



Waihanga Ara Rau

OPERATIONAL PLAN 2023-24



WAIHANGA ARA RAU

**Construction and
Infrastructure**

Workforce Development Council

Publisher

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Workforce Development Council.

Publishing Unit, 49 Tory Street, Tower B,
PO Box 445, Wellington 6140

Tel: 04 909 0174

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Construction and
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01

FROM THE CO-CHAIRS

Nā te hinengaro te whakaaro, nā te whakaaro te kōrero, nā te kōrero te wānanga, nā te wānanga ka pou a he tīkanga.

Imagining possibilities ignites creativity and innovation. By sharing views and experiences, a new pathway is established where transformation becomes common practice.

Our second Operational Plan covers 1 July 2023 – 30 June 2024. This plan builds on our previous Operational Plan 2022/23. As a Workforce Development Council (WDC), we aim to ensure employers and industry have the right people, with the right skills, at the right time. We already have a solid foundation to build upon. Innovation within vocational education and training can create more opportunities for employers, learners, iwi, our country and the economy to thrive.

As the voice of the construction and infrastructure industry, we are continuing to engage with our industry stakeholders to ensure their insights and aspirations inform our overall focus, qualifications and product development, and advice. This will ensure we achieve shared goals of having a well-functioning vocational education and training system that meets current and future needs of the construction and infrastructure workforce.

We recognise that the coming year will have many challenges for our people and the sectors we serve as they navigate economic uncertainty and global unrest. Like our sector partners, we are affected by the constraints of the labour market and the ability to attract and retain talent. As we work, we're committed to collaborating with all parts of the system. We'll continue to work with all WDCs, TEC, Regional Skills Leadership Groups (RSLGs), Construction & Infrastructure Centre of Vocational

Excellence (ConCoVE) and other strategic partners in Government and the education sector. Our Council has formally endorsed the Waihanga Ara Rau Operational Plan for the 2023-2024 financial year. It is our privilege to lead Waihanga Ara Rau and its people through their second phase of operation as they navigate, innovate and create new opportunities to achieve the intent of vocational education reform.

Titiro whakamuri, whakarite ināianehei hei hanga whakamua.

Embrace the past, prepare now to shape the future.



Elena Trout
Co-Chair
Tiamana Tairua



John Chapman
Co-Chair
Tiamana Tairua

02

FROM THE CHIEF EXECUTIVE

Last year was all about getting set up, building our teams, setting up systems and processes, building relationships, building confidence, and giving advice to the Tertiary Education Commission. For the next 12-15 months we will be focussed on demonstrating value for the construction and infrastructure industry.

This operational plan outlines why we exist, what we are here to do, what good looks like and how we measure that. It is also explicit about what we will do and when we will do it. We have been co-developing Workforce Development Plans with industry. These plans outline industry statistics, opportunities and challenges, and identify ways to improve the capacity and competency of the workforce.

We are also focussed on continuing close collaboration with industry through our Strategic Advisory Groups which contribute significantly towards ensuring our advice to TEC reflects the voice of industry, Māori, and Pacific Peoples.

We will provide a clear direction on how we can support working with Māori and other priority groups. We will also improve the consistency and quality of provision through the Quality Assurance activities we undertake this year.

We can only achieve this with our kaimahi. Our team is everything, so we will continue to invest in capabilities that enable Waihangara Rau to be agile, flexible, and responsive. We will continue to prioritise the health and wellbeing of our people, so they are well-supported to do their mahi in the safest environment possible. We will be authentic in applying the principles of te ao Māori in our work and give a stronger voice to iwi Māori, Māori-owned businesses and Māori Training Providers. We do this by listening, being responsive and offering tangible solutions to enable better outcomes for Māori.

This year is our year of action. There's a lot that we can work on, and our focus is on doing the right things and doing them well to make an impact for the industry we serve. We heard from industry through roadshows, webinars, and other engagements on what we should focus on, which we've taken back and incorporated into this plan.

Me mahi tahi tātou mō te oranga o te katoa.

We must work together for the wellbeing of everyone.



Philip Aldridge

Chief Executive

Te Tumu o Waihangara Rau

03

ABOUT WAIHANGA ARA RAU OUR PURPOSE VISION AND ROLE

Our purpose

“Elevating the voice of industry in the vocational education and training system.”

Our purpose statement is unique to us and will ensure that our people know what we are here to do and what we aspire to achieve.

It is important that our people feel connected to it and understand how they are delivering to it each day in their roles. We believe this is pivotal to creating a positive culture, high performance, and strong engagement.



Our vision

“A construction and infrastructure sector that enables everyone to reach their potential.”



Our mahi means employers – including Māori business owners – can be confident that vocational education graduates are ready for work, and that the future skills needs of their industry will be addressed by the vocational education system.

Our role

We are Waihanga Ara Rau, the Construction and Infrastructure Workforce Development Council.

We represent the Construction and Infrastructure industries, which include many specialist trades, across 12 strategic sectors (see Our Industry section on page 9 for an overview of these sectors).

Outlined below are the top things we do that are of significant impact and highlight our unique value to key stakeholders.

We enable

- industry trust in the vocational education system through programme endorsement, moderation and quality assurance
- the voice of industry in the vocational education system through workforce development plans, advice and products
- iwi and hapū to leverage the vocational education system to support their aspirations
- the voices of under-represented communities to be visible to industry and in our mahi
- industry, education providers and key stakeholders to prepare for the future by conveying megatrends, data, and insights to improve decision-making
- relevant learning for ākonga through industry-endorsed, fit-for-the-future qualifications.

We influence

- through our advice regarding Vocational Education and Training and workforce development plans
- the relevance, quality and consistency of education provision through our mahi, advice and relationships.

We promote

- clear pathways into, across and up within the industry
- the value of cultural competency and soft skills within the industry
- opportunities to improve our sectors' attraction, completion, progression, and retention.

Figure 1 on page 7 is a visual representation of our role.

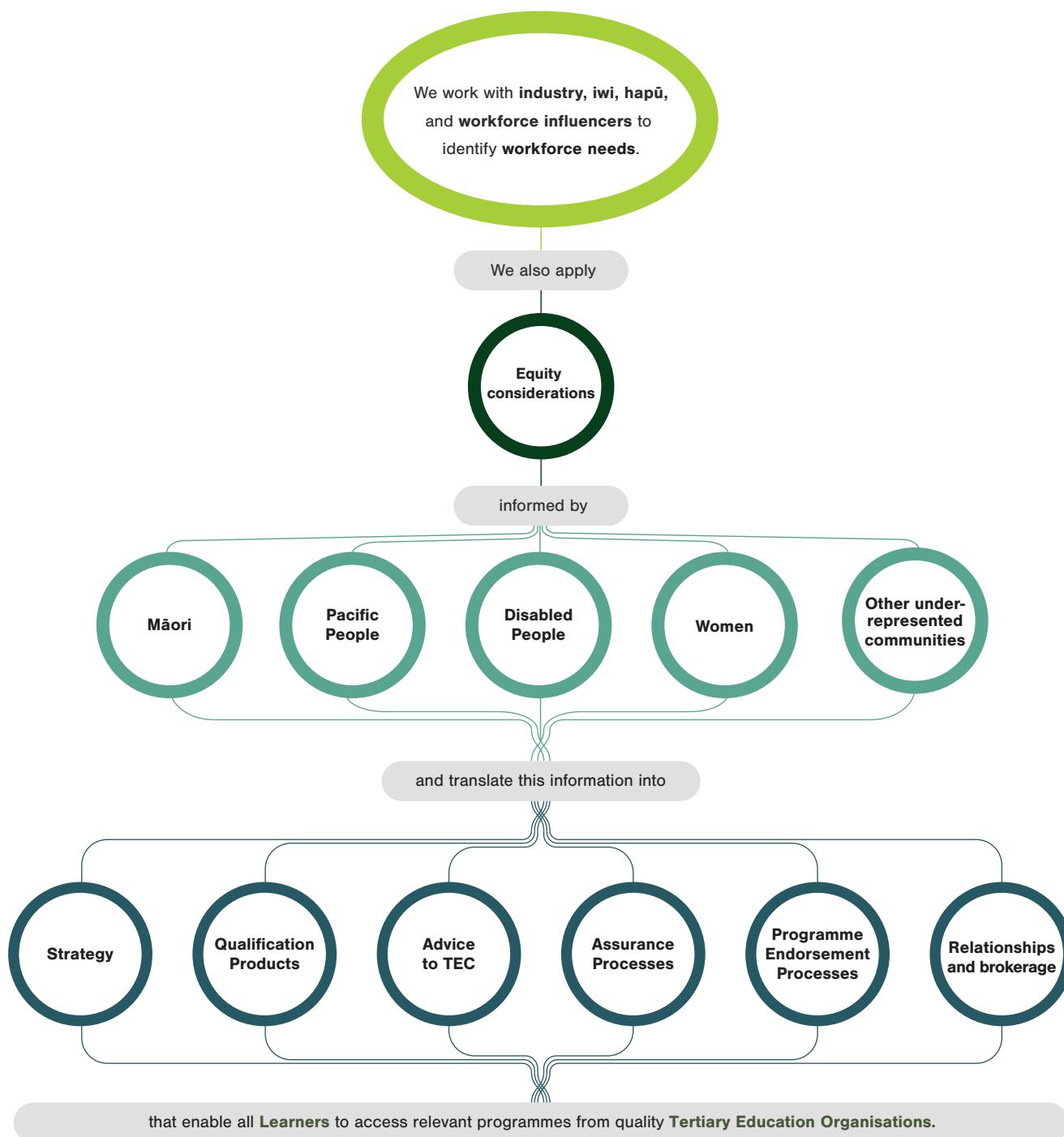
Our strategic pou are the most important areas for us to focus our efforts on now and over the longer term. These are:

Whakahōnore Te Tiriti o Waitangi – We support success for Māori through our engagement, thinking and advice that supports the aspirations of iwi, hapū and their community.

