

Construction Sector Accord

“A high performing construction
sector for a better New Zealand”

CONSTRUCTION
SECTOR ACCORD

New Zealand Government



Why the construction sector matters to NZ

- The construction sector is New Zealand's fourth largest employer, accounting for nearly 10% of our workforce
- It's our fifth largest industry by GDP contribution
- The sector is growing - construction is one of eight industries forecast for higher than average annual growth to 2026
- The sector faces a number of systemic challenges that are not unique to New Zealand



Boom or Bust?

New houses have cladding and joinery that lasts just 15 years

stuff

BUSINESS
Chris Hutching · 08:00
Ebert Construction collapse: 'Significant shortfall' for subcontractors warns receiver

nzherald.co.nz



NEW ZEALAND
Construction leaders have bleak view of sector

nzherald.co.nz

BUSINESS
Construction sector 'house of cards': Corbel Construction failure tip of iceberg, lawyer says

nzherald.co.nz

Local government grappling with construction sector challenges

interest.co.nz

BUSINESS
Arrow administration: More construction firms will fail, says economist

nzherald.co.nz

What we are trying to address

- A fragmented construction sector
 - Low business resilience
- A lack of skills and strong leadership
 - Poor risk management practices
- A lack of collaboration and transparency
- Low trust and confidence in the sector

For success we need...

- Strong leadership and governance
- A connected and collaborative sector
- A broad workforce of qualified, competent and skilled people
- Investment in new technology and other innovation
- Whole-of-life thinking across the sector
- Positive behaviours that cultivate trust and respect
- Resilient businesses

- Good risk management and fair allocation
- Clear and effective regulations
- A world-class health and safety culture
- A well-planned and transparent public sector pipeline
- Fair, transparent and consistent procurement practices
- Cultures and behaviours that allow the industry to thrive and make construction a great place to work

The Accord partnership

The purpose of the Accord is to strengthen the partnership between government and industry and be a catalyst to transform the construction sector for the benefit of all New Zealand.



Our vision

A high performing construction sector for a better New Zealand

Outcomes for New Zealanders

Safe, healthy and durable homes, buildings and infrastructure that support the wellbeing of our communities.

Workforce Safe, secure, rewarding careers

Industry customers Functioning competitive market

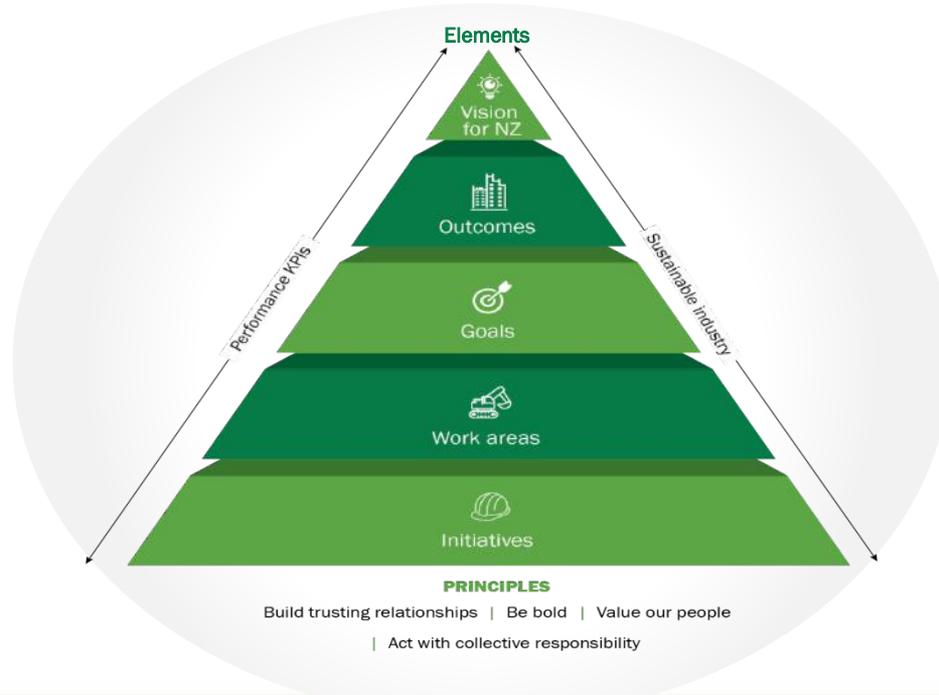
Industry Sustainable, resilient, successful businesses

Government A construction sector that supports the wellbeing of all New Zealanders



Developing a transformation plan

We need to reset the culture in order to lift our performance



Accord progress update

- An **Accord Steering Group** has been established and meets regularly to lead this phase of work
- We have established **nine working groups for the nine Priority Work Areas** in the Accord
- Four initiatives are complete, 30 initiatives are underway, and four are in planning
- We are engaging with government officials on potential initiatives to transform the sector
- We are integrating existing sector group activity

Industry-led	Shared	Government-led
<ul style="list-style-type: none">› Enhanced industry leadership, collaboration and organisation› Better business performance› Improved culture and reputation	<ul style="list-style-type: none">› Grow workforce capability and capacity› Better risk management and fairer risk allocation› Improved health and safety at work› More houses and better durability	<ul style="list-style-type: none">› Better procurement practices and improved pipeline management› Improved building regulatory systems and consenting processes

Working groups for the Priority Work Areas

1. Leadership and collaboration

Peter Reidy - Fletcher Construction
Chris Bunny - MBIE

2. Business performance

Steve Killeen - Downer
Carolyn Tremain - MBIE
Michael Sentch - Project Unite

3. Culture and reputation

Doug Johnson - Tonkin + Taylor
Graham Burke - ST Con. Fed.
Leonie Freeman - Property Council

4. Workforce capability

Bill Newson - e Tū
Iona Holsted - Ministry of Education
David Gordon - KiwiRail

5. Risk management

Rick Herd - Naylor Love
David Kelly - Master Builders
Janine Stewart - Minter Ellison Rudd
Watts

6. Health and safety

Roger McRae - CHASNZ
Ashley Bloomfield - Ministry of Health
Paula Knaap - WorkSafe NZ

7. More houses, better durability

Steve Evans - Fletcher Residential
Andrew Crisp - MHUD
Andrew McKenzie - Housing New Zealand

8. Procurement and pipeline

Karen Mitchell - Treasury
Juergen Link - Fonterra
Steve Webster - Watercare
Mark Ratcliffe - NZTA

9. Building regulations

Chris Bunny - MBIE
Richard Briggs - Hamilton CC
Tim Melville - NZ Institute of
Architects

Overall timeline



Applying learning from other transformations

- Compelling case for change with a defined vision
- Clear measures – track and adapt
- Visible, active leadership
- Highlight early successes
- Building a narrative of change - storytelling
- Rapid build, embed, review cycle

Based on lessons learnt
from Global
Management
Consultancy firm

How can you get involved

- Champion the Accord in your business
- Adopt and align with Accord principles and initiatives
- Hold one another to account
- Feed initiative ideas to the relevant working group
- Sign-up to the Accord website - receive updates and feedback on the plan
www.constructionaccord.nz

- Share your stories – we would like to share industry stories that celebrate success, showcase collaboration across the sector, doing things differently and ‘turning the dial’ on transformation – let us know and we can include these in our newsletter.