



Civil Contractors New Zealand

Submission on the Reform of Vocational Education

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1. Background

- 1.0 The civil construction industry builds and maintains New Zealand's roading, public transport, three waters (freshwater, stormwater and wastewater), energy and communications infrastructure.
- 1.1 Civil Contractors New Zealand is the national association for civil contractors and represents 400 contractor members. These businesses range from large internationally-owned companies employing thousands of people in NZ to very small companies that may have only one or two staff. CCNZ also represents hundreds of associated businesses that provide equipment and services to civil contractors.
- 1.2 Infrastructure is a facilitator of growth and is critical to the quality of life of every New Zealander. Our major clients are local and central Government clients. Most of the work our members undertake is based on project- or time-based contracts which can create challenges in providing consistency of work and training of employees.
- 1.3 We estimate the civil construction workforce is made up of around 60,000 employees, and we are currently experiencing a major shortage of workers. We need many more new employees to service New Zealand's needs for roading, water, communications and transport infrastructure.
- 1.4 Over the past five years, CCNZ has worked with contractor members to build a very strong relationship with our Industry Training Organisation, Connexis. We meet regularly, we collaborate on many projects and initiatives, they are responsive to our needs and we have jointly developed a number of new qualifications and apprenticeships, as well as completing reviews of existing qualifications for the civil construction industry.
- 1.5 Civil construction is very diverse industry. We are increasingly technology-driven, and we need people who are equipped to adopt new technology. We operate precision equipment and use new technologies safely and productively to deliver quality infrastructure that meets the needs of our clients and the public
- 1.6 CCNZ considers vocational training much more than what is delivered by industry training providers. The majority of our members provide training for their staff for their staff on the job, with some short complementary courses provided by PTEs.
- 1.7 Much of the work we do is undertaken by people with few formal qualifications. The work is designed and overseen by engineers who hold either degrees or diplomas.

- 1.8 Most employers have little direct contact with polytechnics for qualifications. Most employees entering as civil engineers or surveyors would hold tertiary qualifications such as degrees or diplomas before entering these roles in the industry, with some supported through employer cadetship programmes.
- 1.9 Traditionally, the civil construction industry has taken unqualified young people and trained them on the job. Most companies (both large and small) have their own training programmes which are usually linked to some extent into the Qualifications Framework via our Industry Training Organisation, Connexis.
- 1.10 Over the past four years we have worked with Connexis to recognise the existing skills and expertise of people who have been in the industry for some time but either have no formally recognised qualifications or have lower levels of qualifications (under level 4) with a targeted Recognition of Current Competency (RCC) process.
- 1.11 Connexis engages with employers and supports them in understanding the qualifications, training pathways and requirements for qualifications and work in the civil construction industry.
- 1.12 In 2015, CCNZ worked with Connexis to develop and launch Civil Trades – the equivalent to an apprenticeship scheme for the civil construction industry.
- 1.13 Civil Trades requires a Level 4 qualification, 8,000 hours of work in the industry, industry references and completion of a professional interview to ensure the person is fit to undertake work unsupervised, and to supervise the work of others. We have over 350 certified people within the scheme and estimate numbers will ultimately reach approx. 2,000 to 3,000 Civil Trades qualified individuals.
- 1.14 An apprenticeship model recognising the skills and knowledge of our people is critical to the industry positioning itself as a career rather than just a job and attracting people to work in the industry.
- 1.15 Many civil construction workers have extensive knowledge and skills about a range of subjects such as road building and maintenance, three waters infrastructure installation and maintenance, ground stabilisation, operation of heavy earthmoving machinery, geotechnical work and directional drilling.
- 1.16 In recent years we have seen less people taking the engineering or surveying diplomas and more doing engineering degrees. This does not align with industry, which is looking for more technicians and is already well served by degree-qualified engineers.
- 1.17 The future capability and capacity needs of the industry are difficult to predict due to the potential impact of Government policy changes. Currently the industry is short of people and skills. Research from our annual Construction Industry Survey shows that 80 per cent of our members would employ available skilled people with the right work ethic today. We estimate the current worker shortfall at between 10,000 and 12,000 people.