Relationships, Partnership and Influence – We effectively engage with industry, communities and our other key stakeholders.

Transforming the Workforce – We support an adaptable, diverse and skilled workforce that enables the industry to thrive.

Operational Excellence – We will ensure Waihanga Ara Rau is set up to achieve its strategic pou.

Figure 1: A simple representation of our role

04

OUR LEGISLATION AND CORE FUNCTIONS

Legislation

The legal framework for Waihangara Rau is set out in the Education and Training Act 2020 ([The Act](#)) and the Education (Waihangara Rau Construction and Infrastructure Workforce Development Council) Order in Council 2021 ([OIC](#)).

Core functions

Skills Leadership

Identifying industry skill needs and advocating for them to be met now and for the future.

We use the industry and community voice and sector data to develop industry-endorsed Workforce Development Plans that drive strategy and advice. We use these plans and insights to inform our partners, including schools, education providers and central and local government, to meet skills needs and support industry to plan and prepare for the future.

Qualification and standards setting

Setting standards, qualifications and shaping curriculum on behalf of industry.

We create qualifications that recognise the existing and emerging skills our sectors need to improve productivity and remain competitive.

Quality assurance

Moderating assessment against industry standards.

We assure that education programmes are delivered consistently, to a high standard, and that they deliver for learners, industry and the community.

Programme endorsement

Endorsing programmes that lead to industry qualifications.

We make sure that learning arrangements enable learners to succeed and attain the skills industry needs.

Advice

Providing advice to the Tertiary Education Commission (TEC) on investments in vocational education focusing on areas of greatest demand.

Our advice champions the voice of industry and supports the vocational education and training (VET) system to deliver training to the right number of people, to give them the right skills and the right knowledge, in the right place, at the right time.

Through various engagement activities and gathering of insights, we consolidate a broad range of industry voices and structure them into windows of opportunity which we share with TEC to inform its investment decisions.

Where applicable, advice may be embedded as actions within relevant Workforce Development Plans.

Brokerage

Providing employers with brokerage and advisory services.

We connect industry with information, advice, and relevant, quality training that supports them to succeed.

Advocacy

Representing the interests of our industries.

We engage with our stakeholders (including iwi and Māori organisations) to understand their needs and aspirations and amplify their voices to create and influence change.

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OUR INDUSTRY

Strategic sectors

We represent 12 sectors, as summarised in the table below. We work with these industries, their employers, employees, and iwi and Māori organisations to help them address present and future skill gaps. We provide skills leadership and use data and insights to improve the skills pipeline. We develop industry qualifications, set industry standards, and assess training provision against these industry standards.

CONSTRUCTION	STRATEGIC SECTORS
Carpentry, concrete construction, stonemasonry, brick & blocklaying, interior systems, glazing, roofing.	ON SITE CONSTRUCTION
Concrete production, pre-cast and product manufacture, frame and truss manufacture, timber joinery, architectural aluminium joinery.	OFF SITE MANUFACTURING
Electrical engineering, electronic engineering, electrotechnology, industrial measurement and control, telecommunications.	ELECTRICAL, ELECTRONIC & ELECTROTECHNOLOGY
Painting and decorating, flooring, kitchen & bathroom design, floor and wall tiling, exterior plastering.	FINISHING TRADES
Cranes, scaffolding, rigging, industrial rope access.	ACCESS TRADES
Plumbing, gasfitting & drainlaying.	PLUMBING, GAS FITTING, DRAINLAYING
INFRASTRUCTURE	STRATEGIC SECTORS
Bitumen production, road construction & maintenance, contract & project management, road marking, temporary traffic management, deep piling & foundations, forestry earthworks.	CIVIL INFRASTRUCTURE
Electricity generation, electricity transmission, electricity distribution.	ELECTRICITY SUPPLY
Gas production, gas reticulation, gas distribution, renewable gas.	GAS SUPPLY
Drinking water, stormwater, wastewater, water distribution.	WATER SERVICES
SERVICES	STRATEGIC SECTORS
Quantity surveying, project management, architectural technology, asset management, surveying, building information modelling, procurement.	CONSTRUCTION & INFRASTRUCTURE SERVICES
RETAIL & WHOLESALE INDUSTRIES	STRATEGIC SECTORS
Plumbing goods, furniture & floor coverings wholesaling, floor coverings, electrical, electronic, gas appliance retailing and hardware and building supplies retailing.	CONSTRUCTION RETAIL & WHOLESALE

Other key groups we engage with

We engage with organisations that strongly influence the construction and infrastructure industry and its future workforce needs. These include regulators like the Ministry of Business Innovation and Employment (MBIE), involved in managing performance and compliance; government agencies like Kāinga Ora; ConCove Tūhara and the Construction Sector Accord; and purchasing services and research organisations like BRANZ.

We have a responsibility to honour Te Tiriti o Waitangi. We build relationships with iwi and hapū, enabling them to leverage the vocational education system to support their aspirations in the construction and infrastructure sector.

We also have a responsibility to contribute to an equitable education system. To do this, we build relationships with representatives of priority communities, including Pacific Peoples, tāngata whaikaha and women, to understand barriers to success and how to work together to address them. Hearing this voice allows us to ensure that the work we do on behalf of industry is an enabler of success for members of these priority communities.

We need Tertiary Education Organisations (TEOs) to deliver our vision. We engage closely with providers to ensure a high-quality delivery system that is responsive to industry needs, supports employers to train, provides excellent education and pastoral care to students and future workers engaged in learning, and enables success for all ākonga.

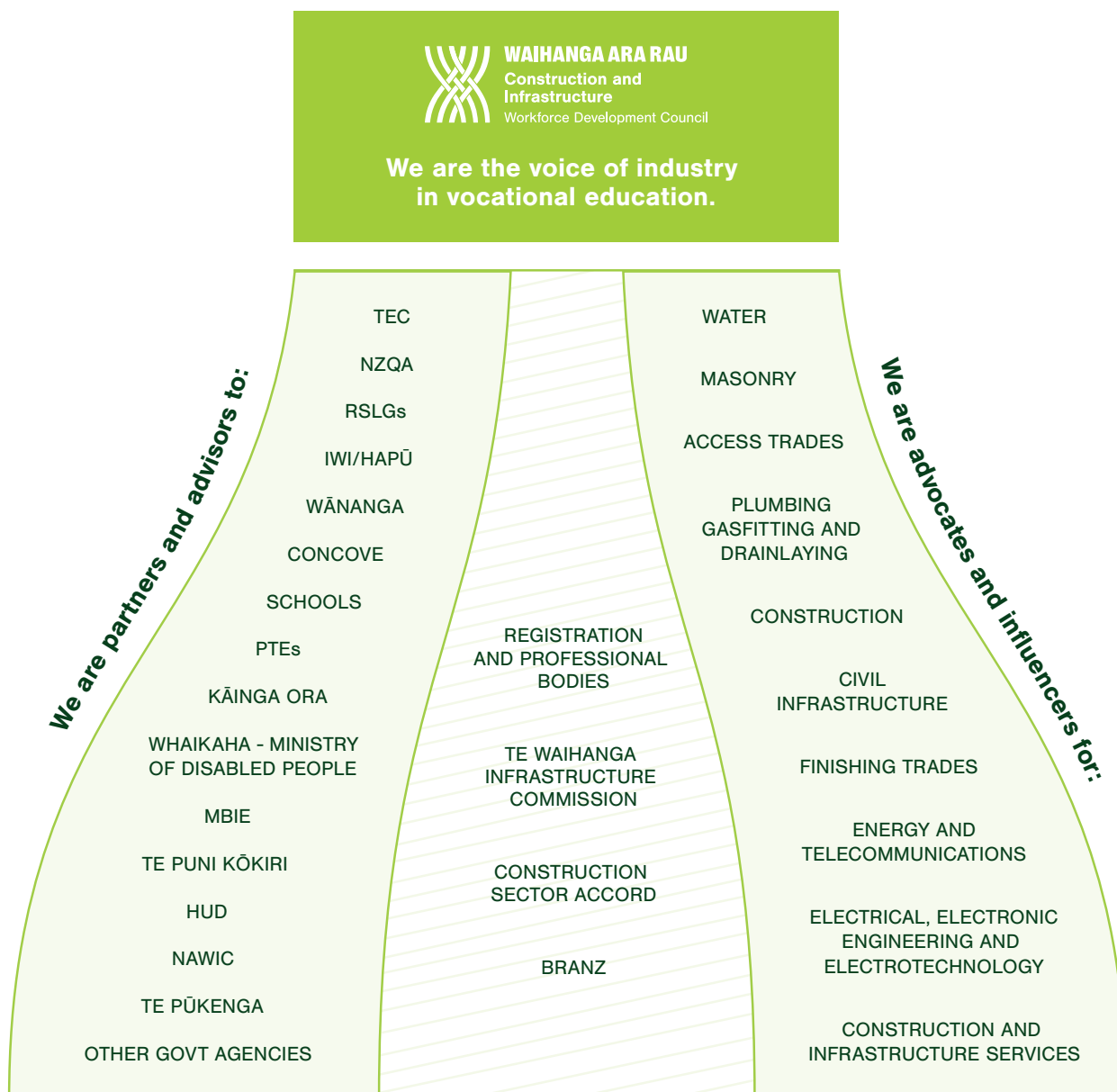
“We engage closely with providers to ensure a high-quality delivery system that is responsive to industry needs.”



