

TOP REGIONAL INSIGHTS

In February the Regional Skills Leadership group held a Construction focus workshop hui in collaboration with Matariki Pou 2. The objectives of the workshop included sourcing feedback on the early findings of the construction pipeline and possible solutions; prioritising short and long term priorities; and presenting an opportunity to work with local talent to demonstrate the local pipeline and support packages.

Key takings from presentations on the Construction demand picture:

- **Need to double the supply of qualified trades people** to meet the current construction workload, before considering the future pipeline of work.
- **Hawke's Bay has a significant number of people with the potential to be upskilled** and supported to gain construction based skills.
- **Constraint on how much training Hawke's Bay can provide due to a lack of skilled tradespeople.** Skilled tradespeople only have the capacity to support and train around 1-3 apprentices each.
- **Hawke's Bay lacks collective visibility of the medium to long term pipeline of work.** The pipeline needs to include social housing; private developments; commercial builds such as retirement homes or shopping centres etc; education and health investments; and infrastructure developments.
- **Need to look at new building models as mainstream building models are not able to keep with the demand.** Prefabrication is a huge opportunity for Hawke's Bay to look into.
- **Growing Māori apprenticeships by 50 people over the next 3 years** is a key regional iwi goal.

Source: Presentations from Grant Roberts MSD, Simon James HDC, Rawinia Lewis & Aayden Clarke NKII, Mark Williams BCITO.

TRENDS AT A GLANCE

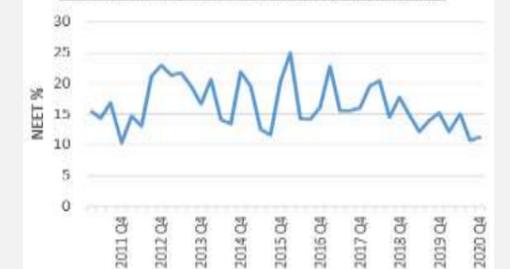
National data in 2018 showed 62% of businesses in the construction industry were sole traders, 26% employed 1-5 staff, 9% employed between 6 and 20 staff, 3% between 21 and 100 staff and 0.3% or 207 companies employed more than 100 people (BCITO).



New Zealand's population consists of about 50% women, but less than 3% of construction tradespeople are women (BCITO).

NEET rate has been reasonably consistent over the last 10 years although it has been showing a general downward trend from the post Global Financial Crisis highs in 2011/12.

Youth who are not in Employment, Education or Training in the Hawke's Bay Region, New Zealand



Source: Statistics NZ, Household Labour Force Survey

TOP CONSTRUCTION OPPORTUNITIES

Priorities for the Construction Workforce Development Strategy include the following opportunities:

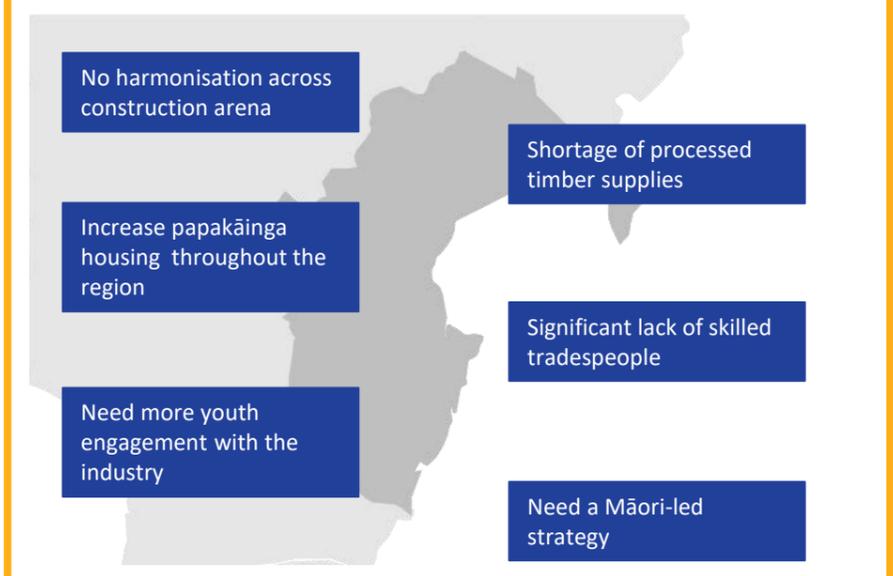
1. **To gain an understanding of the medium to long-term pipeline of work across the region** through engaging with local iwi, health sector, Ministry of Education (MoE) and industry.
2. **To understand Hawke's Bay's training capacity** to establish who can provide training, how many people they can train and when can they train. This will provide a better understanding of the gap in supply vs demand.
3. **To establish sustainable ways to attract and retain young people, including females, to the industry** through better communication and engagement with youth. Construction is a suitable career pathway for many young people.
4. **There is a need to consider a Māori lens perspective to drive outcomes for Māori.** There is opportunity for iwi and hapu based training.
5. **To develop a clear understanding of what social procurement looks like in Hawke's Bay** and how it is translated into action.

TOP CONSTRUCTION CHALLENGES

Gaps in the current construction demand picture present the greatest challenges. These include:

1. **Lack of visibility of what the medium to long term build pipeline looks like for the health sector.** A new regional hospital is on the horizon, but it is unclear how this will integrate with other planned builds.
2. **Hawke's Bay lacks a contingency plan for getting labour from outside of the region at short notice.** E.g. flood remedial build work needs exceed the capacity of local trades people.
3. **Competition for labour is increasing due to the growing horticulture and viticulture industry.** The construction industry is experiencing increasing pressure with the expansion of orchards, pack houses, cool stores etc.
4. **Lack of visibility of the retirement village build programme.** Hawke's Bay is a popular location for retirement villages with an estimated 2,000 units required to be built over the next few years. More detailed timelines and scope are needed.
5. **Uncertainty of the housing market future.** Increase the understanding of what the future demand for housing (rental and owning) looks like.

SUMMARY OF THE HAWKE'S BAY REGION



OUR FOCUS FOR THE NEXT 2 MONTHS:

Work in collaboration with Matariki Pou 2 to source and provide an overall demand pipeline picture for Hawke's Bay; gain an understanding and provide details on the workforce supply options, focussing on the training capacity for the region.