- 1.18 The civil infrastructure industry also requires a wide range of other skills, including management of people, risk, health and safety, contracts, communications, financials and other support roles.
- 1.19 Most training recognised by NZQA frameworks is delivered on job via employers and Connexis registered assessors, with some short courses (1-2 days) offered by local polytechnics.
- 1.20 Our members run their own training and people development systems. Many operate their own training sites to teach people how to use their equipment safely and skilfully. This ensures quality, focus and value.
- 1.21 There is potential for ITPs to provide some introductory type courses that provide basic skills over a two- to four-week period – Health and Safety, basic skills, what is expected on site, how to be a valuable employee. Some of our members already offer these courses at their own specified sites or training schools.
- 1.22 Our industry experiences issues around literacy and numeracy for those taking on entry-level roles, and recognises the importance of these skills for people to be able to conduct their day-to-day work safely and successfully
- 1.23 There is support for short-course ‘micro credentials’, and there is a space for improved skills delivery in this space.

2. General feedback on proposals

- 2.1 CCNZ strongly agrees the vocational education system requires major changes. The current delivery model for vocational education is not working well and could be improved significantly.
- 2.2 The critical issue is how we manage the changes while at the same maintaining the interest and engagement of current and future trainees. New Zealand already suffers from major skills shortages in trades training, with too many people instead opting to attend university courses that do not provide any real prospects for future employment. It is vitally important that any changes are implemented in a way that does not put off prospective apprentices from beginning qualifications.
- 2.3 As a nation, we need to attract more people into trades training. We understand the improvements are proposed to make the vocational training system more attractive to both employers and employees, but the transition needs to be managed carefully to ensure we don't lose momentum in increasing the numbers engaged in trades training.
- 2.4 As explained above the Government needs to understand that **most vocational training undertaken sits outside the ITP sector**. In our industry, the vast majority of training is done on the job, either out in the field or in dedicated sessions in training rooms or offices.

Many employers (especially medium to larger sized companies) prefer to provide training directly to employees because they can ensure value for money by providing the specific training needed for the work they do, at a time and place that best suits them.

- 2.5 While generic training may be useful in some scenarios, the wide range of work sites, situations and equipment civil construction workers need to use means they often need specific training for the equipment and situation they are exposed to. Due to this, appropriate training is only possible through businesses working in the industry.
- 2.6 In many cases, training may be aligned to industry qualifications but not all employers register their training and achievements on the NZQA Framework. We need to ensure we take a holistic view so the new delivery system we put in place attracts both employers and employees to engage in nationally recognised qualifications, and the delivery system.
- 2.7 CCNZ strongly supports the proposed increased industry and employer engagement and empowerment. We believe one of the critical issues that the proposals need to address is the responsiveness of our vocational training system to changing needs of industry.
- 2.8 The new system needs to focus on and support employers to develop their people. We need to move away from a school > ITP > work model and towards a school > work > ITP model. It is impractical for people at many levels of our industry to enter jobs after long training courses. This route of entry is more appropriate for roles such as engineers, technicians and surveyors.
- 2.9 CCNZ supports **Business New Zealand's submission**, which calls for less ITP 'push' and more employer pull. In this way, people can be encouraged to get qualified for the work they do rather than get qualified to start doing the work.
- 2.10 There are currently five or six different ITOs servicing our members. There is an important opportunity to rationalise the distribution of qualifications through this reform and the proposed ISBs.
- 2.11 Recognition of Current Competence (RCC) is important to our industry as we have many workers that have worked extensively to develop specific skills on the job without a formal and nationally recognised qualification. RCC must be recognised, specifically mentioned and included in more detail in the final proposal.

3. Feedback on establishing ISBs in place of ITOs as laid out in PROPOSAL 1 - Redefined roles for industry bodies and education providers.

- 3.1 *Do you agree that the creation of Industry Skills Bodies would be a positive step in ensuring vocational education delivers to the needs of industry? What do you think these should be called – is "Industry Skills Bodies" the right name?*

CCNZ strongly agrees with the creation of Industry Skills Bodies.

3.2 What do you think about the new roles proposed for industry, employers and education providers? How might they benefit employers and learners? What will the risks be? What is needed to help them work well?

The new roles need to be managed carefully, and there is significant risk in this transition. While we support the role of career seeker support moving to NZIST, CCNZ members are concerned about the transition process of disconnecting ITOs from trainees. ITOs currently provide important support for trainees and this needs to be maintained during the transition.