Stakeholder overview

Our stakeholder overview aims to depict how industry voice drives our engagements. It summarises our key stakeholders and the nature of our engagement with them and outlines the impacts we aim to achieve through our engagement.

Figure 2: Stakeholder overview



Our Impacts

Aotearoa NZ is more financially and socially secure because everyone has the opportunity to enjoy success in the vocational sector.

The mahi of Waihangara Rau will impact on all Aotearoa when honouring Te Tiriti o Waitangi.

Industry has the right people in the right numbers, with the right skills, in the right place at the right time.

Current and future workers understand the career pathways available in the Construction and Infrastructure sector.

What is happening in our industry

Challenges the industry is facing

Waihanga Ara Rau acknowledges the tension of competing factors impacting the construction and infrastructure workforce and its learners. The cost-of-living increase has impacted learners and with this economic impact coinciding with the removal of the Targeted Training and Apprenticeship Fund (free trades training) some of the most vulnerable learners are suffering.

Economic pressures have impacted investment decisions slowing activity and forward orders in the residential construction sector. At the same time severe climate events have created regional rebuild activity which is, as yet, hard to forecast in detail. However, it is occurring at a time when 270% more work is being put in place per quarter compared to March 2011, shortly after the Canterbury earthquake.

We expect to experience more and more extreme weather events that will impact the industry. With Cyclone Gabrielle hitting New Zealand in February 2023, assessments are still being made of the magnitude of the repair and rebuilding work required. Initial estimates suggest about \$6.3b of repair and rebuilding work will be required across the North Island following the cyclone and the Auckland floods in late January.

The pipeline of work continues to trend upwards. While there has consistently been a drop around the end of a year, the numbers rise in February. It will be interesting to monitor the project pipeline value as recovery projects from Cyclone Gabrielle come through. A significant supply vs demand gap remains in a tight labour market. However, the opportunity to reduce demand through productivity improvements is a significant impact yet to be realised.

Key facts and figures

We have gained significant insights over the year. Below is a summary of key insights on construction and infrastructure businesses, the workforce, and vocational education and training. (Refer to the Appendix on page 29 for supporting data and graphs.)

- Māori-owned construction businesses have grown from 4,009 in 2018 to 4,797 in 2021, an increase of nearly 20%, while there was only a 2% increase in Māori-owned infrastructure businesses in the same period (217 in 2022).
- The trend of career changers as the primary workforce supply channel continues, contributing to 58% of new people in 2021. The shift in workforce ethnicity continues, with European workers down 11% over seven years. Māori workers were up 2% (to 17%) after holding steady for the past few years. However, the most significant growth is occurring in Asian workers who are up from 9% in 2015 to 17% in 2021.
- Since 2019, learner numbers have increased significantly to 86,300 across NZQF levels 1-10 in 2022. While the ethnic distribution of learners at level 4 reflects percentages in the national population, Māori and Pacific learners are overrepresented in study below level 4 and underrepresented in study above level 4, suggesting the need for a focus on progression to higher levels of study. Pre-employment programmes show value in transitioning learners into the trades even if full qualifications are not completed when pre-employment graduates begin working.
- The construction sector reflects the growth in the workforce with 29% of the workforce in the industry for less than 12 months. Contrary to some commentary, the retention rates for men and women are almost identical. This suggests the industry is now being viewed as a viable, prosperous career and this is a key driver for increasing gender diversity.



“The number of Māori-owned construction businesses has increased by nearly 20% from 2018 to 2021.”

06

OUR COMMITMENT TO TE TIRITI O WAITANGI

We focus on developing processes and systems that support equitable outcomes and create opportunities for Māori, Māori businesses, Industry, Māori education and training providers, and iwi.

These developments are underpinned by our commitment to whakahōnore i te Tiriti o Waitangi and supporting Māori relationships as a Te Tiriti partner on behalf of the Crown.

In 2023/24, we are looking to build on the progress we've already made. Some key highlights to date include:

- Establishing a relationship with Ngāti Toa Rangatira to support and advise their iwi housing and community development projects.
- Providing career pathway advice for significant construction and infrastructure projects, including the Dunedin Hospital build, Te Whatu Ora Palmerston North hospital upgrade project and the Melling Bridge RiverLink Project.
- Connecting Contact Energy and Ngāti Tūwharetoa with Māori training providers to help with developing a sustainable workforce, including contributing career advice to support the construction of the Geothermal Power Stations for the rohe (region).
- Working in partnership with Māori-owned building and construction companies to establish, test and refine a career roadmap.
- Working with Te Wānanga o Aotearoa and other Māori Training Providers to create innovative space to support Māori learners.

These highlights inform future models of engagement, relationships, and partnerships that will ensure better alignment of career options for Māori across all construction and infrastructure sectors.

Our ongoing focus areas include the following:

- Connecting the Poumatua Manukura Rōpū (group) with iwi Chief Executives, iwi Development Managers, and iwi Education Managers via a webinar as an introductory hui and to establish a key contacts list.
- Undertaking research on iwi development projects across the motu (country) and collaborating with WDCs to support common projects and help achieve iwi aspirations.
- Working in partnership with Māori Construction and Infrastructure sector industry leaders to advise how the vocational education sector can better respond to and support Māori and iwi aspirations.
- Exploring ways that whānau Māori can engage more successfully with vocational education as they develop their construction and infrastructure careers.
- Supporting newly established training hubs to help align successful outcomes from their work with the career roadmap for significant infrastructure and construction projects.
- Partnering with industry working groups, associations, and businesses to provide advice and support the integration of te ao Māori (Māori worldview) and mātauranga Māori (natural Māori knowledge and science) into business practices where required.
- Providing advice and support to align iwi projects within Pacific Peoples' communities.
- Working with MoE, schools, iwi and industry to improve pathways for secondary school students.
- Raising the internal capability of Waihangā Ara Rau kaimahi and Council members in mātauranga Māori, tikanga (practices), and te reo Māori.

07

QUALIFICATION PRODUCTS AND ASSURANCE

Setting standards, capstone assessments and qualifications

Context

After a year of consolidation in 2022, the implementation of new qualification products such as skill standards and micro-credentials provides even greater opportunities for Waihanga Ara Rau to shape curriculum on behalf of our industries.

Future focus

Waihanga Ara Rau has developed sub-sector product roadmaps that capture opportunities and issues for each sector as well as existing qualification products. These support us to translate industry intelligence into a forward work plan that reflects what industry views as important and supports us to proactively respond to the current and future skill challenges of our industries.

These roadmaps will continue to be updated to ensure that they reflect incoming sector intelligence and workforce development planning.

Pathways for success

We will use all scheduled qualifications and standards reviews as an opportunity to work alongside industry to consider their training pathway and identify the best way to support their current and future needs through qualification products. This will result in the development of the right mix of qualifications, skill standards, micro-credentials and New Zealand programmes to address the curricula needs of each sector.

Making an impact

In prioritising activity for the coming year, we looked at where we can make the biggest impact and aligned our work programme with our partners and education providers.

For example: The development of a New Zealand programme for the New Zealand Apprenticeship in Plumbing, Gasfitting and Drainlaying will support

consistency across the motu and boost industry trust and confidence in the vocational education sector.

The development of skill standards for the Carpentry sector aligns with the Te Pūkenga plan to develop a transformative programme leading to the New Zealand Certificate in Carpentry, which has the highest volume of learners of any qualification.

Key projects across our strategic sectors

The table on page 16 identifies key standard-setting initiatives from our 2023-2024 work plan for each of strategic sectors.

Transforming Assurance

Context

Research was undertaken in 2022 to develop our transformational plan for assurance. This focuses on how assurance activity can ensure consistency as well as support providers to lift their capability and provide high quality educational outcomes for all learners. The plan has a significant focus on supporting providers to identify opportunities for teaching, learning and assessment practices that support equitable outcomes, and how they can take actions to self-evaluate and improve.

Mahi taki for high performance

The Transformational Plan will move assurance away from being a prescriptive model of assurance to a cooperative and self-assurance model. The Provider Profile is a document that will be at the centre of this new process. Each Provider Profile will tell the 'story' of that provider by describing their self-assurance processes, how they deliver and assess against programmes aligning to Waihanga Ara Rau qualifications or standards, their relationships within the Construction and Infrastructure sector, and their strengths, weaknesses, and barriers.

Self-assurance for continuous improvement

The Provider Profile will allow Waihangara Ara Rau to set achievable annual goals based on continuous improvement. Goals may relate to improving self-assessment capacity, working on new offerings for industry or making changes to existing programmes, breaking down barriers, or improving the quality of resources. It will also identify moderation activities for the year that align to the provider's annual moderation plan. This will place Waihangara Ara Rau's resource where it is needed most to ensure consistency and lift provider performance.

Programme endorsement

We will continue to use programme endorsement as an opportunity to ensure that programmes reflect industry expectations and support equitable outcomes for learners. Through Provider Profiles and our qualification systems activity we will create early opportunities to support providers to understand and respond to industry need.

