



Civil Contractors New Zealand

Submission on the Construction and Infrastructure Workforce Development Council – Order in Council proposals

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1. Introduction

- 1.0 This submission provides feedback from Civil Contractors New Zealand on the proposal for an Order in Council to establish the proposed Construction and Infrastructure Workforce Development Council Te Waihanga Ara Rau (CIWDC).
 - 1.1 CCNZ has strongly engaged in the RoVE process and supports the formation of the Construction and Infrastructure Workforce Development Council.
 - 1.2 CCNZ is particularly supportive of proposals to better engage employers and industry in the vocational education system, including the creation of Workforce Development Councils.
 - 1.3 CCNZ does not consider the current Order in Council proposal to create the Construction and Infrastructure Workforce Development Council is fit for purpose without major revisions. Of particular concern is the lack of any specific connection between the purpose statement of the CIWDC and the construction and infrastructure industry.

2. Feedback on purpose statement

- 2.0 The purpose statement is not specific enough, and only references the education system rather than the workforce. It also does not reference the industries the CIWDC is intended to represent, or the outputs of those industries (i.e. built environments, natural environments, infrastructure).
 - 2.1 It is important this organisation is created with a clear role and the right purpose.

The proposed Construction and Infrastructure Workforce Development Council will play a leadership role in ensuring construction and infrastructure has a skilled workforce that can meet the industry's needs in terms of people development and capacity. This should feature in the purpose statement, or the organisation will not be fit for purpose.

- 2.2 In our view, the role of the CIWDC is to make sure the vocational education system meets the needs of the people working in the construction and infrastructure industry, resulting in a skilled construction and infrastructure workforce that can deliver on the country's forward work pipeline. This does not come across in the purpose statement.
- 2.3 As the key standard setting body replacing industry training organisations like Connexis and BCITO, the proposed Construction and Infrastructure Workforce Development Council (CIWDC) must make sure the education system meets the workforce needs of the construction and infrastructure industry, resulting in a skilled construction and infrastructure workforce that can deliver on the country's forward work pipeline.

There is no recognition of the CIWDC's role as key liaison between the construction and infrastructure industry and education system in the purpose statement.

- 2.4 The wording 'use its industry voice' in the purpose statement assumes the council is representative of industry. This is not necessarily the case - the Council does not start with an industry voice, it must 'develop' or 'build' one, otherwise its perspective will not be relevant or representative of industry.

If this term is used in the purpose statement, it should focus on 'building an industry voice for training and education in the construction and infrastructure industry and workforce', not 'using its industry voice'.

- 2.5 The use of the term 'contribute' does not reflect the level of responsibility required and will result in an organisation that lacks accountability and purpose. Is this a positive or negative contribution? The use of the word 'contribute' should be removed from the purpose statement.

The Construction and Infrastructure Workforce Development should 'lead' or 'ensure' rather than 'contribute', for instance 'lead the development of a sustainable, globally engaged and adaptive construction and infrastructure workforce in Aotearoa New Zealand', or 'To ensure the construction and infrastructure vocational education system provides opportunities for all workers to reach their full potential'.

- 2.6 The list of specific focus areas (i.e. emerging challenges, global sustainability goals, etc) should not be included in the purpose statement. These are strategic focus areas. They should appear in the CIWDC's initial statement of strategic intent.

If they are included in the purpose, this implies that other issues will be treated with lesser priority, which may not always be the right approach. The purpose should not need to be reassessed or redefined, nor another Order in Council process triggered to amend a list of specifics like this.

- 2.7 We believe the initial bullet in the purpose statement should be re-worded to read:

"To lead the development of a more sustainable, globally engaged and adaptive construction and infrastructure workforce in Aotearoa New Zealand"

- 2.8 The second point should read:

"To ensure the construction and infrastructure vocational education system provides opportunities for all workers to reach their full potential"

- 2.9 The third point should read:

"To ensure the construction and infrastructure vocational education system honours Te Tiriti o Waitangi to help ensure fair and equitable outcomes for all"

2.10 The fourth point should read:

“To lead the response to Aotearoa New Zealand’s current and future construction and infrastructure workforce needs”.