The new NZIST body taking on the responsibility for supporting more than 120,000 new trainees – a role currently performed by ITOs – is high risk. This transition needs to be carefully managed, or we risk undermining the credibility of nationally recognised vocational training qualifications.

There is a risk that trainees will not be supported in entering industries that NZIST does not work closely with. School leavers, trainees and employers need to be connected with expert support that can help them understand the available training.

There is a potential conflict of interest in NZIST managing delivery of information to career seekers, which may lead to prioritisation of long-term courses over on-the-job courses.

CCNZ takes the view that ISBs should be funded to connect directly with career seekers, and believes the following additional ISB roles would be appropriate:

- Industry and trades promotion
- Establishing career pathways
- Providing impartial advice to employers on training options

3.3 The Government wants to help more employers get involved in the vocational education system. Do you think the proposed changes would achieve that? Why or why not?

Many CCNZ members are involved in the vocational education system already through our ITO Connexis, and through the delivery of on-job training to their own staff.

Many employers already devote a large amount of time and money to training. There is potential for employers to be more engaged in the national qualification system, and to be more recognised for the training that they already do.

The vast majority of vocational training is conducted on the job, and employers who conduct on-the-job training should be recognised and supported in this.

How funding is attributed is important. When companies train staff internally towards nationally recognised qualifications, they are paying to do this. Civil construction businesses are often **functional education providers**. This on-job training element needs

to be recognised and potentially rewarded through the funding models.

3.4 To make the proposals for new roles for industry bodies and providers work well, what changes would be needed at education providers? What in turn would be needed to ensure those changes happen?

Closer connection with industry and improved engagement. Training needs driven by skills required on the job and not a 'bums on seats' approach.

Aligning course delivery times for the best time for seasonal industries such as horticulture or civil construction will also improve engagement.

3.5 Thinking about "Regional Leadership Groups", is this the right name for these proposed new bodies?

No comment.

3.6 What are your thoughts on Centres of Vocational Excellence? How should their roles be defined and how should they work with Industry Skills Bodies and providers? What should their relationship with Regional Leadership Groups be?

Creation of Regional Leadership Groups as well as Centres of Vocational Excellence seems a duplication of effort. Could one group not fulfil the same purpose? The services this group provides will need to be clearly differentiated from the role of ISBs. Input channels for activities such as curriculum development (proposed as a responsibility of both ISBs and Centres of Vocational Excellence) need to be clearly set. It is also likely that Centres of Vocational Excellence will have difficulty engaging with industry.

3.7 Do employers need access to impartial advice on their training options, and help making the right connections with education providers? If so, how should this service be provided?

Yes, CCNZ strongly supports this as an essential role. This service should be provided by ISBs and funded by Government.

3.8 Responses to questions on preferences.

CCNZ strongly agrees with recognising and funding Industry Skills Bodies to set skill standards in education.

CCNZ strongly disagrees with making vocational education providers responsible for delivering and supporting all vocational educations and training at providers and in workplaces. Education providers cannot be responsible for training provided in workplaces. This is managed and controlled by the employer.

CCNZ disagrees with the creation of Centres of Vocational Excellence in their proposed form, based on difficulties in engaging with industry and unnecessary duplication of effort, as explained above in 3.2 and 3.5.

Please indicate how much you agree or disagree with the following propositions:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree	Don't know / no opinion
Recognise and fund "Industry Skills Bodies" to set skill standards in vocational education	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make vocational education providers responsible for delivering and supporting all vocational education and training at providers and in workplaces	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Create Centres of Vocational Excellence focused on teaching and learning, and applied research, in areas of particular importance to New Zealand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

4. PROPOSAL 2 Create the NZIST with robust regional network (Merge Polytechs in to NZIST)

4.1 *Do you agree with the Government's proposal to introduce a single New Zealand Institute of Skills & Technology? What do you think the institute should be called – is the New Zealand Institute of Skills & Technology the right name?*

CCNZ agrees with the proposal to create a single body.

4.2 *What should Government, the ITP sector and its stakeholders keep in mind if we were to design and implement a New Zealand Institute of Skills & Technology for all New Zealand?*

CCNZ strongly supports the need for change. The proposed new model eliminates much needless duplication and competitive marketing to a fixed pool of career seekers. With so many polytechnics struggling, it is clear the current model is too costly, involves too much

duplication, and is not fit for purpose.