Key standard-setting initiatives in our 2023-2024 work plan

Strategic Sector	Key standard-setting initiatives
Access Trades	Development of Cranes skill standards Review of Rigging qualifications and development of skill standards Review of Lifting Engineering qualification and development of skill standards
Civil Infrastructure	Development of Temporary Traffic Management micro-credentials Review of Infrastructure Supervision qualification and development of skill standards Review of the Infrastructure Works L2 qualification and development of skill standards
Construction & Infrastructure Services	Development of Building Surveying control skill standards
Electrical, Electronic Engineering & Electrotechnology	Review of Electronic Security qualification and development of skill standards Development of a Cabling Infrastructure qualification and development of skill standards
Energy & Telecommunications	Review of Electricity Supply L2 qualification and development of skill standards Review of Telecommunication qualification and development of skill standards
Finishing Trades	Development of Flooring skill standards and micro-credentials Development of Painting & Decorating skill standards
Offsite Construction	Development of Timber Panelisation credentials Development of Joinery Detailing qualification and skill standards
Onsite Construction	Development of Carpentry skill standards and pre and post apprenticeship micro-credentials Review of Roofing qualification and development of skill standards Review of BCATS qualifications and development of skill standards
Plumbing, Gasfitting & Drainlaying	Development of a NZ Programme for the NZA PGD Review of Level 5 PGD qualifications and development of skill standards Investigation of PGD micro-credentials for biogas and hydrogen
Water	Development of Water Reticulation skill standards Review of Water Treatment qualifications and development of skill standards
Retail & Wholesale Industries	Investigate construction & infrastructure specific credential requirements for the retail and wholesale sector

08

OUR FOCUS TO 2028

Our Vision

A construction and infrastructure sector that enables everyone to reach their potential.

Our Focus

Targeted Innovation and
Continuous Improvement

July 2026 – June 2028**Our Focus**

Effective Partnerships
and System Optimisation

July 2024 – June 2026**Our Focus**

Quality Relationships
and Skills Leadership

June 2023 – June 2024**Short-Term Outcomes (1.5 years)**

- Industry understands the role of Waihangara Ara Rau, and how to leverage the organisation
- Qualifications system products are informed by industry needs.
- Assurance practices and programmes support national consistency and quality learning outcomes.
- We have built relationships with Māori that support greater awareness of career opportunities in our industries and opportunities to train at all levels.
- We have quality relationships with industry and productive partnerships with TEC, RSLGs, Construction Accord, ConCove, industry associations, and education providers.

Medium-Term Outcomes (3 years)

- Increased relationships and enduring partnerships with iwi, hapū, Māori businesses and other Māori stakeholders.
- Industry has the information needed to anticipate and prepare for the future, including improving sustainability and increasing diversity.
- Regulation, procurement and other government policy settings support a sustainable workforce.
- Evidence and advice influences TEC decision making and informs the work of other ministries and agencies.
- Improved consistency and quality of training provision recognised by industry.

Long-Term Outcomes (5 years)

- Iwi and hapū can create and access relevant education for their business and people.
- The gap between skills supply and demand has narrowed and industry has people with the right skills and qualifications.
- The Construction & Infrastructure sector has greater access to diversity and productivity, sustainability practices, efficiency and innovations due to a highly skilled workforce and improved training outcomes - including progression for Māori.
- Māori workers feel safe to express their culture in the work environment and Mātauranga Māori is valued.
- Priority communities that are underrepresented in our sector (women, disabled people and the gender diverse) see and pursue opportunities in construction and infrastructure, and we are influencing the sector to enable wider industry agility and transformation.

June 2022 – June 2023 | Our Focus

Founding and establishing Waihangara Ara Rau

09

OUR FOCUS FOR 2023/24

This section summarises what Waihangara Ara Rau will deliver over the next 12 months that will support the achievement of our strategic priorities while giving effect to the obligations we must consider when undertaking our core functions, as outlined in the Order in Council.

Deliverables and intended outcomes

Pou Tuatahi: Whakahōnore i te Tiriti o Waitangi

We support success for Māori through our engagement, thinking and advice that supports the aspirations of iwi, hapū and their community.

Priorities	Due date	Intended outcomes
Increase our organisational cultural capability in te reo me tikanga Māori.	30 Sep 2023	Kaimahi have increased confidence and competence in using te reo me tikanga Māori.
Develop a cultural competency plan with the C&I industry.	31 Mar 2024	Māori workers feel safe in the work environment and are encouraged to express their knowledge of mātauranga Māori.
Develop and implement iwi and hapū relationship plans and foster pathways for Māori.	31 Mar 2024	Increase in Māori Businesses working on industry projects and increase in academic success for Māori learners.
Provide advice and brokerage to iwi/hapū for significant infrastructure and construction projects.	30 Jun 2024	Increased relationships and enduring partnerships with iwi, Māori businesses and other Māori stakeholders.
Advocate for the inclusion and success of Māori businesses and Māori learners.	30 Jun 2024	Iwi/hapū are more aware of career pathways and opportunities for Māori at all levels.

Pou Tuarua: Relationships, partnerships and influence

We effectively engage with industry, communities and our other key stakeholders.

Priorities	Due date	Intended outcomes
Strengthen our systematic engagement with industry, iwi, hapū, RSLGs, Pacific Peoples, women and tāngata whaikaha.	31 Dec 2023	Industry sees its influence in vocational education and training, and we are valued as a trusted advisor.
Establish and support Strategic Reference Groups for each of our sectors.	31 Mar 2024	Workforce development plans and TEC advice reflect the voice of industry, Māori, and Pacific Peoples through SRG engagement.
Engage with providers to lift quality and improve system responsiveness.	31 Mar 2024	Industry and other stakeholders are confident that training is consistent, high-quality and graduates meet expected outcomes.

Pou Tuatoru: Transforming the workforce

We support an adaptable, diverse and skilled workforce that enables the industry to thrive.

Priorities	Due date	Intended outcomes
Explore opportunities for simplification in the vocational education system.	31 Dec 2023	Data, insights and industry endorsed Workforce Development Plans are used to inform investment and decision-making by government and industry.
Develop fit-for-the-future qualifications and micro-credentials that support flexible pathways and meet emerging needs.	31 Mar 2024	Accessible, flexible and relevant learning pathways support sector retention and progression.
Build on our partnerships in the inclusion and diversity space and identify further opportunities for action.	31 Mar 2024	Priority communities that are underrepresented in our sector (women, disabled people and gender diversity) see and pursue career opportunities in C&I.
Investigate opportunities to strengthen onsite leadership capability in the C&I sector.	30 Jun 2024	C&I sector has increased productivity, retention, diversity, and qualification completion rates through improved leadership capability.
Investigate the skills needed to support an environmentally sustainable C&I sector.	30 Jun 2024	C&I workforce has relevant skills to support an environmentally sustainable sector.
Generate strategy and insights with our strategic sectors, Māori and Pacific Peoples to support investment and action on workforce issues and opportunities.	30 Jun 2024	

Pou Tuawhā: Operational excellence

We will ensure Waihanga Ara Rau is set up to achieve its strategic priorities.

Priorities	Due date	Intended outcomes
Raise awareness of our organisation to ensure industry and key stakeholders know who we are and what we can do for them.	31 Mar 2024	Industry understands the role of Waihanga Ara Rau, its benefits and how to leverage the organisation.
Develop and implement our people plan to support a diverse, capable and high-performing team who are proud to work at Waihanga Ara Rau.	30 Jun 2024	Waihanga Ara Rau has diverse, high-performing, capable, productive and engaged people.
Continuously improve our operating environment, systems, processes and controls to enable success.	30 Jun 2024	Our people have the correct information, innovative systems and tools to undertake their work effectively.

TEC and accountability deliverables

As part of the Tertiary Education Commission (TEC) funding agreement with Waihanga Ara Rau, we must achieve several deliverables during 2023/24. These deliverables include accountability and performance reporting (some of which are also a legislative requirement). The following table summarises the deliverables for 2023/24 and their respective due dates.

Priorities	Due date
Annual Report 2023	30 Nov 2023
TEC Advice	31 Dec 2023
Operational Plan and Budget 2024/25	28 Apr 2024

Measures of success

We will track progress against the following measures and targets to understand if our work is having the desired impact.

Whakahōnore i te Tiriti o Waitangi

Measure description	Measure type	Target
Number of enduring partnerships with iwi and hapū focused on improving outcomes for Māori.	Function	4
Iwi and Hāpu project partnership agreements in place.	Function	4
Broker collaborative approach between iwi, industry, schools, Providers and Government Agencies.	Function	4 collaboration initiatives
Kaimahi engaged in te reo Māori, tikanga and te Tiriti o Waitangi training.	Impact	90%
Improvement in staff cultural competence as measured via assessment tool.	Impact	90% of staff demonstrate improved competence

Pou Tuarua: Relationships, partnerships and influence

We support an adaptable, diverse and skilled workforce that enables the industry to thrive.

Measure description	Measure type	Target
Industry confidence that Waihangara Ara Rau leadership is stronger and more impactful in the VET system.	Impact	80% of survey respondents agree or strongly agree
Partnership plans established with key industry stakeholders and other agreed organisations.	Function	80% of Partnership Plans established
Strategic Reference Groups (including Māori and Pacific Peoples) established and operational.	Function	100% of SRGs established and operational.
Engagement with all RSLGs.	Function	At least two engagements per year with each RSLG
Assurance Plan (including Provider Profiles) implemented.	Function	90% of Provider Profiles are in place.

