

**BUILDING +
CONSTRUCTION
TRAINING FUND**



MID-YEAR REPORT

2024

[BCTF.ORG.NZ](https://www.bctf.org.nz)

CHAIRPERSON'S COMMENT

It is no mean feat to stand-up a new organisation in an environment of change and uncertainty, and have a robust Strategic Plan in place, within the space of two years as BCTF has done.

This year our focus has turned in earnest to implementation of our Strategic Plan, which at its heart is about supporting initiatives that are for the good of our member associations and ultimately the wider construction industry.

I'm delighted to present this report highlighting how well we are tracking at the mid-point of this financial year. As you will see in the detail presented below, there are initiatives underway in all areas to meet the targets we have set ourselves under our three strategic pillars (improving skills & pathways, collaboration, sustainable future).

We are also making great progress in further evolving BCTF as an organisation, including the development of a new brand that better reflects our wider mandate (than just a narrow focus on supporting education and training), and related to this, clarifying the position we intend to take on the current government's further proposed vocational education reform to ensure that any further change makes a meaningful difference to outcomes.

We also have work underway to review and refine our constitution to bring it into line with governance best practice and ensure the organisation is best positioned for the future, in the interests of all of our stakeholders. The input of our members is critical to this, and our key focus is on extensive engagement to achieve enduring constitutional change, rather than on meeting an arbitrary deadline.



I would like to extend my thanks to the Board, Phil Brosnan, Brigette Knill, Reuben Bogue, Craig Treloar and Chief Executive, Grant Florence, Operations Lead Jeanine McAuley for the work they have done this year to date to drive the implementation of our strategy. I would also like to thank all of our members for your ongoing constructive engagement and support as we forge a new identity and start to make our mark.

Kieren Mallon
Chairperson BCTF

RECAP ON THE EMERGENCE OF BCTF

Changes to the vocational education landscape in 2021 that led to the establishment of BCTF.

BCTF was established in October 2021 after changes came into effect following the previous government's review of Vocational Education (RoVE). Those changes saw the staff and some of the resources of the Building & Construction Industry Training Organisation (BCITO) transfer into Te Pukenga and the Construction & Infrastructure Workforce Development Council (WDC), effective from 4 October 2021.

The transfer of BCITO staff and resources into Te Pukenga and the WDC reflected the fact that between them they would be assuming responsibility for activity previously undertaken by BCITO: Curriculum/programme development, programme moderation, training assessment (field), work brokers, and employee assessment.

The remaining BCITO cash resources were ring-fenced and BCTF was established as an incorporated society, with a view to appropriate management and use of the capital in the best interests of members. At that point, our purpose and strategy were yet to be developed but we had clearly moved away from being an industry training organisation. Our immediate focus was on appointing a fund manager, (The Private Office was appointed after a formal procurement process), the Board, staff and other external advisors.

GETTING THE FOUNDATIONS RIGHT (2022-2023)

From early 2022, our focus was on engaging with stakeholders around RoVE transition issues and extensive consultation with our 17 member associations on BCTF's governance and operational structure and how best to use the fund for the good of our membership and the industry as a whole. The clear message that emerged from the series of meetings we held with members in Auckland, Wellington and Christchurch was to maintain the capital base, using investment returns to fund projects to support our members and the sector.

To inform how best to focus that support, we commissioned an independent research agency

to undertake a gap analysis report completed in March 2023 highlighted opportunities for BCTF to play a wider role to meet the construction sector's needs, including sharing of best practice, and investing in research to support innovation.

In 2023, our six-person Board was refreshed with four new directors and the appointment of a new Chair, Kieren Mallon. Their key focus was on developing BCTF's Strategic Plan, informed by the gap analysis and ongoing consultation with members. After high level Strategic Statements were presented to and adopted by members at the AGM in April, we developed a detailed plan with key target deliverables/milestones identified under three agreed strategic pillars (improving skills & pathways, collaboration, sustainable future).

OUR STRATEGIC PLAN

VISION

A Highly productive, attractive, and cohesive construction industry.

PURPOSE

To empower the construction industry to take on more technical and professional roles and create a sustainable, thriving industry that benefits workers, employers and communities.

MISSION

To provide construction industry participants with access to training and career advancement opportunities and foster collaboration, inclusion, and innovation for the benefit of all stakeholders.

STRATEGIC PILLARS

We're focused on the good of the construction industry.

