

MIN-4020 Meeting with Civil Contractors NZ, 28 November 2022

25 November 2022

Ahead of your meeting with Civil Contractors NZ on Monday, 28 November 2022, Waka Kotahi NZ Transport Agency is providing you with its views on labour shortage, including whether this affects its project delivery and if Waka Kotahi has plans to address this.

Waka Kotahi NZ Transport Agency's response:

- Construction sector resourcing remains a critical risk for project delivery given the high demand for people, plant and materials at all stages of the infrastructure lifecycle, combined with a tight labour market, supply chain constraints, COVID-19-related disruption and large forward infrastructure programmes in New Zealand and Australia.
- Demand and supply issues include illness impacts on staff availability, a shortage of international experienced talent, and exodus of early-in-career/ young professionals overseas. Immigration NZ has a specific Construction and Infrastructure Skill Shortage List, with Construction Project Managers ('roading' in particular) at the top of this list.
- These shortages, combined with a significant number of large-scale infrastructure projects across New Zealand (led by Waka Kotahi and other agencies and entities), mean resourcing constraints across the sector remain a key concern and are not expected to ease for some years.
- Waka Kotahi is committed to working with the sector to build capability and capacity both in the immediate and longer term. Key initiatives include:
 - Waka Kotahi is a party to the Construction Sector Accord established in 2019; a shared commitment between government and industry to transform the construction sector, including working together to resolve the skills shortages issues.
 - Waka Kotahi will continue to leverage available supply chain resources to help deliver our projects during peak situations.
 - To help support delivery of its large forward work programme, Waka Kotahi is developing a formalised training and development programme to build project manager capability. This includes a Project Management Academy with the aim to bring in the first intake in March 2023, and a suite of learning and development tools. This work will capture Waka Kotahi and industry requirements including needs analysis, establishing career development pathways and over time setting up a community of practice ultimately contributing a bigger pool of project managers in the sector.
 - In the medium-term, Waka Kotahi is looking to grow the supplier resource through encouraging succession planning, removing barriers to supplier entry and growth, identifying bottlenecks and strategic risks in the supply chain, working with industry on joint training and skills development initiatives, and supporting the development of Māori and Pasifika owned businesses.
- Attracting and retaining experienced construction resource is a challenge while demand for this resource remains high.

- Certainty of pipeline is a challenge for our suppliers in ensuring sustainable resourcing beyond a three-year cycle.

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