Pou Tuatoru: Transforming the workforce

Measure description	Measure type	Target
Relevant industry representatives surveyed, have confidence that graduates will have the relevant skills.	Impact	60%
Relevant industry representatives surveyed support the skills workforce strategy.	Impact	95%
Industry-endorsed Workforce Development Plans are completed.	Function	6
Industry-informed advice is provided to TEC on the investment themes, mix of provision, careers advice and VET policy.	Function	100%
Industry qualifications are maintained against the review schedule.	Function	95%
New qualifications system products are registered for high-impact areas.	Function	95%
Industry-endorsed sustainability skill profiles are developed and shared.	Function	95%

Pou Tuawhā: Operational excellence

Measure description	Measure type	Target
Employee engagement score.	Impact	>3.75 (75)
Annual audit results indicate mature risk and compliance practices and control environment.	Impact	<5 high-rated findings/issues
Robust budgeting and financial management practices.	Management	Within 5% of budgeted expenditure. Any material differences adequately justified
Industry stakeholders are aware of Waihangara Rau and the role we undertake.	Impact	80% of survey respondents agree or strongly agree



10

GOVERNANCE AND OPERATING CONTEXT

Waihanga Ara Rau Governance

The Council operates in accordance with the requirements and obligations set out in the following:

- Waihanga Ara Rau Construction and Infrastructure Order in Council (OiC).
- Education and Training Act 2020.
- TEC Funding Agreement and Conditions.
- TEC Chief Executive's Letter of Expectations.
- The Council Code of Conduct and Code of Ethics.
- Waihanga Ara Rau policies relevant to Councillor activities and where relevant policies are not already covered under the OiC.

Two Co-Chairs and seven Council members govern the Waihanga Ara Rau Council (the Council). The Co-Chairs were appointed in accordance with Section 16 of the OiC, and one Council member was co-opted in accordance with Section 11 (2) of the OiC.

The Council has two standing committees: Audit, Finance, and Risk; and People, Culture, and Safety. Other committees are formed for specific purposes and disbanded as required. The purposes of the standing committees are:

- The Audit, Finance, and Risk committee provides a forum for effective communication between the Council and the external and internal auditors. The committee reviews the annual financial statements before their approval by the Council, the effectiveness of management information systems and systems of internal control, and the efficiency and effectiveness of the external and internal audit functions.
- The People, Culture, and Safety committee oversees employee health, safety, and wellbeing. It advises the Council on remuneration matters, including establishing remuneration policies and practices.

We also have Te Kāhui Ahumahi, a governance rūpū comprised of Māori Council members from across Ohu Ahumahi Workforce Development Councils

(WDCs). This Rōpū supports Waihanga Ara Rau (and other WDCs) to embrace, give effect to, and embed Te Tiriti o Waitangi and support Māori-Crown relationships.

The Waihanga Ara Rau Council will meet at least eight times a year and host a strategy meeting at least once a year. With the support of the Council Committees to facilitate effective decision-making, the Council regularly receives and monitors:

- an operational report from the Chief Executive (includes updates on people, health, safety and wellbeing).
- Poumatua Report.
- Audit, risk and compliance reports.
- Performance Reporting (including financials and project updates).
- Sensitive expenditure reporting.

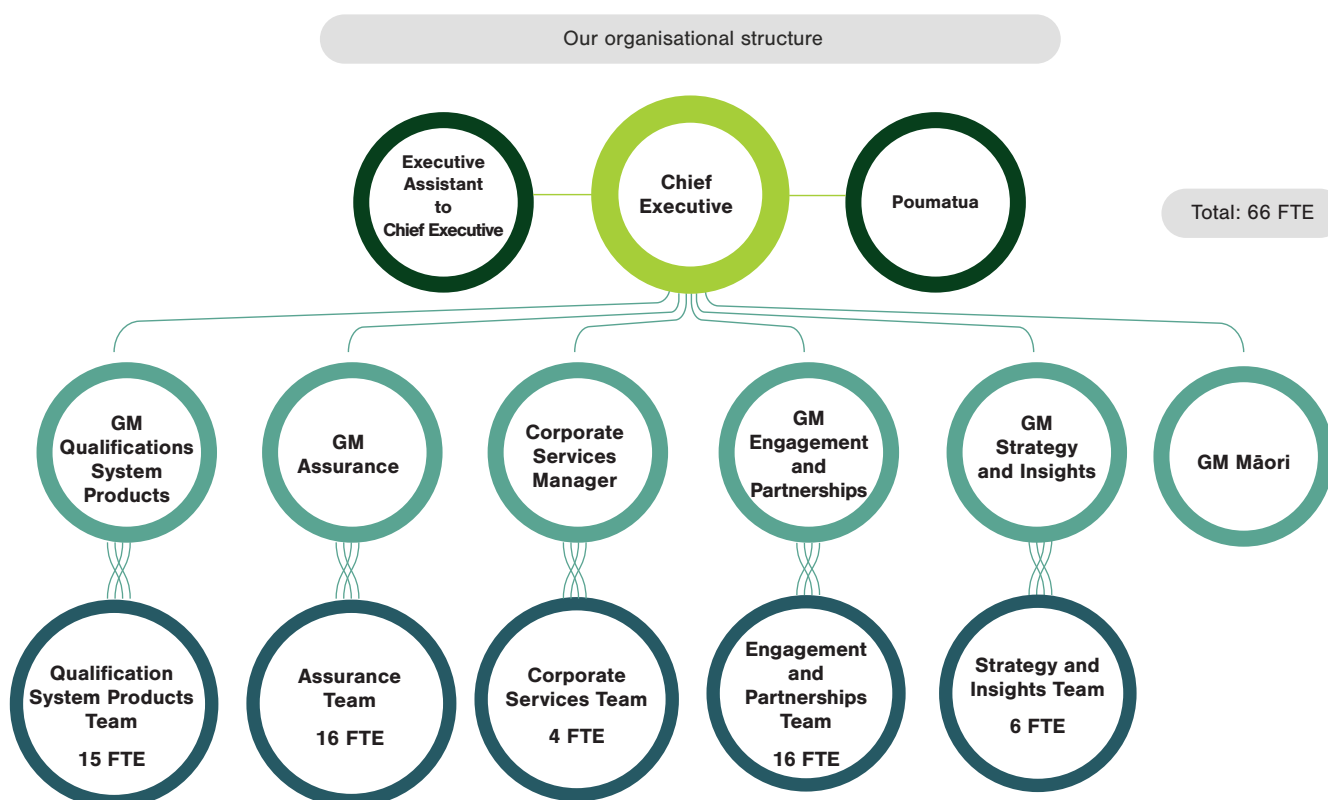
Both the Council and its Committees have forward governance programmes in place. Each year, the Council undertakes a self-assessment review of its performance and implements improvements where necessary.

“Te Kāhui Ahumahi, supports Waihanga Ara Rau to embrace, give effect to, and embed Te Tiriti o Waitangi.”

Our people

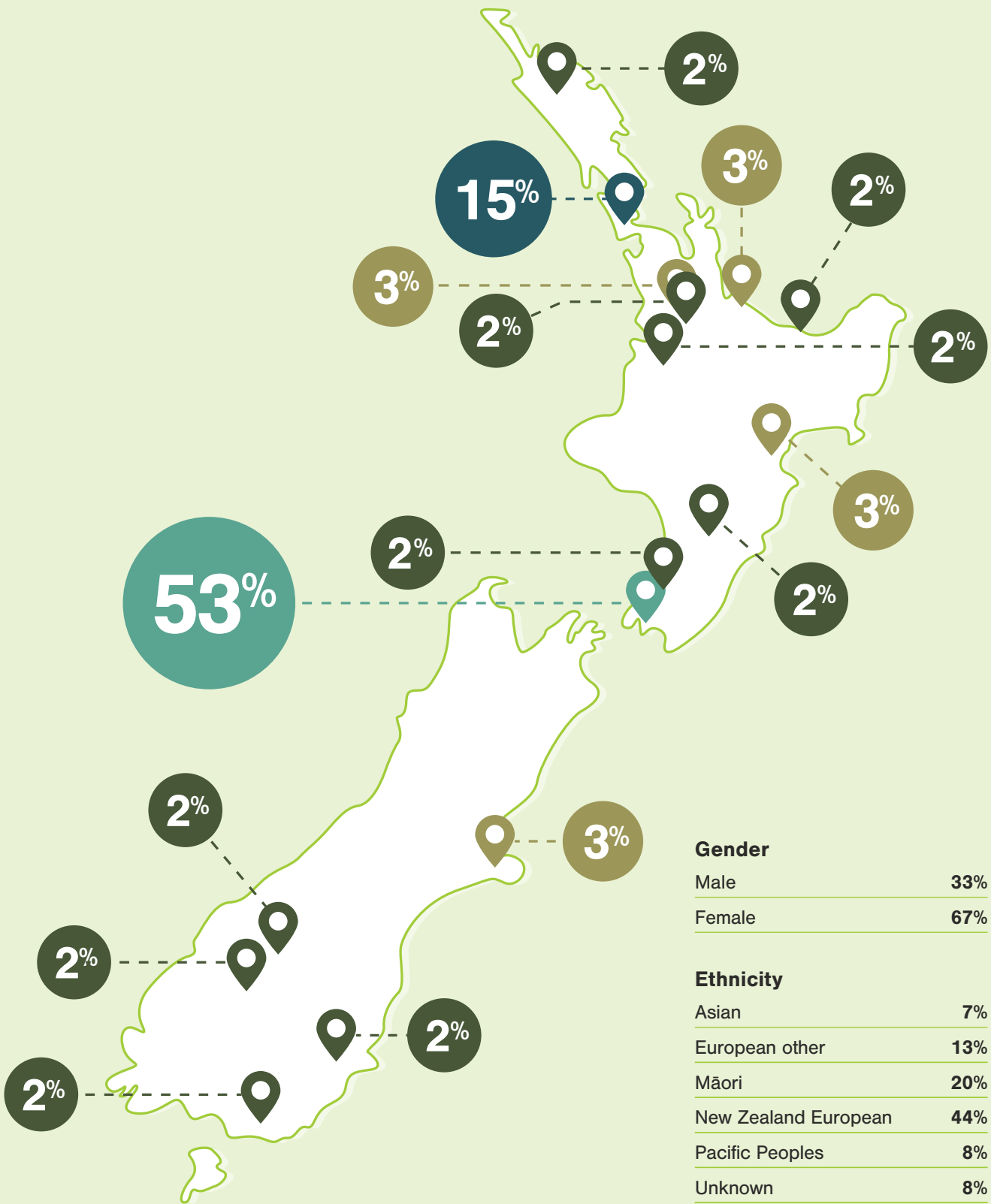
Waihangara Ara Rau has refined its organisational structure and positions to ensure it has the right capability and capacity to deliver on our Operational Plan and achieve our longer-term strategic goals. Our current high-level structure and full time equivalent (FTE) positions are summarised below.