We do not object to the list of specific focus areas, but believe it should be removed to the initial strategy as opposed to the purpose.

2.11 Accountability arrangements seem appropriate.

2 Governance arrangements

3.1 CCNZ believes the council should comprise at least four employer representatives, as nominated by employers, including at least two Māori employer representatives

3.2 A clear definition is needed for a ‘Māori employer’. Partnerships under Te Tiriti o Waitangi are important, but without a clear definition of what a ‘Māori employer’ is, we cannot make comment on whether this part of the proposal is valid and there is likely to be confusion.

Is this based on bloodlines or on whether a person identifies as Māori? Is it a company that employs Māori or a company owned by Māori? Or is it a person within a company that is Māori (as recognised by registration on the electoral roll) who employs people? Or an employer that specifically employs Māori people?

If this is defined elsewhere, the place it is defined should be mentioned. If there is no clear definition, this part of the proposal should be revised.

3.3 There is no mention of the role of industry organisations or associations as aggregators of industry perspective. The order should recognise and make provision for industry associations representing construction and infrastructure employers to nominate persons to represent employers, or another role of this nature.

4 Appointment of first Council

4.1 Although we understand its meaning, the sentence “The number of Council members is proportionally reduced until the date on which each member referred to in the membership provisions is appointed to council” is unclear. We suggest this is re-worded more clearly to avoid confusion.

5 Appointment of the permanent (or ongoing) Council

5.1 What is the ‘independent chairperson’ mentioned in point one independent of? The Council, the Government, or the industry? If it is the Council, this should be specified. We support the need for the chair of the selection committee to be independent of the Council.

5.2 We believe that all but one member of the selection committee should be independent of the Council. It would be useful to have one of the co-chairs of the Council to communicate to the Selection committee regarding the balance and future needs of the committee.

5.3 Clarity is needed over whether the Council can reject the persons recommended by the Selection Committee and appoint others. If the Council is not happy with candidates

nominated by the selection committee, it should be required to refer back to the selection committee for other recommendations.

6 Detailed governance arrangements

- 6.1 Should the Selection Committee play a role in appointing co-chairs, for instance by making a recommendation that is then decided upon by the Council?
- 6.2 How is Māori defined for the co-chair who must be Māori? Does the person just need to identify as Māori? Or should this be defined by registration on the Māori electoral roll? If this is defined elsewhere, the place it is defined should be mentioned.
- 6.3 Notice is required to be 'in writing' in the meetings section. There should be provisions for notice to be given in writing by electronic means.
- 6.4 Point 2 of the 'Administrative provisions' subsection on page 19 should include working groups as well as committees, perhaps being re-worded to 'or working groups'.
- 6.5 Conflict of interest is defined in financial terms, but should also include other forms of conflicts, e.g. someone is related to a person being discussed or a family member owns the company being discussed. To reflect this, the wording around a person having interest in a matter could be amended to read 'financial or other benefit'.

7 Coverage / Mechanisms for industry engagement

- 7.1 'Industry' needs to be clearly defined. How will 'specified industries' be specified? Are these industries that utilise the ANZSIC codes?

The definition should include employers, employees, unions, industry association and other groupings representing industry participants in the construction and infrastructure industry and workforce. If this is described elsewhere, the location of the description should be referred to.

- 7.2 Employers, industry associations, employees and unions will need different engagement provisions.
- 7.3 Coverage is important – we have been notified of some concerns within the education sector about Consulting and Design Services not being included in the Construction and Infrastructure WDC, with comments that part of the industry in a separate sector would make it hard to provide a coherent approach to providing the graduates needed in construction.

These comments from a draft submission by Unitec propose that "the activities covered by ANZSIC L4 Code M692300 – Engineering Design and Engineering Consulting Services need to be moved to the Construction and Infrastructure Workforce Development Council".

While this is a valid point and will avoid splitting civil engineering across two WDCs, we feel there are also other disciplines that will require close collaboration between different WDCs to properly address, and there should be mechanisms in place for WDCs to collaborate on shared interests.

