



ITP Carpentry Conference 2013

**“Government Initiatives
to Decrease Skill Shortage”**

Presenter

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(Mt Albert Campus)



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Construction Report

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.***



Challenge

“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**”



Snap Shot ...

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**



Snap Shot

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



Snap Shot ...

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



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



Reboot Initiative

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.



New Zealand Apprenticeships

- 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.



Maori & Pasifika Trade Training

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.



Industry Direct Funding

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

Steven Joyce

20 NOVEMBER, 2013

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”



Gearing up for Demand

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**



Gearing up for Demand

- **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.