Figure 3. Waihangara Ara Rau high level structure



As at April 2023, we are proud to have filled 62 of our 66 positions. We have a diverse range of people from different backgrounds with a range of different skills and experience, located across the motu. Figure 4 on page 24 shows a visual representation of this.

Figure 4: Location, gender and ethnicity of Waihanga Ara Rau kaimahi



11

FINANCIAL MANAGEMENT AND RISK

Operating budget 2023/24

Waihanga Ara Rau has developed its operating budget for 2023/24, to support the successful delivery of the Operational Plan 2023/24. It has also developed a forecast out to (and including) the 2026/27 financial year.

Expenditure is primarily driven by people-related costs (71%). This is followed by Hāpaitia Shared Services (14%), Travel, engagements and events (6.5%) and Governance (3.5%).

Profit and Loss 2023/24	2023/24 Budget \$000s	2024/25 Forecast \$000s	2025/26 Forecast \$000s	2026/27 Forecast \$000s
Income				
Interest Income	152	119	119	115
Funding from Crown	12,260	12,260	12,260	12,260
Total Income	12,412	12,379	12,379	12,375
Operating Expense				
People	8,745	8,751	9,002	9,137
Contractors and consultants	432	445	308	310
Governance	436	436	436	436
Travel, engagements and events	818	754	638	642
Other expenses	314	314	316	318
Shared services (Hāpaitia)	1,525	1,525	1,525	1,525
Total Expenditure	12,270	12,225	12,225	12,368
Movement to Accumulated Surplus	142	154	154	(132)
Depreciation / Asset leasing	139	139	139	139
Movement to Capital Reserve	(139)	(139)	(139)	(139)
Total Surplus/(Deficit)	3	15	15	(132)

The indicative budgets in the above table, have been produced based on the following key assumptions:

Shared services will be provided through Hāpaitia Ltd and there will be no material cost or scope changes to these services.

We will maintain existing staffing levels (up to 66 FTE).

Average annual salary increases of 3% - 4%.

Allowances for CPI increases have been made, based on Treasury projections at the time the budget and forecasts were completed.

No changes to the level of funding received from the Tertiary Education Commission over this period.

Hāpaitia Shared Services

Hāpaitia Limited, as a jointly owned vehicle for the provision of shared services functions across the six Ohu Ahumahi Workforce Development Councils, charges a monthly fee to each WDC for the provision of:

- information and communications technology services
- finance functions
- people and culture
- office management
- assistance with collaborative activities.

The Finance Function implemented a tool recently to manage financial reporting, budgeting and forecasting, to support better management and monitoring of financials.

An Internal Audit function has been established as part of a continuous improvement programme for the Finance function, with several internal audits already underway. A business case for a new Financial Management Information System is also being developed, as several areas for improvement regarding internal controls and user experience were identified during the external audit. If approved, we anticipate implementation of more fit-for-purpose systems being in place by 1 October 2023.

Enterprise risks

Waihangara Ara Rau management conducts a full risk review each quarter, and treatment implementation progress is monitored monthly. The AFR Committee and Council receives a Strategic Risk and Mitigation Report each quarter, which outlines changes to the risk profile and risk mitigation progress. It is designed to enable risk discussions, inform decision-making, and to give the Council confidence that risks are being managed effectively.

The enterprise risks and mitigations for Waihangara Ara Rau are summarised in the following table. Mitigations are a mix of key controls in place, and treatments to be implemented.

Enterprise Risk	Current Risk Rating	Mitigations
Reputational We are not seen as separate entities to other WDCs or partners across the VET system, and share reputational damage, political scrutiny, and consequences.	High	<ul style="list-style-type: none"> • Ohu Ahumahi joint reporting to TEC / oversight. • Alignment with OAG expectations. • Cross Ohu Ahumahi forums and collaboration. • Implement remaining key operational policies. • Implement Audit Action Plans.
Te Pūkenga We do not achieve alignment on key priorities and pace of change, impacting on industry and learner outcomes.	Extreme	<ul style="list-style-type: none"> • Signed memorandum of understanding. • Ensure Te Pūkenga and industry are included in the same discussions and are aligned to our priorities (through Strategic Reference Groups). • Ensure the voice of industry is understood and leads the transformation. • Develop an Ohu Ahumahi engagement approach with Te Pūkenga.
Capability & Capacity We do not attract and maintain the appropriate people capability, diversity and capacity.	Medium	<ul style="list-style-type: none"> • Professional development training/career planning. • Key HR policies. • Staff performance and remuneration framework. • Implement people plan (includes people strategy). • Develop and implement health, safety and wellbeing approach and plan.

Enterprise Risk	Current Risk Rating	Mitigations
Business Interruption We are unable to recover from significant interruption in a timely manner.	Medium	<ul style="list-style-type: none"> • Ensure staff are appropriately set up to work remotely and have completed workplace assessments. • Ohu Ahumahi Emergency Management Group established. • Business continuity plan and impact assessments. • Crisis communication plan.
Key Provider – Hāpaitia Hāpaitia fails to deliver timely and quality core shared services.	Medium	<ul style="list-style-type: none"> • Robust Service Level Agreement with Hāpaitia. • On-going engagement and support with Hāpaitia. • Implement fit-for-purpose finance systems.
Te Tiriti o Waitangi Obligations We fail to achieve our Te Tiriti o Waitangi obligations as outlined in the OIC and Education Act 2020.	Medium	<ul style="list-style-type: none"> • Poumatua and Māori General Manager in place. • Te Kahui Ahumahi Engagement. • Ohu Ahumahi Māori strategy reference group.
Industry Engagement We fail to engage with our industry stakeholders in a timely, effective and coordinated way.	Medium	<ul style="list-style-type: none"> • Engagement Strategy and model finalised and implemented. • Clearly communicated engagement deliverables. • Review of industry engagement plan. • Establish the remaining Strategic Reference Groups.
Vocational Educational Policy We fail to influence vocational education policy settings for the benefit of our stakeholders.	Medium	<ul style="list-style-type: none"> • Regular engagement with key agencies and parties to the VET sector to share plans and priorities. • Establishing channels (strategic reference groups) for consultation with stakeholders so that Waihangara Ara Rau can effectively advocate on their behalf. • Input to key policy.
Health, Safety and Wellbeing We fail to protect the health, safety & wellbeing (including the mental health) of our people and contractors.	Medium	<ul style="list-style-type: none"> • Health and safety maturity assessments. • Health and safety incident reporting and management system. • Deliver online staff training modules. • Develop and implement health, safety and wellbeing approach and plan.
Legal and Compliance We fail to comply with our policy and legislative obligations.	Medium	<ul style="list-style-type: none"> • Operational plan. • Compliance and performance reporting. • Quarterly 'Complywith' testing. • Deliver online staff training modules.
Financial Management We fail to manage our financial expenditure effectively.	Medium	<ul style="list-style-type: none"> • Financial reporting. • Sensitive Expenditure Reporting. • Undertake control testing. • Implement audit action plans. • Implement fit-for-purpose finance systems.
Core Service Delivery We fail to deliver our core functions effectively and in a timely manner.	Low	<ul style="list-style-type: none"> • Operational Plan. • Robust performance monitoring and reporting. • Embedding operational model. • Develop a more focused operational plan for 2023/24 to better prioritise our deliverables.