IMPROVING SKILLS & PATHWAYS

- Providing governance training to member associations' directors
- Facilitating access and engagement in business management skills development
- Research and promote career (including professional) pathways & decision tools.

COLLABORATION

- Sharing information, insights, & best practice among members
- Brand is lifted aligning with meaningful information with targeted stakeholders
- Engaging with other stakeholders working to lift standards across the sector.

FUTURE STATE & SUSTAINABLE

- Spark change toward lifting sector future performance standards
- Sustainable & future ready business are prevalent in the sector
- Funds are managed ensuring an enduring organisation - delivering long term benefits
- Vocation education framework results in consistent lifting of quality training (advocacy).



OUR PROGRESS AGAINST THE STRATEGY

While we began initial implementation of our Strategic Plan last year, with the first two rounds of governance training completed in July and October 2023, momentum has gathered significant pace this year.

We are underway with a raft of initiatives that give effect to each of the three strategic pillars, generating positive feedback from across our membership. Our progress as at mid-2024 is:

IMPROVING SKILLS & PATHWAYS

PROVIDING GOVERNANCE TRAINING TO MEMBER ASSOCIATIONS' DIRECTORS

- NFP directors training in partnership with IOD, with over 50 participants to date, from all but three member associations;
- Further NFP directors training scheduled for September
- Provision of specific Chairman training in July 2025, with 15 participants
- Networking & alumni processes being developed.

FACILITATING ACCESS TO ADVANCED INDUSTRY & BUSINESS MANAGEMENT SKILLS DEVELOPMENT

- Further study (L4+) scholarships, 37 granted from 37 applications since launch in January
- 'Unsung heroes' initiative in development (focused on upskilling spouses/partners in business skills as part of sector capability-building)
- Undertaking research on best business learning model.

RESEARCH & PROMOTE CAREER PATHWAYS & DECISION TOOLS

- Commenced Construction Career Pathways project (NZIOB & Canterbury University).

COLLABORATION

SHARING INFORMATION, INSIGHTS & BEST PRACTICE AMONG MEMBERS

- Spotlight newsletter
- Investigation on best practice information sharing model.

BRAND IS LIFTED ALIGNING WITH MEANINGFUL INFORMATION WITH TARGETED STAKEHOLDERS

- Launch at April AGM of association member Conference sponsorship initiative (10 grants awarded to date).

ENGAGING WITH OTHER STAKEHOLDERS WORKING TO LIFT STANDARDS ACROSS THE SECTOR

- Support for development of TANZ best practice tiling guide & AWCI suspended ceilings code of practice.

FUTURE STATE & SUSTAINABLE

SPARK CHANGE TOWARD LIFTING SECTOR FUTURE PERFORMANCE STANDARDS

- Funding Master Thesis on identification of future (over the horizon) trends in the sector

SUSTAINABLE & FUTURE READY BUSINESS IN THE SECTOR

FUNDS ARE MANAGED ENSURING AN ENDURING ORGANISATION – DELIVERY LONG TERM BENEFITS

- Formal SIPO (Statement of Investment Policy and Objectives) in place with regular review

VOCATIONAL EDUCATION FRAMEWORK RESULTS IN CONSISTENT LIFTING OF QUALITY TRAINING (ADVOCACY)

- Development of draft BCTF Position Paper on new Government's vocational education reform
- Meeting with Minister Penny Simmonds to present this position (July)
- Members workshop (August) to develop response to Government consultation process.





WIDER PROGRAMMES OF WORK

In addition to all of those initiatives that are underway, we have considered a range of other initiatives against our strategy that have not proceeded after careful due diligence. These include:

- **Trade software solution** – declined as projects need to be broadly applicable across trades, rather than specific to any one trade.
- **Wonder Project's rocket challenge** – declined because the 'owner' of the Wonder Project is not a BCTF member.
- **Industry awards sponsorship** – declined because it would duplicate and/or compete with existing trade specific industry awards, including those of some of our members.
- **Apprentice training facility support** – declined because it is outside our mandate as we focus on facilitating training, rather than providing it.
- **Construction Activator** (the successor to the Building Sector Accord, in partnership with Callaghan Innovation) – declined following our due diligence, which showed this would not efficiently deliver the outcomes sought.

We continue to engage with our members on an ongoing basis about what other initiatives we could be supporting that align with our strategy and are demonstrably for the good of the construction sector.