As an example, some companies may need to work with the Primary Industry WDC (quarries and forestry) and Construction and Infrastructure WDC (bulk earthworks, road construction, pipeline and trenching) and the Manufacturing Engineering and Logistics WDC (civil engineering consulting). It is very difficult to avoid these crossovers, so we suggest good mechanisms for cross-WDC collaboration will be essential in the new system.

8 General feedback on proposals

8.1 CCNZ strongly agrees there is a need for leadership in construction and infrastructure workforce development

8.2 The name Waihangā Ara Rau Construction and Infrastructure Workforce Development Council seems appropriate, if this translates loosely to 'to put into place the pathway of construction'.

8.3 Outside of engineering diplomas and degrees, the vast majority of training in the civil construction industry is done on the job, either out in the field or in dedicated sessions in training rooms or offices.

Many employers (especially medium to larger sized companies) prefer to provide training directly to employees because they can ensure value for money by providing the specific training needed for the work they do, at a time and place that best suits them, and train people as a part of their business culture.

8.4 In many cases, training may be aligned to industry qualifications but not all employers register their training and achievements using the NZQA Framework. We need to ensure we take a holistic view so the new delivery system we put in place attracts both employers and employees to engage in nationally recognised qualifications, and the delivery system.

8.5 CCNZ strongly supports increased industry and employer engagement in education. We believe one of the critical issues is the responsiveness of our vocational training system to changing needs of industry, something the CIWDC needs to play a major role in.

9. Background

9.1 The civil construction industry builds and maintains New Zealand's roading, public transport, three waters (freshwater, stormwater and wastewater), energy and communications infrastructure, as well as commercial building foundations and public spaces.

9.2 Civil Contractors New Zealand is the national association for civil contractors and represents more than 400 contractor members. These businesses range from large internationally-owned companies employing thousands of people in NZ to very small companies that may have only one or two staff. CCNZ also represents hundreds of associated businesses that provide equipment and services to civil contractors, forming an infrastructure supply chain.

9.3 Infrastructure is a facilitator of growth and is critical to the quality of life of every New Zealander. Our major clients are local and central Government clients. Most of the work our members undertake is based on project- or time-based contracts which can create

challenges in providing consistency of work and training of employees.

- 9.4 Over the past five years, CCNZ has worked with contractor members to build a strong relationship with our Industry Training Organisation, Connexis. We meet regularly, we collaborate on many projects and initiatives, they are responsive to our needs and we have jointly developed a number of new qualifications and apprenticeships, as well as completing reviews of existing qualifications for the civil construction industry.
- 9.5 CCNZ considers vocational training much more than what is delivered by industry training providers. The majority of our members provide training for their staff on the job, with some short complementary courses provided by PTEs.
- 9.6 Much of the work our members do is undertaken by people with few formal qualifications. The work is designed and overseen by engineers who hold either degrees or diplomas.
- 9.7 Most employers have little direct contact with polytechnics for qualifications. Most employees entering as civil engineers or surveyors would hold tertiary qualifications such as degrees or diplomas before entering these roles in the industry, with some supported through employer cadetship programmes.
- 9.8 Traditionally, the civil construction industry has taken unqualified young people and trained them on the job. Most companies (both large and small) have their own training programmes which are usually linked to some extent into the Qualifications Framework via our Industry Training Organisation, Connexis.
- 9.9 Many civil construction workers have extensive knowledge and skills about a range of subjects such as road building and maintenance, three waters infrastructure installation and maintenance, ground stabilisation, operation of heavy earthmoving machinery, geotechnical work and directional drilling.
- 9.10 The civil infrastructure industry also requires a wide range of other skills, including management of people, risk, health and safety, contracts, communications, financials and other support roles.
- 9.11 Most training recognised by NZQA frameworks is delivered on job via employers and Connexis registered assessors, with some short courses (1-2 days) offered by local polytechnics.
- 9.12 Our members run their own training and people development systems. Many operate their own training sites to teach people how to use their equipment safely and skilfully. This ensures quality, focus and value. There is a great deal of knowledge amongst our membership.

10 Further submissions

10.1 CCNZ thanks the Ministry of Education for this opportunity to make a submission on the Construction and Infrastructure Workforce Development Council, and welcomes the opportunity to provide further input. Please contact Peter@civilcontractors.co.nz if further information is required.