12

GLOSSARY

Terms, Abbreviations, Acronyms	Meaning/Definition
BRANZ	Building Research Association of New Zealand
ConCOVE	Construction & Infrastructure Centre of Vocational Excellence
HUD	Ministry of Housing and Urban Development
Industry	Employers and employees working in construction and infrastructure
Iwi/hapū	Tribe/subtribe
Kaimahi	Staff/workers
Kāinga Ora	Housing New Zealand (Crown agency)
Mahi	Work
Mātauranga Māori	Māori knowledge
MBIE	Ministry of Business, Innovation and Employment
Motu	Country
NAWIC	National Association for Women in Construction
NZQA	New Zealand Qualifications Authority
Ohu Ahumahi	Collective Workforce Development Councils
OiC	Waihanga Ara Rau Construction and Infrastructure Order in Council
PTE	Private Training Establishment
Rōpū	Group
RSLG	Regional Skills Leadership Group
SRG	Strategic Reference Group
Tāngata Whaikaha	Disabled People
Te ao Māori	The Māori world view
TEC	Tertiary Education Commission
Te Pūkenga	New Zealand Institute of Skills and Technology
Tikanga	Māori customs and practices
VET	Vocational Education and Training
Whakahōnore	To honour

13

APPENDIX
INDUSTRY AND VOCATIONAL EDUCATION AND TRAINING
FACTS AND FIGURES

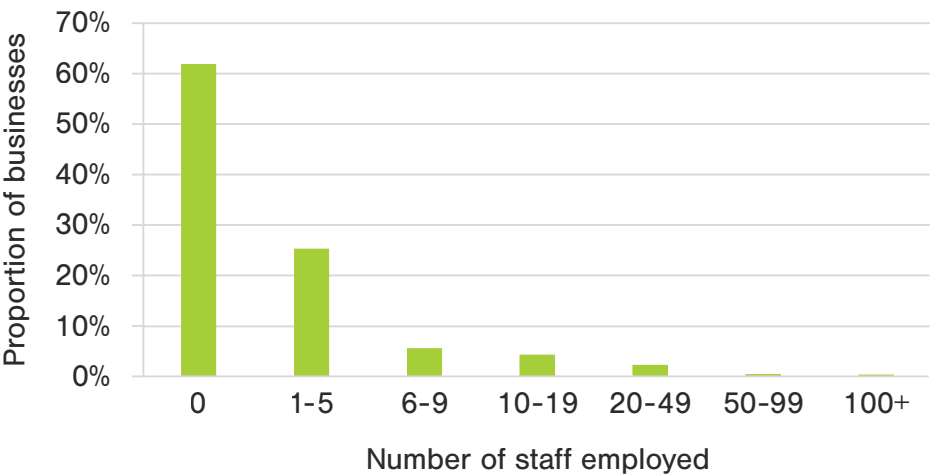
During the past year, we have gained significant insights on construction and infrastructure businesses, the workforce, and vocational education and training. See *What is happening in our industry* on page 12 for commentary. The following graphs and data support those insights.

Businesses in the industry

Proportion of Māori-owned business in construction and infrastructure by industry group

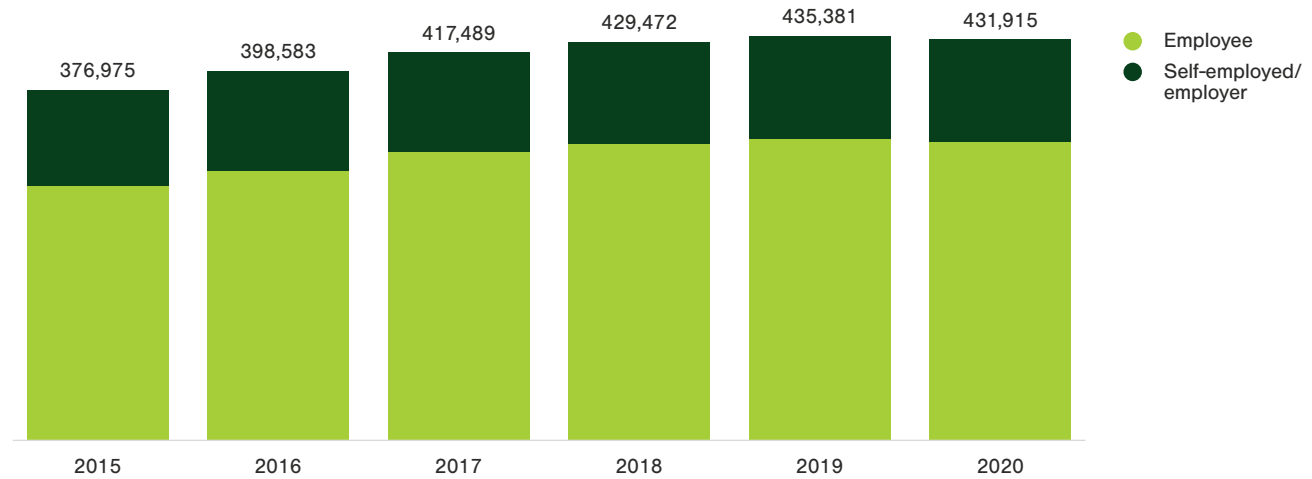


Self-employed vs business employing staff

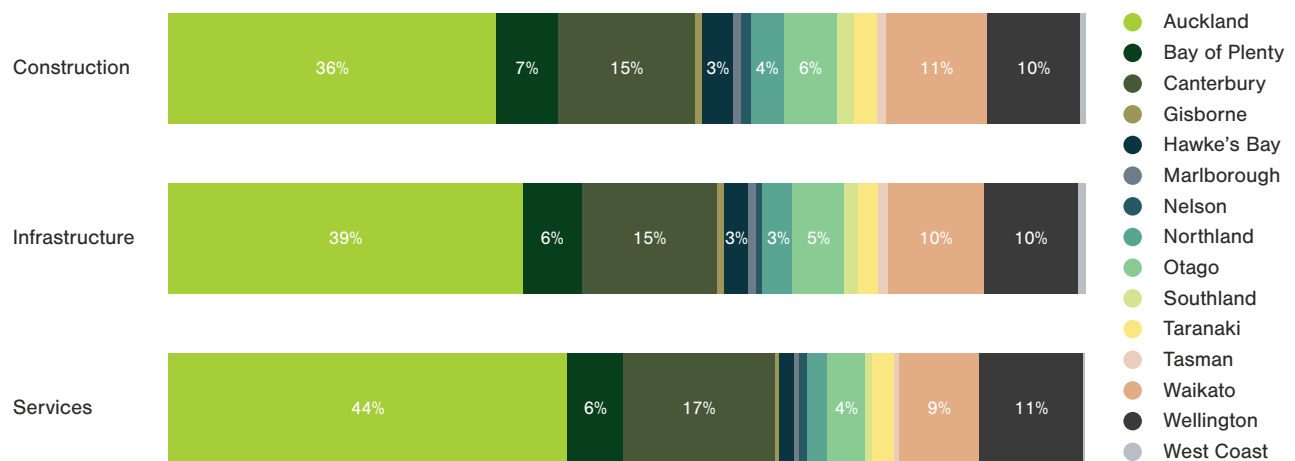


Constructive and infrastructure workforce

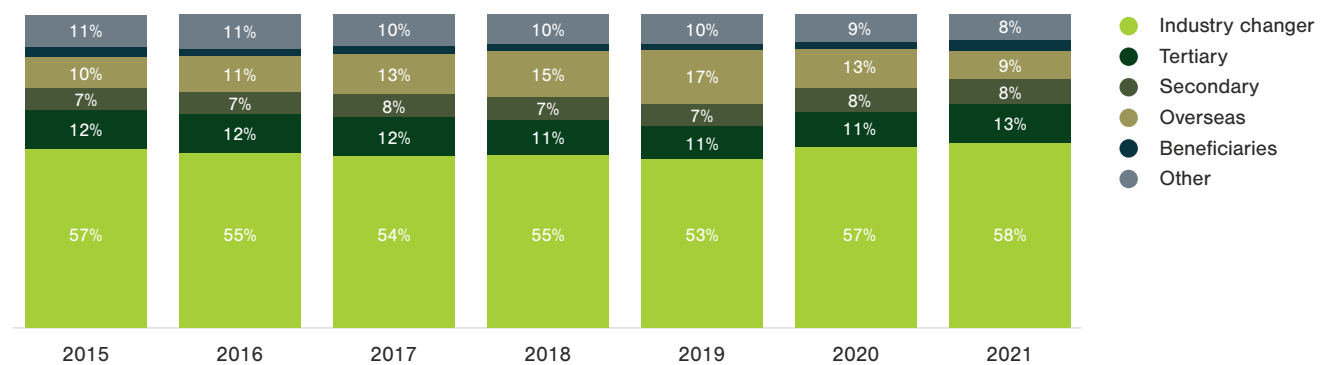
Change in size of the construction and infrastructure workforce over time.



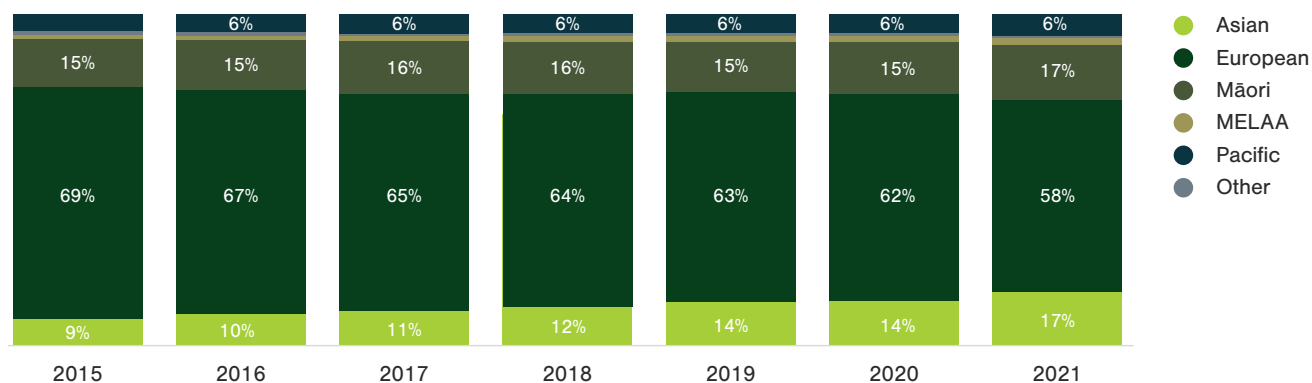
Breakdown of the construction and infrastructure workforce by region.



