



Aide-Memoire: Construction Skills Action Plan – Careers in Construction

To:	Hon Chris Hipkins, Minister of Education
From:	Gillian Dudgeon, Deputy Chief Executive, Delivery
Date:	24 July 2018
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This aide-memoire briefs you on the Cabinet paper Careers in Construction

1. This aide-memoire briefs you on the Cabinet paper ‘Careers in Construction’ and provides talking points for the meeting of the Ministerial Group on the Construction Workforce on Thursday 26 July.
2. We recommend that you release this aide-memoire in full once Cabinet has made decisions on the Construction Skills Action Plan, expected to be on 20 August 2019.
3. 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 updated you on this work in our Report to the Minister of Education dated 5 July 2019.

TEC’s action in the draft Construction Skills Action Plan proposed 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. 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 Man 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
 - increasing business investment in training and education to grow capability and training opportunities.

We have broadened our action and renamed it Careers in Construction

10. Given the sector's feedback, we have broadened our proposed action to respond to the issues raised around education and training and renamed it Careers in Construction.
11. We now propose to support the sector through coordinating a more focused, cross-sector approach to promoting construction careers and increasing business investment in training and development. We still propose to help group training schemes extend the reach and impact of their promotional activities.
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 initiative about sector collaboration and joint initiatives.
14. We will form a cross-sector steering group to work on better coordination of the industry's promotional activities of construction careers and pathways such as group training schemes. To inform the steering group's initial focus and activities, we will:
 - a. identify and collate lessons learnt from work already undertaken across TEC;
 - b. compile existing information on careers in construction from across relevant agencies and the sector to highlight the wide range of construction careers, education and pathway options;

- c. work with the sector to identify opportunities for promotion of construction careers and pathways, such as group training schemes;
- d. support the development of an industry plan for the promotion of construction careers;
- e. work with existing group training schemes to amplify their promotional activities and extend their reach; and
- f. agree implementation timeframes, roles and responsibilities with the sector and stakeholders.

15. We will also work with the construction sector to:

- a. investigate the barriers to construction careers for different demographics (such as woman) to inform the promotional activities of industry and educational organisations;
- b. develop case studies and information outlining the benefits for businesses in providing training and investing in training at all levels for construction businesses;
- c. change the perceptions of construction careers by highlighting the wide range of non-technical and non-physical skills involved and the increasing use of technology; and
- d. identify the many career opportunities beyond initial qualifications, both inside and outside of the construction sector.

16. This action will develop a more cohesive view of construction careers that the industry and education sector can use for promotion. It will also help highlight how education and training can build businesses capability and create training opportunities. Any costs will be through the Industry Training Fund, which allows up to \$3.5 million to be spent on industry training related projects annually.

17. Appendix One provides talking points for Thursday's meeting of the Ministerial Group on the Construction Workforce.

18. We will revise the Cabinet paper in accordance with your feedback following the Ministerial Group's meeting, before submission to the Cabinet Economic Development Committee on 8 August 2019. *NOTE: This should read 8 August 2018.*



Gillian Dudgeon

Deputy Chief Executive, Delivery,
Tertiary Education Commission

Hon Chris Hipkins

Minister of Education

24 July 2018

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Appendix One: Talking points for the Careers in Construction Cabinet paper

- I propose to respond to sector feedback that noted the need for:
 - more coordinated promotion of construction careers at all levels; and
 - increasing business investment in training and education to grow capability and training opportunities.
- 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 'Careers in Construction' and will be implemented and monitored by the Tertiary Education Commission (TEC).
- TEC will establish a cross-sector steering group to drive the action.
- Initial activities will include:
 - a stocktake of careers activities across the construction sector, tertiary education organisations and relevant agencies;
 - development of an industry plan for promotion;
 - working with group training schemes to increase their profile and promotional reach; and
 - agreeing implementation timeframes and responsibilities.
- Future collaborative work will:
 - investigate the barriers to construction careers for different demographics;
 - develop information on the benefits for construction businesses of training and education at all levels;
 - highlight the wide range of non-technical and non-physical skills involved in construction careers; and
 - identify wider career opportunities beyond initial qualifications.
- 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.