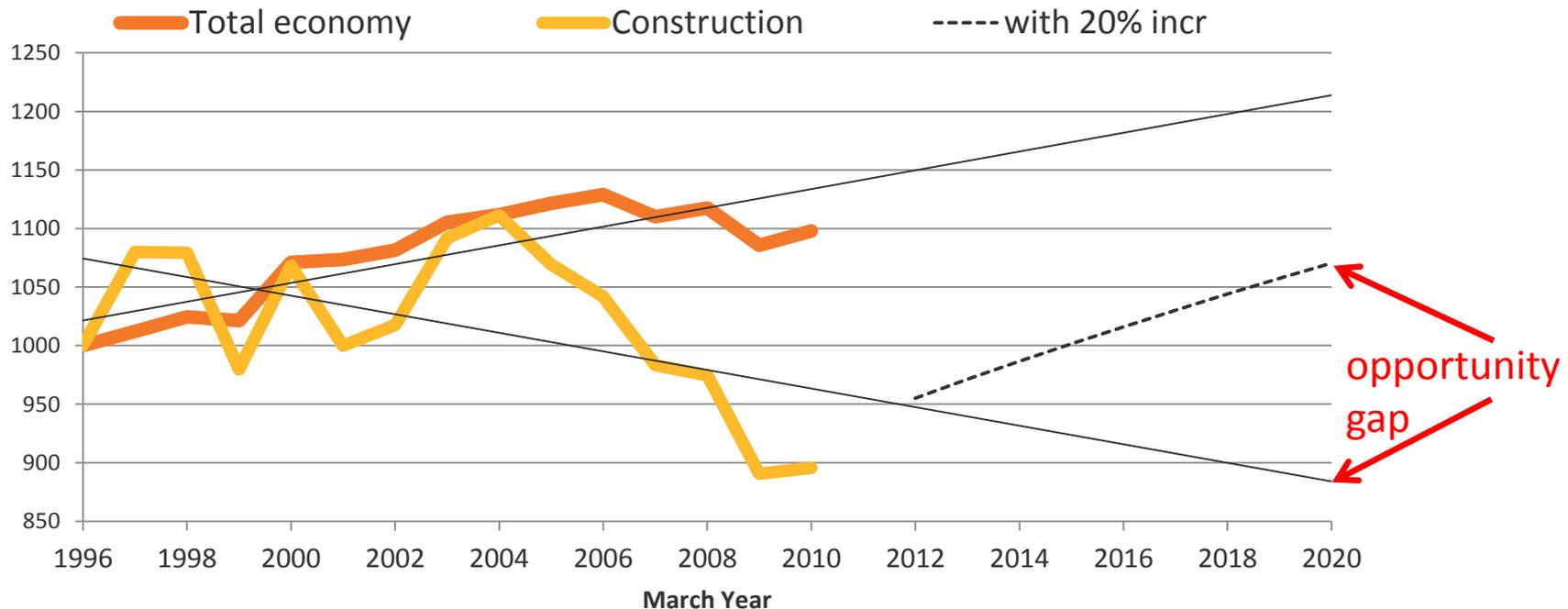


Building and Construction Sector Productivity Partnership

Bill Smith - Chair

Productivity Partnership recap

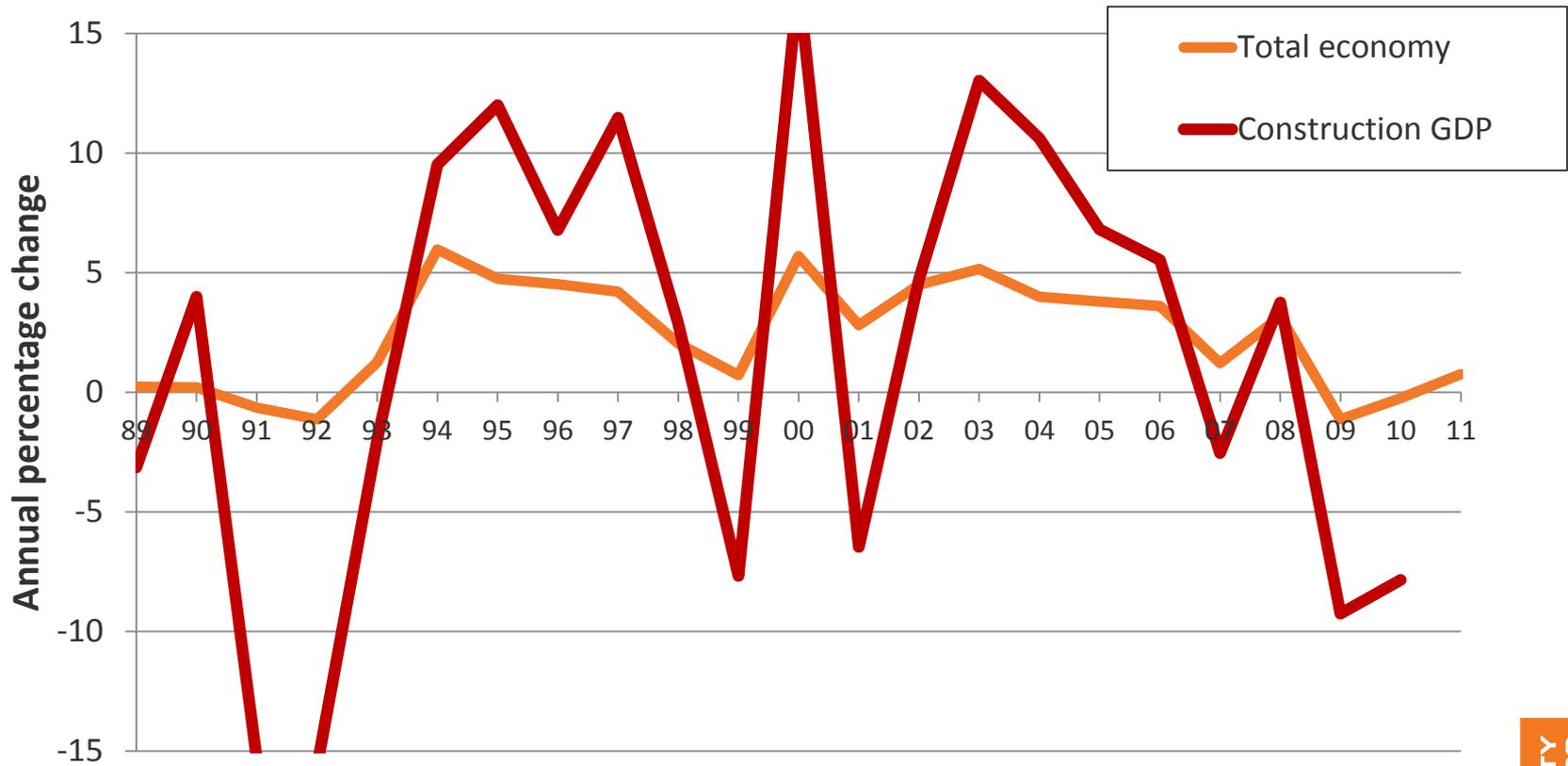
Multi-factor productivity trends (index 1995 = 1000)



- Measure of success: a 20% increase in sector productivity by the year 2020
= \$3b added to GDP

and a deeper understanding of causes – “Boom and Bust”