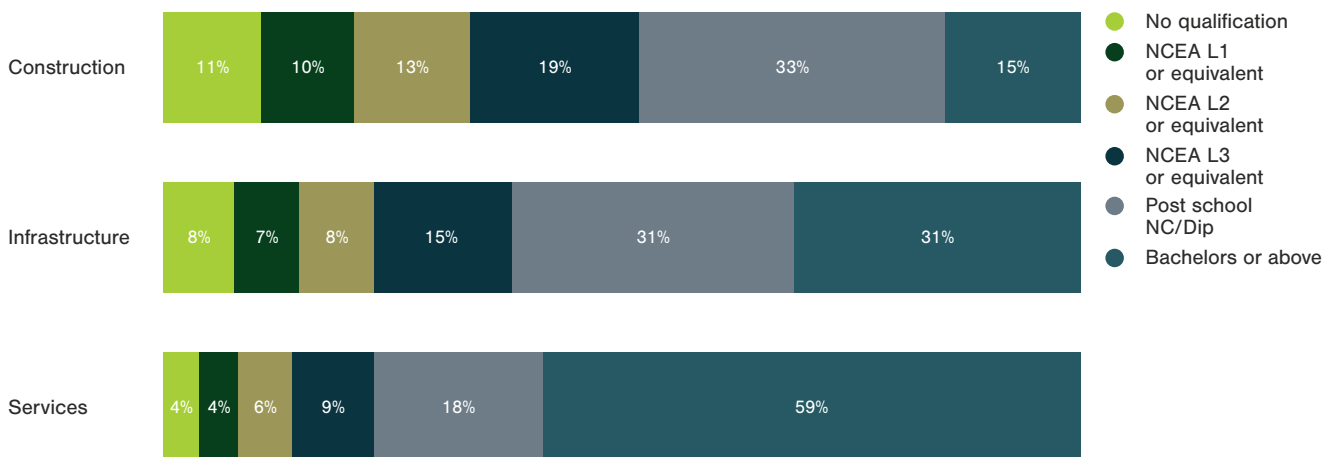
The origin of people new to the construction and infrastructure workforce.



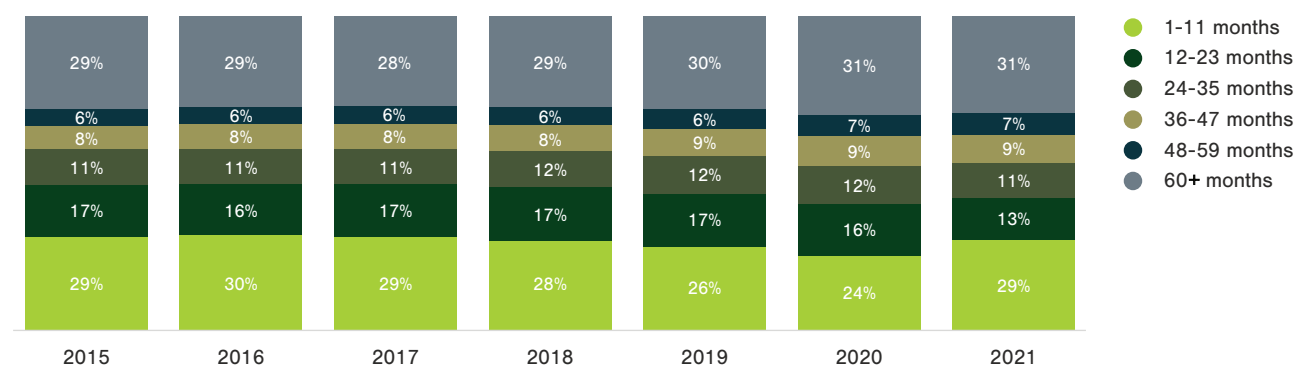
Change in ethnicity within the workforce over time



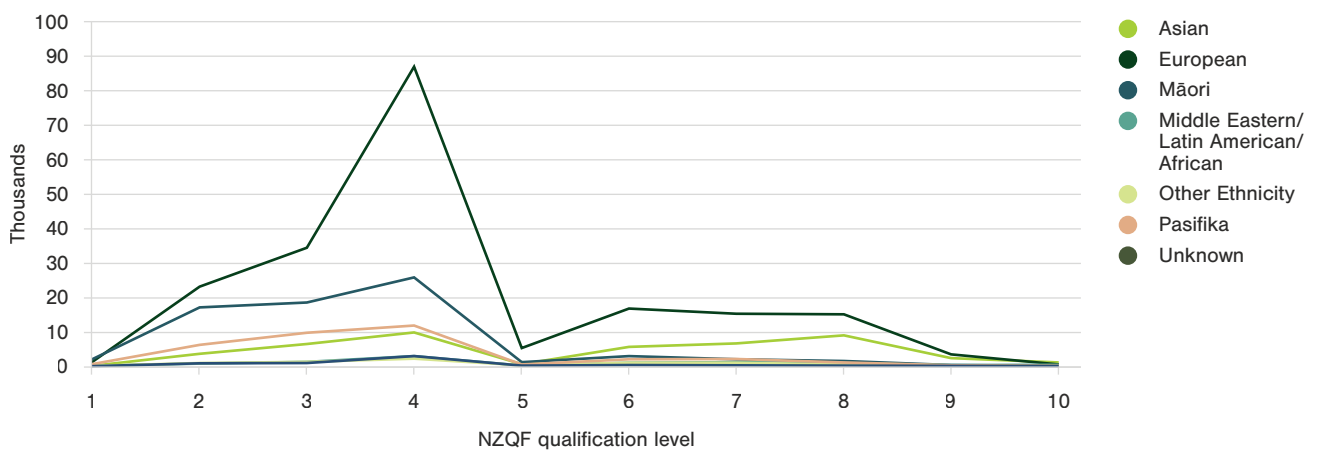
Qualification levels of people working in construction and infrastructure in 2021



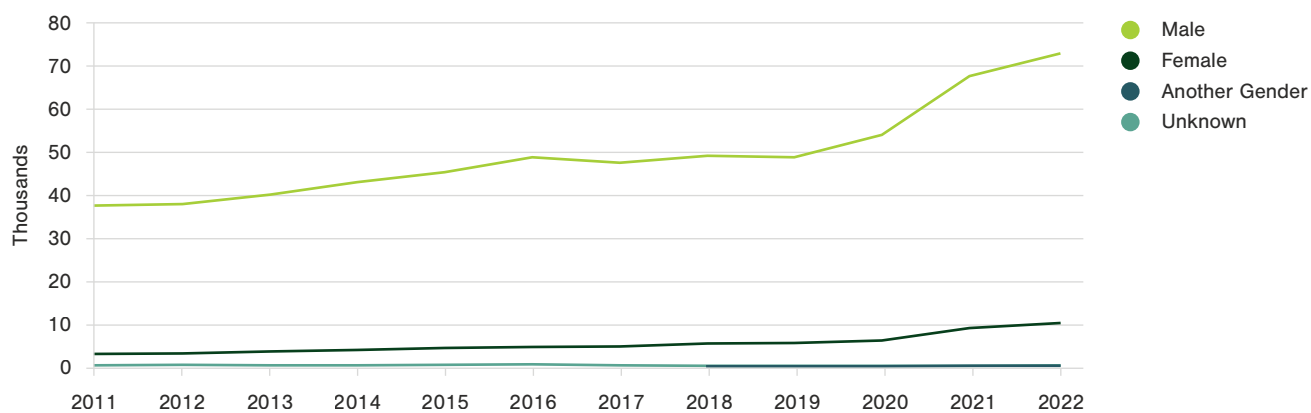
Change in tenure of people working in construction and infrastructure over time



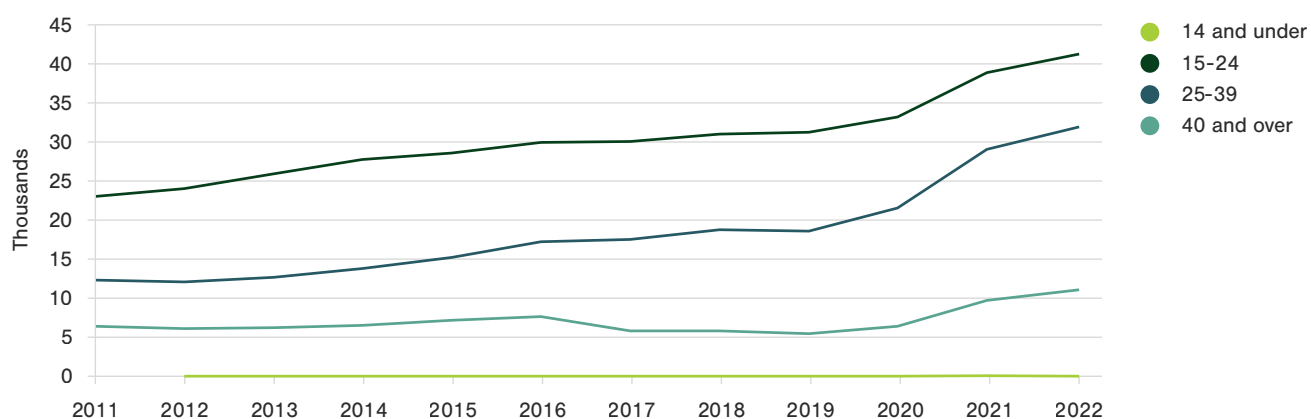
Number of learners within the scope of Waihangara Ara Rau by NZQF level



Gender distribution of learners within the scope of Waihanganga Ara Rau



Age distribution of learners within the scope of Waihanganga Ara Rau





WAIHANGA ARA RAU

**Construction and
Infrastructure**

Workforce Development Council

waihangaararau.nz