ORGANISATIONAL DEVELOPMENT

Getting our own house in order. We have been working on two projects that will require support of our Association Members.

WORK INITIATED ON THE DEVELOPMENT OF A NEW CONSTITUTION

BCTF formed under the legacy BCITO constitution, and as we are now no longer a training organisation we now need to look at making it more fit-for-purpose. This also enables us to make refinements to ensure compliance with the Incorporated Societies Act 2022, and to reflect governance best practice.

We presented an initial proposal presented to members in March, and have received initial feedback that has informed further development.

Ongoing engagement with members to achieve consensus on constitutional changes is planned over the rest of the year, and beyond if required as it is important that we get this right.

THE DEVELOPMENT OF A NEW BRAND TO BETTER REFLECT OUR WIDER INDUSTRY-GOOD MANDATE

While we started-out with a narrow focus on education and training, our process of engagement with members to develop our Strategic Plan clearly showed we see a broader role for this organisation. This includes not only enabling capability-building and skills development, but also fostering collaboration and the sharing of best practice, and building the sector's future sustainability through research, innovation and advocacy.



TO REFLECT THIS BROADER MANDATE, WE HAVE DEVELOPED A NEW NAME AND BRAND FOR THE ORGANISATION

The name Construction Growth Foundation signifies that we are more than just a training fund distributing residual training funds. We intend to be self-sustaining, we are in it for the long-haul, and we are aspirational for the sector's future. Our new logo evokes stability & structure as well as progress & advancement, both for individuals and the sector as a whole.

We intend to transition to the new brand following approval from our Association Members then supporting this transition the socialisation of the new brand with a new-look website and some proactive PR to raise awareness and build understanding of the organisation.

POSITIONING TO ENABLE US TO ENGAGE EFFECTIVELY WITH GOVERNMENT AS ONE INDUSTRY VOICE ON FURTHER VET REFORM

As noted we have developed an initial position paper on the current Government's proposed further reform of Vocational Education & Training (VET), and met with Tertiary Education & Skills Minister, Hon. Penny Simmonds, to discuss this in July. In short our position on further VET reform is:

- Development of education standards & products must be industry-driven, and one way to achieve this is to create a new entity, 'Newco', that is jointly owned and funded by government and industry to take over from the WDC in this regard. For this to work, it would be critical that NZQA would be accountable to this new entity (rather than the other way around, to avoid the proverbial 'tail wagging the dog'), and for industry to have skin-in-the-game via an appropriate funding mechanism (and potentially some seed funding from BCTF).
- Training providers should focus on training provision and be empowered to undertake self-moderation (after being approved by the Ministry of Education to do so). It is recommended that this would be subject to bi-annual audits by NZQA, who would in turn be accountable to Newco, as outlined above. By eliminating the need for the moderation and capstone assessments currently done by the WDCs, this would drive efficiency in the system and reduce cost.

- There is a need to drive quality and consistency into work-based learning, and a key way to address this is to focus on developing the skills of employers who are providing work-based learning and putting processes in place to assure workplace trainer quality. One way to achieve this would be to introduce minimum and advanced standards through an accredited recognition pathway that is aligned with the Licensed Building Practitioner Framework, with employer training provided by trade associations or by vocational education providers for wider access (and potentially a role for BCTF in supporting advanced training for trainers).
- The funding system needs to incentivise efficiency (in contrast to the current situation that incentivises keeping students in training for as long as possible) and enable adaptability and responsiveness to industry needs. For example, the funding system needs to accommodate micro-credentials and smaller apprenticeship trades (like Gib fixers, Monumental Masons etc), which are narrowly focused but play a critical role in the industry.

We have further engaged with the Minister on the planned Vocational and Educational Training (VET) reform and this is a key priority for us in the second half of this year, and our next step is to make a submission during September on a consultation paper issued by the Minister in early August.

LOOKING FORWARD

Our focus going forward is on continuing to progress the initiatives that are already underway, especially around governance training and facilitating access to business skills training.

We have also approved a project partnering with New Zealand Institute of Building and University of Canterbury on a Careers Pathway to be completed over the next 12 months. We are also always focused on identifying new opportunities we could support that align with our strategy, and welcome member suggestions and feedback in this regard. We also look forward to working further with members on the evolution of our constitution, and with Government on ensuring VET reform is well-informed and designed to achieve meaningful outcomes.

