - Expand the Sector Workforce Engagement Programme;
 - Expand Skills for Industry;
 - Dole for Apprenticeships (now renamed Mana in Mahi – Strength in Work).
8. Workshops with key sector stakeholders were held in Auckland, Christchurch and Wellington from late June to mid-July to test the draft Construction Skills Action Plan.

Sector feedback was positive but highlighted other concerns

9. Feedback from the sector workshops was positive about the group training scheme action but also raised a number of other educational issues. These included:
 - a desire for a coordinated approach to promoting construction careers, and
 - an increase of business investment in training and education to grow capability and training opportunities.

We have broadened our action and renamed it Growing Construction Careers and Credentials

10. Given the sector's feedback, and NZQA's recent recognition of micro-credentials, we have broadened our action to encompass these developments.
11. We now propose to support the sector through:
 - helping group training schemes to amplify and extend their reach to employers and potential apprentices;
 - coordinating a focused, cross-sector approach to promoting construction careers; and
 - supporting the industry to explore, develop and implement micro-credentials in partnership with tertiary education organisations.
12. Through TEC's functions and the tertiary education sector, government has the ability to support the sector's promotional efforts of construction careers, particularly through coordination, information, monitoring and support.
13. While it is industry's responsibility to promote the opportunities it offers, we can provide the 'glue' and 'spark' to help the sector overcome the difficulties of fragmentation. We will draw on lessons learnt from the engineering e2e (education to employer) initiative about sector collaboration and joint initiatives.
14. We will form a cross-sector steering group to better coordinate the industry's promotional activities of construction careers and to explore and develop micro-credentials.

15. We will also form a working group of group training scheme representatives to raise the schemes' profile, build new relationships, and extend their reach to potential employers and apprentices.
16. Across these activities, TEC will add value through providing information, coordination, and connection between the construction industry and the tertiary education sector. Overall the initiative aims to help grow a skilled construction workforce further by encouraging:
 - more employers being involved in work-based training;
 - more learners choosing construction-related career paths; and
 - the tertiary education sector providing fit-for-purpose programmes that industry value.
17. Any costs will be met through the Industry Training Fund, which allows up to \$3.5 million annually to be spent on industry training related projects.
18. We will revise the Cabinet paper in accordance with your feedback. The final Cabinet paper (following Ministerial consultation) is due on Wednesday 5 September for submission to the Cabinet Economic Development Committee's meeting on Wednesday 12 September 2018.
19. Talking points are set out in the Appendix.



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

8 August 2018

Hon Chris Hipkins

Minister of Education

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Appendix One: Talking points for the Growing Construction Careers and Credentials Cabinet paper

- I propose to respond to sector feedback that noted the need for:
 - more coordinated promotion of construction careers at all levels; and
 - increased business investment in training and education to grow capability and training opportunities.

- I am also responding to the recent recognition of micro-credentials by incorporating these into the initiative.

- Although it is industry's responsibility to promote the opportunities it offers, government can help through coordination, information, support and monitoring.

- The revised action is now called 'Growing Construction Careers and Credentials' and will be implemented and monitored by the Tertiary Education Commission (TEC).

- TEC will establish a cross-sector steering group to drive the initiative.

- Government will add value through providing information, coordination, and connection between the construction industry and the tertiary education sector.

- Overall the initiative aims to help grow a skilled construction workforce further by encouraging:
 - more employers being involved in work-based training;
 - more learners choosing construction-related career paths; and
 - the tertiary education sector providing fit-for-purpose programmes that industry value.

- I expect the cross-sector steering group to identify further education and training-related actions for future iterations of the Construction Skills Action Plan.

- I will report back to the Ministerial Group on the Construction Workforce on the implementation plan for Careers in Construction by January 2019.