Construction and GDP



Workstream recap

Procurement

Skills

Inputs

Technology

Research & Evidence

What's happened since we last met



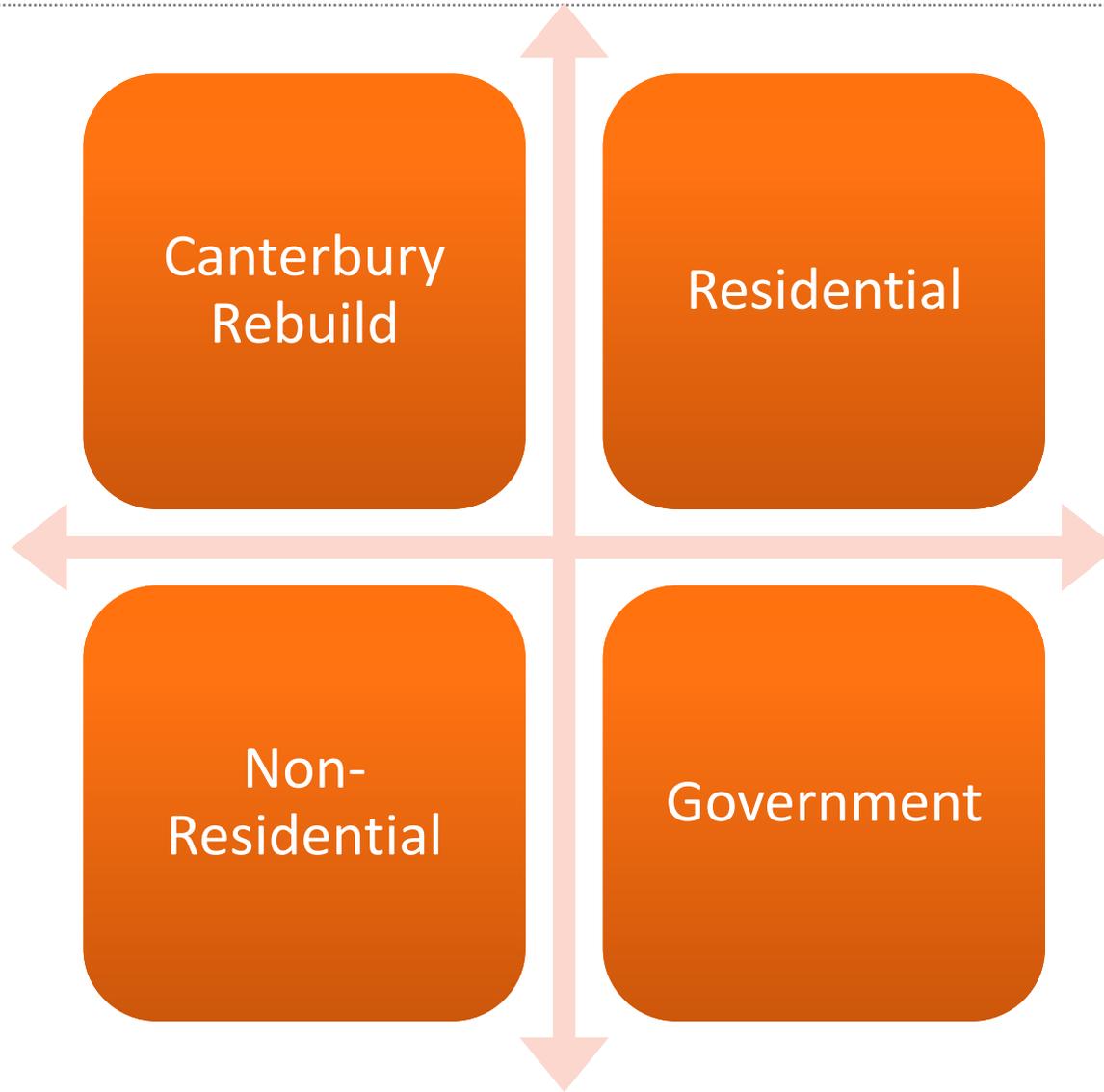
- Research Action Workshop in Christchurch (& plan published)
- BIM Task Group established
- Skills strategy implementation (& strategy published)
- Auckland Procurement Forum
 - ✓ future capital expenditure is over \$2.7bn for 2013/2014
 - ✓ 5 working groups established
- Canterbury Procurement Forum established
 - ✓ CCC, SCIRT, CDHB, NZTA, MoE are estimating a combined capital expenditure of \$8.8bn over 5yrs
- Procurement Centre of Expertise
- Residential
- Sector Value Stream Mapping undertaken
- Evidence, statistics and benchmarks

6 Emerging Issues from our work

- Contribution of construction to the economy – 8% of GDP
- Skills development – 80% of the 2020 workforce are in the industry today
- Use of technology will be key – BIM, on-line consenting, etc
- Procurement – collaboration and use of ECI
- Demand – transparency of forward workload – Auckland & Christchurch
- Measurement of productivity – design incomplete (8%), client changes (6%), sub-contractor management (6%)

= 20% productivity improvement

Areas of the sector that going forward we'll focus on:



Today's opportunity

- 18 months of development, consultation & some delivery
- Full ministerial support
- Now we have a different ball game: industry engagement & programme delivery
- Funding opportunity partnered with the Ministry
- CCG members already committed to industry change
- We are actively seeking your participation in our programme
- Together we can collaborate to further develop & deliver the work programme
- What we expect from today: a robust debate, your commitment to engage in relevant projects & activities, future participation
- How it will work: Chris will take you through the mechanics in preparation for the workshop

Sowing the seed: some projects already underway

Industry feedback has encouraged projects in the following:

- Residential boom – increasing housing supply/affordability
- Better engagement with procurers – benefits of a consistent approach of going to market/waste in the tendering process
- Value in alternative procurement models and processes
- Tracing pre-trade graduates to check on progress post qualification
- Retaining people – career pathways and company approaches
- Integrated teams – benefits and addressing sector fragmentation
- Improving project management practices
- Procurement – pipeline, boom/bust, centre of expertise, behaviours
- Technology – harnessing BIM through international learning
- Geobuild – BIM, online consenting, geospatial context

Opportunities

- Learning by doing
- Get closer to your customers – who are engaged in Productivity Partnership activities
- Events, meetings – opportunity to partner
 - Industry events coming up – opportunity to attend and engage – Akl, Wgtn, Chch
- Mobilising change champions
- The Partnership is now seeking your active involvement in project activity

Result

By being involve in the Productivity Partnership you will help to achieve:

- Increased profits
- Increased health and safety
- Increased client satisfaction
- Reduced defects

The Partnership is:

**Industry led, Government supported, and
Industry improvement focused**