

Aide-Memoire: Meeting of Ministerial Group on the Construction Workforce 29 November 2018

To:	Hon Chris Hipkins, Minister of Education
From:	Gillian Dudgeon, Deputy Chief Executive, Delivery
Date:	21 November 2018
Reference:	AM-18-00751

This aide-memoire supports your report-back to the Ministerial Group on the Construction Workforce

1. You are attending the meeting of the Ministerial Group on the Construction Workforce (the Ministerial Group) on Thursday 29 November. This is the first meeting of the Ministerial Group since the Construction Skills Action Plan was signed off by Cabinet on 17 September 2018.
2. At this meeting, Ministers are invited to report back on specific issues noted in the Cabinet papers on the Construction Skills Action Plan. Your report back is on costs faced by trainees and apprentices.
3. We have prepared this aide-memoire in conjunction with the Ministry of Education.
4. We recommend the Tertiary Education Commission release this aide-memoire in full.

The Construction Skills Action Plan is supported by the TEC

5. The Construction Skills Action Plan consists of six initiatives. TEC leads the Growing Construction Careers and Credentials initiative.
6. The other initiatives are:
 - Leverage Government procurement;
 - Establish additional Jobs and Skills Hubs;
 - Expand Skills for Industry;
 - Mana in Mahi – Strength in Work; and
 - Immigration Settings.
7. We are working closely with the Ministry of Business, Innovation and Employment and the Ministry of Social Development to support their initiatives of new Jobs and Skills Hubs, expanding Skills for Industry and implementing Mana in Mahi – Strength in Work.

Report back on issues arising from consultation on the Action Plan

8. During consultation on the draft Action Plan, employers and training providers said cost was a barrier for trainees and apprentices. This was because they are not eligible for student loans and allowances and most are not eligible for the fees-free policy as they have previously attempted or completed some tertiary study.
9. Cabinet invited you to update the Ministerial Group by the end of 2018 on any potential changes in learner support that may help drive an increase in construction-related apprenticeships.
10. The Ministry of Education has advised the review of the vocational and educational training (VET) will consider support for trainees and apprentices. This could include changes to the eligibility rules for fees-free or student loans and allowances.
11. The Ministry of Education suggests you update the Ministerial Group as follows:
 - The Ministry of Education is forecasting around 4,600 trainees and apprentices will have benefited from fees-free industry training by the end of 2018. The number of recipients is expected to double in 2019.
 - The main change in educational support for trainees and apprentices is a change to how prior tertiary study is measured to determine fees-free eligibility.
 - From January 2019, participation from 2018 in short industry training programmes that are not themselves eligible for fees-free will not count towards the 60 credit limit on prior study for fees-free eligibility.
 - The Ministry of Education estimates this change will make 200 more people potentially eligible for fees-free support in 2019, growing to 600 in 2022.
12. In addition, Ministers are considering proposals from the VET review and Institutes of Technology and Polytechnics' Roadmap. These are fundamental changes to the system to improve industry's ability get the skills they need.

Progress on TEC's construction careers and credentials initiative

13. The draft agenda for the Ministerial Group indicates there will be limited time for general discussion, outside of the report backs requested by Cabinet. Therefore the following information is largely for your information only.
14. TEC has been progressing its Construction Careers and Credentials initiative. This work is drawing on lessons and insights from the engineering e2e work and our focus on the primary sector. From 2019, the initiative will be further supported by the rollout of the Careers Systems Strategy.
15. The key elements of the Construction Careers and Credentials initiative are to:
 - encourage more employers to be involved in work-based learning by promoting Group Training Schemes;
 - coordinate the promotion of construction careers across the construction sector and tertiary education organisations; and
 - support the development of micro-credentials for the construction industry.

16. To date we have:

- compiled a stocktake of current initiatives and activities that promote or support construction-related careers, education and training;
- drafted an initial survey for Group Training Schemes to help us better understand how we can add value to them;
- identified key stakeholders from which the cross-sector steering group will be formed; and
- consulted with the sector on the principles for funding micro-credentials.

17. By March 2019, we will have met with existing Group Training Schemes and the cross-sector steering group, formed a draft work programme, and begun funding micro-credentials. We will update you on progress through TEC's fortnightly reports and specific briefings as appropriate.



Gillian Dudgeon

Deputy Chief Executive, Delivery,
Tertiary Education Commission

21 November 2018

Hon Chris Hipkins

Minister of Education

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