

Appendix D - The NZ Construction Industry Key Performance Indicators

A series of Key Performance Indicators based on those developed in the UK have been measured over the last three years through a CAE project supported by Building Research and the Department of Building and Housing. The data (although limited to date) indicates that the New Zealand industry scores similarly to the UK before the UK embarked on a drive toward best practice five years ago. The results for New Zealand for 2005 and 2006 are summarised as follows:

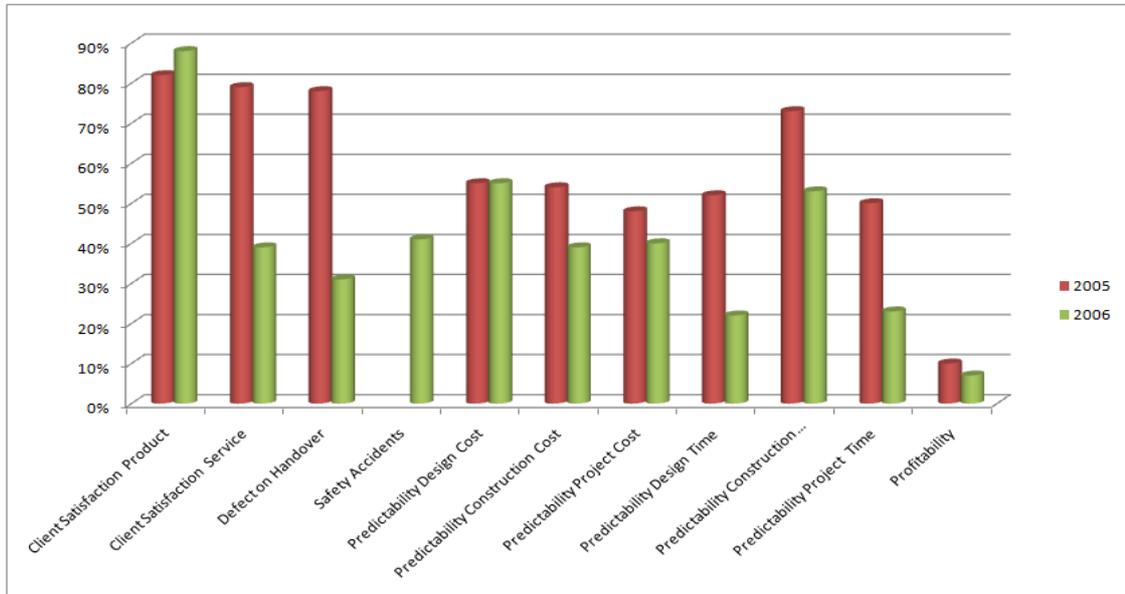


Figure 6: NZ Construction Industry Key Performance Indicators

Source: Centre for Advanced Engineering¹¹

The New Zealand results show a high degree of variability, and measurement of performance has not been made for a sufficient number of years to identify any trends. It is however reasonable to read these results as showing significant performance issues in terms of health and safety, quality, and predictability in delivery of projects on time and to budget.

The UK construction industry, by contrast, has been measured for a number of years, and shows some improvement trends. These are summarised in the following:

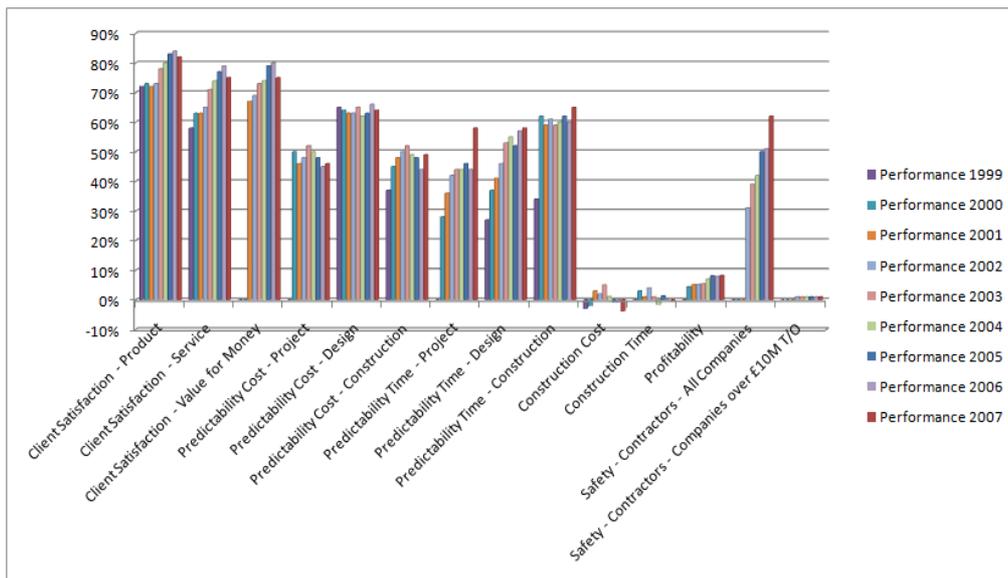


Figure 7: UK Construction Industry key Performance Indicators

Source: Constructing Excellence

Whilst the predictability of cost has remained generally static, there has been a marked improvement trend in health and safety, predictability in time (construction and design) and client satisfaction.

A comparison between New Zealand and UK results for 2006 is summarised in the following table:

KPI	Measure	UK 2006 Data	NZ 2006 Data	Index UK = 100	NZ
Client Satisfaction - Product	% Scoring 8/10 or better	83%	88%	100	106
Client Satisfaction - Service	% Scoring 8/10 or better	79%	39%	100	49
Defects on Handover	% Scoring 8/10 or better	Not available	31%	100	-
Safety Accidents	% Projects with zero LTIs	50%	33%	100	66
Predictability Time - Design Programme	% on target or better	56%	22%	100	39
Predictability Time - Construction	% on target or better	59%	53%	100	90
Predictability Time - Project	% on target or better	43%	23%	100	53
Predictability Cost - Design Fee	% on target or better	65%	55%	100	85
Predictability Cost - Construction	% on target or better	44%	39%	100	89
Predictability Cost - Project	% on target or better	44%	40%	100	90

Figure 8: Key performance Indicator Comparison New Zealand / UK

Source: Constructing Excellence % Centre for Advanced Engineering

The last two columns compare the results with UK re-based at 100, in order to provide direct comparison. As can be seen, with the exception of client satisfaction with the product, there is a significant general underperformance of the NZ construction industry against the UK, as measured by these indicators.

