

**NZ CONTRACTORS' FEDERATION/INFRATRAN NZ/
ROADING NEW ZEALAND**

JOINT SUBMISSION

TO THE

TERTIARY EDUCATION COMMISSION (TEC)

ON THE

**DRAFT PROPOSALS CONTAINED WITHIN THE
CONSULTATION DOCUMENT ADDRESSING THE
ISSUE OF OVERLAPPING PROVISION**

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(1) Introduction

This submission is prepared jointly by Roading New Zealand, the New Zealand Contractors' Federation, and InfraTrain NZ. Collectively we represent those contractors constructing and maintaining this country's infrastructure covering around 24,000 employees.

(2) Alignment with Government Objectives

We support Government's view that there is a strong relationship between skills development and productivity as evidenced by the Prime Minister's comments regarding "Maori in Industry and Trades Training" on 23 July 2009. The Prime Minister clearly stated the link between training and productivity:

'It is true that improving industry and trades training was a particular focus of the Jobs Summit. It sits at the core of improved productivity and has upsides for both the trainees and employers.'

This statement by the Prime Minister is also supported by international research.

Similar conclusions were reached by the Report of the Building and Construction Sector Productivity Taskforce (2009), which was set up under a Ministerial Forum of five Ministers:

'Government procurement can support skill development and improve productivity by explicitly adding skills and training attributes to the existing criteria for contractors bidding for Government work.' (p. 12)

Our comments below on the draft proposals aim to ensure that they result in positive changes that will encourage skills development, and hence higher productivity, within the civil construction industry for the benefit of New Zealand.

(3) Regulatory Framework

We welcome the move to develop a similar regulatory framework and more equal subsidy rates for industry training arrangements for Industry Training Organisations (ITOs) and Institutes of Technology & Polytechnics (ITPs). These will strengthen competitiveness and encourage ITOs and ITPs to work more collaboratively.

We also welcome the statement that all industry training arrangements, including short courses run by ITPs for people in employment, should ideally be linked to national qualifications. The completion of a national qualification is a reliable indicator that an individual has the skills required to do the job according to industry best practice.

We support the proposal that a 20 credit minimum should be applied to ITPs and Private Training Establishments (PTEs), as well as ITOs. This will mean that ITPs and PTEs are obliged to offer more substantial packages of training that will provide a stronger skills base for trainees and their employers.

We do not support using the cost structures of different institutions to help determine subsidy rates. We believe that this concept will not drive value for money and does not create a level playing field between ITOs, ITPs and PTEs. Furthermore additional “institutional costs” that ITPs may face are already covered by the substantial Tertiary Education Organisation Component (TEOC) paid to ITPs and should not be taken into account when setting industry training subsidy rates.

(4) Health and Safety/Compliance Training

Our main concerns relate to the Health and Safety and Regulatory Compliance Definition, specifically the suggestion that the TEC would not be willing to fund ‘a very short health and safety or regulatory compliance component’ of a programme.

Health and Safety, or other ‘compliance’ training, should not be automatically perceived to be narrow and without broader benefit for the trainee and the employer. Health and Safety Limited Credit Programmes (LCPs) might, for example, offer an introduction to the industry, literacy and numeracy training, or specific technical training.

We note that our current health and safety qualifications far exceed the compliance requirements of the Health and Safety in Employment Act. They take a proactive approach to improving the health and safety performance of the contracting sector and are consistent with the Government's Workplace Health and Safety Strategy. Indeed our experience (supported by independent research) suggests that a Health and Safety training package can be a valuable first step towards more general skills acquisition. It can give people the confidence and the ability to acquire further skills and improve their productivity.

We suggest that the TEC should not adopt a narrow definition of Health and Safety or ‘compliance’ training without consulting with the civil construction industry and determining the value that the training gives to trainees and employers.

In support of this suggestion, the following statement has been made by the General Manager, Human Resources, of one of our largest infrastructure companies:

‘There appears to be a dichotomy between Government support of infrastructure projects, and TEC support to ensure it occurs safely.’

It seems to us that there is also dichotomy between the Government’s objective to improve the country’s workforce productivity and TEC supporting this.

(5) Progression to a full National Certificate

There are various reasons why some trainees do not immediately progress to a full National Certificate. These include work pressures, lack of employer support, and low foundation skills. This means that progression towards a

full National Certificate could take several years. If Government funding were removed from trainees who only take a Health and Safety short course (such as an LCP), employers would be less motivated to give their staff the opportunity to train and become more productive.

We recommend that the TEC should not remove funding for short Health and Safety (or other compliance) courses where trainees have not progressed *immediately* to a full national certificate. We recommend that the TEC take a longer-term view of such completions, preferably a span of 3-5 years.

Roading New Zealand, the New Zealand Contractors' Federation, and InfraTrain, are committed to working with Government and the industry to secure the best possible outcomes from training.

We would welcome the opportunity to work more closely with Government to ensure that this occurs.

Yours sincerely



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