

Activity & Labour Trends

Future challenges for Māori participation in industry training



Over the past decade, tremendous progress has been made in Māori educational outcomes. Fewer Māori are leaving school with few or no qualifications. Māori aged over 25 years are studying at noticeably higher rates than non-Māori in this age group and will be well placed to re-enter the workforce with valuable skills.

Māori are also completing more tertiary qualifications than previously, and working Māori are participating in more industry training. The two most popular modern apprenticeships for Māori are in building and construction, and engineering.

In short, Māori educational outcomes are improving, but challenges remain. At the tertiary level, **Māori participation tends to be clustered in the older age bands,** with younger Māori (those aged under 25 years)

less likely to be enrolled at a tertiary institution **although there is continued strong growth in Māori Gateway placements across industries.** BCITO data reveals this trend, as well, with a total of 81 Māori Gateway students enrolled in 2010, and a growing proportion of Māori trainees now aged 18 years and under.

Māori male under achievement has been noticeable at all levels of the education system. Developing skills among younger Māori is crucial for the future of the labour market.

Questions need to be asked about how the school and tertiary education system respond to Māori educational needs and aspirations, as well as issues about the quality of careers guidance advice youth receive, and whether cultural or financial considerations (such as course fees) are determining study choice.

To respond to globalisation, productivity and technology challenges in the built environment over the next 15 years, a workforce with a greater range of skills, knowledge and experience is needed. Existing skills in the most high-value sectors of the workplace will need to be frequently updated in the future.

Ganesh Nana, BERL chief economist states that ensuring the suitability of the future labour force in terms of skills, experience and productivity requires **prior investment in education and training, and a focus that must go beyond the funding of education.** "There is a need for the education and training effort to build

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a closer relationship between the requirements of industry, enterprises and asset owners, both Māori and non-Māori." **Taking a long term approach** means that investment and training effort should occur across the whole spectrum of skills, from foundation skills, which allow entry to tertiary/vocational education training at any stage in their life through to specialist higher skills. This approach also includes encouragement to school leavers to leave school with qualifications, and successfully transition into other areas of learning or work.[1]

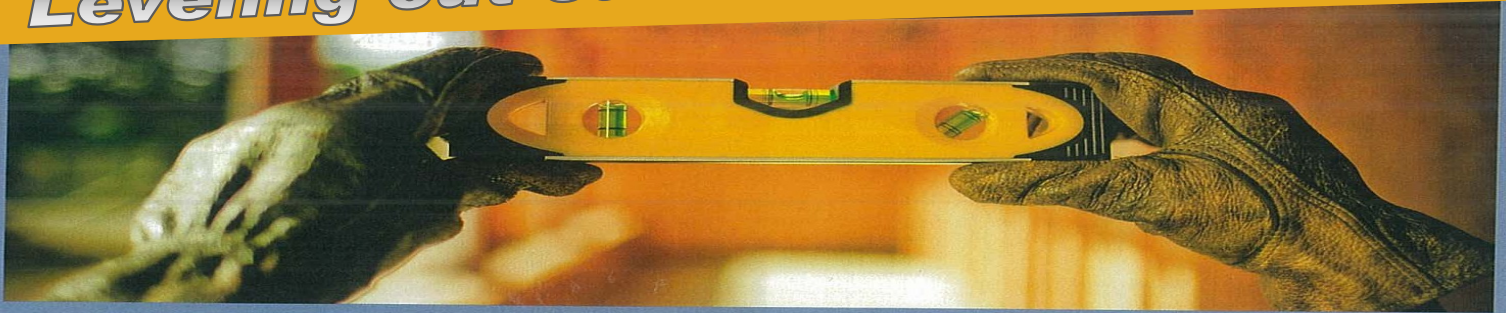
The construction industry has workers who are relatively skilled, more flexible and more used to changing jobs. This resilience will help mitigate the longer term consequences of job losses for workers, and the Christchurch rebuilding programme will create a captive market for construction workers from 2012 well into the foreseeable future.

The majority of the current workforce will still be in the workforce in 2020. By 2021 Māori are projected to represent around 16% of the New Zealand population compared with 14% currently and the median age for Māori will increase to 24.6 by 2021, 14 years below the median age for the total population. Over the next twenty years, considerably more Māori will enter the workforce, and will represent an increasing share of it, **so workplace training for Māori must be a priority.**



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Leveling out our future workforce..?



Huge growth in building activity forecast

Construction activity is forecast to expand 47% over the four years to December 2015 as the industry faces the rebuild of New Zealand's second largest city. **The strongest growth in activity will occur in residential building**, which is also in line for a cyclical upturn to begin during 2012 following the 'under-building' that has taken place since 2008. Considerable work will be required to repair Canterbury's infrastructure, while the government also remains committed to major spending on broadband and roading.

The growth in residential building is forecast to accelerate from mid-2012. Growth in consent numbers could increase by as much as 50% during 2013. More positive cyclical conditions will help to boost activity around the country, and rebuilding work in Canterbury will contribute about 2,800 additional houses in the 2013 calendar year.

Total residential work put in place is forecast to grow by 83% over the four years to December 2015, with growth peaking at over 30% during 2013. This forecast sees a peak in activity during 2015, about 9% higher than the previous high recorded during 2004. Even non-residential construction, which will be one of the last areas to partake in the economic upturn, is set for 43% growth between 2011 and December 2015.

An improving labour market and a pick-up in retail spending activity during 2012 and 2013 should start to encourage more commercial property development. Initial fears following the Christchurch earthquake that the government might reallocate money away from school and hospital building appear to be unfounded. It is expected that government spending in these areas will remain strong throughout the next five years, despite the high cost of the Christchurch rebuild, and plans remain in place to build a new prison in South Auckland.



Future demand

Employment is expected to remain at a low level through 2011 as the construction industry struggles through another difficult year.

Strong growth in employment within the construction sector is likely in the following years as

economic conditions improve and rebuilding following the Christchurch earthquakes begins to gather pace. **By 2013 total employment is expected to exceed the previous high in 2007 and continue growing to new highs in 2014 and 2015.**

The BCITO is involved in various national initiatives to boost the number of people in training to help ease the effects of a skills shortage.

Ruma Karaitiana, Chief Executive of the BCITO is chairman of the **Skills Strategy Working Group**, which aims to develop a national strategy to build a flexible, safe and skilled workforce which is able to adapt quickly to new technologies and processes as well as contribute to an increase in productivity in the built environment by 2020.

The BCITO is also working to collaborate with polytechnics and other ITOs to deliver a comprehensive strategy for the future growth of the building industry in New Zealand as a shift in resources (capital and labour) is required. This includes a measured but rapid response by the industry and government to rebuilding needs and leaky homes remediation work.

For assistance in planning your investment in training, call BCITO at 0800 4 BCITO (0800 422 486) or visit www.bcito.org.nz

Building Our Future – Activity and Labour Trends has been prepared by BCITO to assist workplaces in planning for their future skills and training needs, by informing industry and interested stakeholders about the medium-run outlook for the economy in general, building and construction activity in particular, and labour needs in the industries covered by BCITO

Source of graph (Infometrics) and forecasting content: BCITO July 2011 Monitoring Report (BETA group)