There are risks involved in the proposed changes. Merging 16 polytechnics will be challenging and maintaining student/trainee engagement will be critical. In a non-competitive model, it is important this organisation performs well. Key point indicators to measure performance will need to be carefully set and monitored.

There are also great possibilities to downsize bricks-and-mortar assets, as mentioned in Business New Zealand's submission.

The new structure allows ISBs to advise required funding to the Tertiary Education Commission, so industries that do not want to work with the NZIST will be enabled to manage themselves – and this is a good thing. We need to focus on providing training to people in work or to specific courses supported by industry.

4.3 What purposes and functions could be included in the charter of a New Zealand Institute of Skills & Technology?

No comment.

4.4 How could we best ensure that a New Zealand Institute of Skills & Technology would deliver to the needs of New Zealand's regions?

This should be based on industry needs as determined by ISBs working in conjunction with industry, who provide information down to a regional level and engage closely with regional employers and industry associations. While the proposed Industry Leadership Groups / Centres of Vocational Excellence may be able to provide some input here, it may be that this role is best fulfilled by ISBs.

4.5 What kind of Regional Leadership Group structure might work best, and what other functions could these groups fulfil? What should the term for these regional groups be?

The ISBs and relevant national associations need to be represented at this level. Learners and trainees should be represented so their needs are properly taken into account.

4.6 Do you believe that Regional Leadership Groups will be able to actively and representatively consider iwi and Māori interests? If not, what other vehicle or means of understanding Māori skills needs could be considered?

Iwi and Māori groups could be represented on the Regional Leadership Groups, and/or the local NZIST Management could be responsible for liaising with them directly.

4.7 Responses to questions on preferences.

CCNZ agrees that creating a New Zealand Institute of Skills & Technology to serve all of New Zealand would help employers and learners.

CCNZ strongly agrees that creating a New Zealand Institute of Skills & Technology would make provision more consistent and easier to access across the country.

It is not yet clear whether the proposed new model would be stronger and more resilient than the current network as not enough specific details are known.

How strongly do you agree or disagree with the following statements?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree	Don't know / no opinion
Creating a New Zealand Institute of Skills & Technology to serve all of New Zealand would help employers and learners	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating a New Zealand Institute of Skills & Technology would make provision more consistent and easier to access across the country	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A New Zealand Institute of Skills & Technology would be financially stronger and more resilient than the current network	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

5. PROPOSAL 3 A unified vocational education system

5.1 Do you agree that a unified funding system for vocational education, encompassing both provider-based and work-based learning, will help to improve our overall vocational education system?

Yes. CCNZ supports one funding model encompassing both provider-based and work-based learning. But we need to ensure different parts of the system are adequately funded.

CCNZ supports Business New Zealand's call to review the property and resources required for NZIST, taking into account the likely growth potential online delivery.

While it's reasonable to expect employers to dedicate some financial resource to training, they should not be expected to pay to support large-scale bricks and mortar campuses that they have little to no involvement with.

5.2 *What do you think the Government needs to consider in designing a new funding system?*

Industry funding of ITOs is currently met through charges to trainees paid by employers.

The Government must be aware that the disconnection of proposed ISBs from students/trainees could cut this funding stream. Because of this, the Government should not rely on significant employer contributions to ISBs, as employers already bear significant costs from providing training. There should be no expectation employers will fund parts of the process that aren't of value to them and their staff.

5.3 *Are the suggested elements for a vocational education funding system the right ones? What might be missing?*

Part of the current problem with the system is marketing and funding of trades/industry promotion. Universities are very active in this space, and despite clear advantages of getting qualified on the job, it is difficult for trades to compete in this space.

With the newly proposed model, the Government will need to fund marketing of trades based on the required number of employees in each industry.

6. Conclusion

6.1 CCNZ agrees there is widespread need for change in how vocational education and qualifications are delivered.

6.2 CCNZ believes simplification of the current delivery model and more involvement of industry and employers in the process is a good thing.

6.3 There are many risks in changing how we deliver vocational education. While there is an opportunity for change, all efforts should be made to encourage potential trainees and current employees in industry training.

6.4 CCNZ thanks the Ministry of Education for the opportunity to make this submission and would be happy to provide further feedback in the form of a presentation or other discussion with interested parties. Please do not hesitate to contact us for further information at the contact details included on the front page of this submission.