ITP Carpentry Conference 2013

“Government Initiatives to Decrease Skill Shortage”

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Content

- Construction Report
- Challenge
- Snap Shot of Auckland & Christchurch
- Government Response
- Apprenticeship Reboot Initiative
- New Zealand Apprenticeship Scheme
- Maori and Pasifika Trade Training Initiative
- Industry Direct Funding
- New Construction School(s)
- Gearing up for Demand
Construction Report

• The construction sector generates more than $30 billion in revenues annually and plays a fundamental role in our lives and in the economy. It employs around 170,000 people in a wide variety of occupations.

• The construction sector is the fifth largest sector in the New Zealand economy. It employs over 170,000 people, 7.6% of the workforce. In 2010 it generated 6.3% of GDP (nominal).

• The sector employs 36,000 more workers today than in 2002, a 30% increase.
“The greatest challenge is the unprecedented workload that will be placed on the industry in the next few years, driven by the Canterbury rebuild, the demand in Auckland for housing and infrastructure investment, and the weather-tightness remedial work. Industry identified concerns both over its capacity to meet the demand and maintain quality during the peak, and the risk to the viability of firms once the peak has passed”
Auckland House Shortage

Currently, Auckland need 39,000 new houses, however, the number of new dwellings being built is around 3,600 per year over the last 4 years.

Auckland Projected Population Growth 2040 (Unitary Plan)

Auckland population projection for 2040 is for 2 million plus. The Pakeha population will become a minority group. The Asian, Maori and Pacific will increase. The Maori and Pacific growth will be predominately through intermix marriage.

New dwellings needed by 2040: Total 400,000
Leaky Buildings

The total cost has been estimated by a PricewaterhouseCoopers report to the Government in 2008 as being around NZ$11.3 billion for a consensus estimate of 42,000 buildings. Other building experts estimate the true cost at $23 billion for 89,000 buildings.

- Schools – cost 1.5 billion
Auckland Infrastructure
Horizontal and Vertical (above and below) services e.g. Roads, bridges, telecommunication, tunnel

Christchurch Rebuild – construction and infrastructure
- The Canterbury Employment and Skills Board (CESB)
  - recruit 30,000 skilled migrants (additional)
  - over the next 10 years

Wellington Earthquake
The current event Wellington experienced Friday 19 July
- earthquake prone buildings
Government Response

- The Re-boot funding initiative
- A new apprenticeship scheme – New Zealand Apprentices
- Maori and Pasifika Trade Training Initiative
- Increased rate of funding for industry training
- Clearer roles for and improved performance from ITOs
- Increasing competition through direct funding scheme for employers
Minister: Steven Joyce 25 January 2013

**Government Initiatives to boost training**

- Government Reboot – 10,000 apprentices
- Cost $28 million dollars
- Total cost for 4 year project is around $106 million
- Government setting target for ITO’s to enrol 14,000 additional apprentices over the next five years 2013-2017. The target of new enrolment’s is over and above the 7,000 who enrol every year.
• Combine Modern Apprenticeships and other apprenticeship-type training under an expanded and improved scheme called **New Zealand Apprenticeships**.

• From the **beginning of 2014**, there will be a single subsidy rate supporting apprentices of every age.

• **Subsidy payments** will be increased by around $12 million in the first year.

• Increased funding for apprenticeships will allow industry training organisations to **invest in the quality of education for apprentices**, lower fees for employers and encourage growth in the uptake of apprenticeships.
Media statement 9 May 2013

Expansion of Maori and Pacific trades training

• **Purpose:** For Maori and Pacific learners to access pathway into employment and a NZ apprenticeship.

• **Budget** has allowed for 3,000 places in 2013

• **Budget** has committed $43 million over the next four years. $35 Million from Industry Training funds and $8 million from Vote Employment.
Recently the Government reviewed industry training and agreed to:

- Increasing competition through direct funding scheme for employers

**Why direct funding?**

Intent: Improve participation and achievement

**The opportunities?**

Employers can get funded directly to:

- organise training themselves to suit their business needs
- use innovative approaches to training
- deal directly with education providers
- reduce transaction costs
Industry Direct Funding

Why fund workplace training?
Why does the government invest in training employees?

- Capacity for innovation
- Increased productivity
- Improved ability to adapt
New construction school for Wellington

Tertiary Education, Skills and Employment Minister Steven Joyce today announced that the Wellington Institute of Technology and Whitireia New Zealand will be investing $13.6 million in a new Regional School of Construction for Wellington.

“The Government has now invested $57 million in the Skills for Canterbury contingency to increase the size of the construction training pipeline around the country ahead of the expected growth in construction activity”
Maurice Williamson
20 NOVEMBER, 2013
Construction sector gearing up for demand

The rebuilding of Christchurch, housing demand in Auckland and fixing leaky homes are all putting unprecedented pressure on the construction industry. With demand projected to peak in 2016 it’s important that building work is completed by trained professionals and it complies with the Building Code.
23,000 building practitioners have now been licenced under the Licenced Building Practitioners scheme, increasing professionalism in the industry.

In December, local authority building consent officers will begin to become qualified under an accreditation scheme.

8000 new apprentices who’ve signed up this year as part of the Government’s Apprenticeship Reboot

National online consenting, promoting digital building information modelling technology and better procurement.