

CONSTRUCTION SECTOR TRANSFORMATION PLAN

A high performing construction
sector for a better New Zealand

CONSTRUCTION
SECTOR ACCORD

New Zealand Government



WHAT IS THE CONSTRUCTION SECTOR ACCORD



Launched in 2019, the Accord is a genuine partnership between industry and government



The Accord is working to fix many of the issues and challenges facing the sector



Three-year Transformation Plan will drive behaviour change:

- to lift overall performance
- achieve a safer, better skilled and more productive industry
- share good practice across the sector.

WHY THE CONSTRUCTION SECTOR MATTERS



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

WHO MAKES UP THE CONSTRUCTION SECTOR



THE CONSTRUCTION SECTOR ACCORD PARTNERSHIP

The Vision

A high performing construction sector for a better
New Zealand

NEW ZEALANDERS

We have healthy homes
and quality buildings
and infrastructure that
support our wellbeing



INDUSTRY

Our people are
proud to work in a
safe, capable and
successful industry



GOVERNMENT

New Zealand's
construction sector
is stable, productive
and delivers whole-of-
life value



THE CHALLENGES THE SECTOR IS FACING



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 CONSTRUCTION SECTOR ACCORD OBJECTIVES

PURPOSE:

- Strengthen partnership between government and industry
- Deliver culture change through leadership and action targeting people, businesses and processes
- Be a catalyst to transform the construction sector for the benefit of all New Zealand.

GOALS:

- Increase productivity
- Raise capability
- Improve resilience
- Restore confidence, pride and reputation

THE CONSTRUCTION SECTOR ACCORD

GUIDING PRINCIPLES



BUILD TRUSTING RELATIONSHIPS

- Being accountable
- Acting with empathy and respect
- Focusing on delivering quality
- Being transparent on the value and allocation of risk
- Working in a collaborative and inclusive way.



BE BOLD

- Fostering innovation, and research and development
- Not accepting conduct and culture contrary to the principles of the Accord
- Sharing success and learning from failure
- Focusing on whole-of-life value when buying and building.



VALUE OUR PEOPLE

- Fostering careers to nurture the industry's future
- Recognising and rewarding effort and success
- Embracing diversity and inclusion
- Supporting better outcomes for Māori
- Prioritising health, safety and mental wellbeing.



ACT WITH COLLECTIVE RESPONSIBILITY

- Planning for the long term
- Acting as a custodian for the sector's future
- Sharing knowledge and lessons learnt
- Prioritising environmental sustainability.

CONSTRUCTION SECTOR ACCORD MINISTERS



HON JENNY SALEA

Minister for Building
and Construction



HON PHIL TWYFORD

Minister for Urban
Development and
Economic Development



HON DR MEGAN WOODS

Minister of Housing



HON ANDREW LITTLE

Minister for Workplace
Relations and Safety



HON SHANE JONES

Minister for Infrastructure



HON CHRIS HIPKINS

Minister of Education
Minister of State Services
Minister of Health

CONSTRUCTION SECTOR ACCORD GOVERNMENT AGENCIES



1000 SUPPORTERS, INCLUDING:

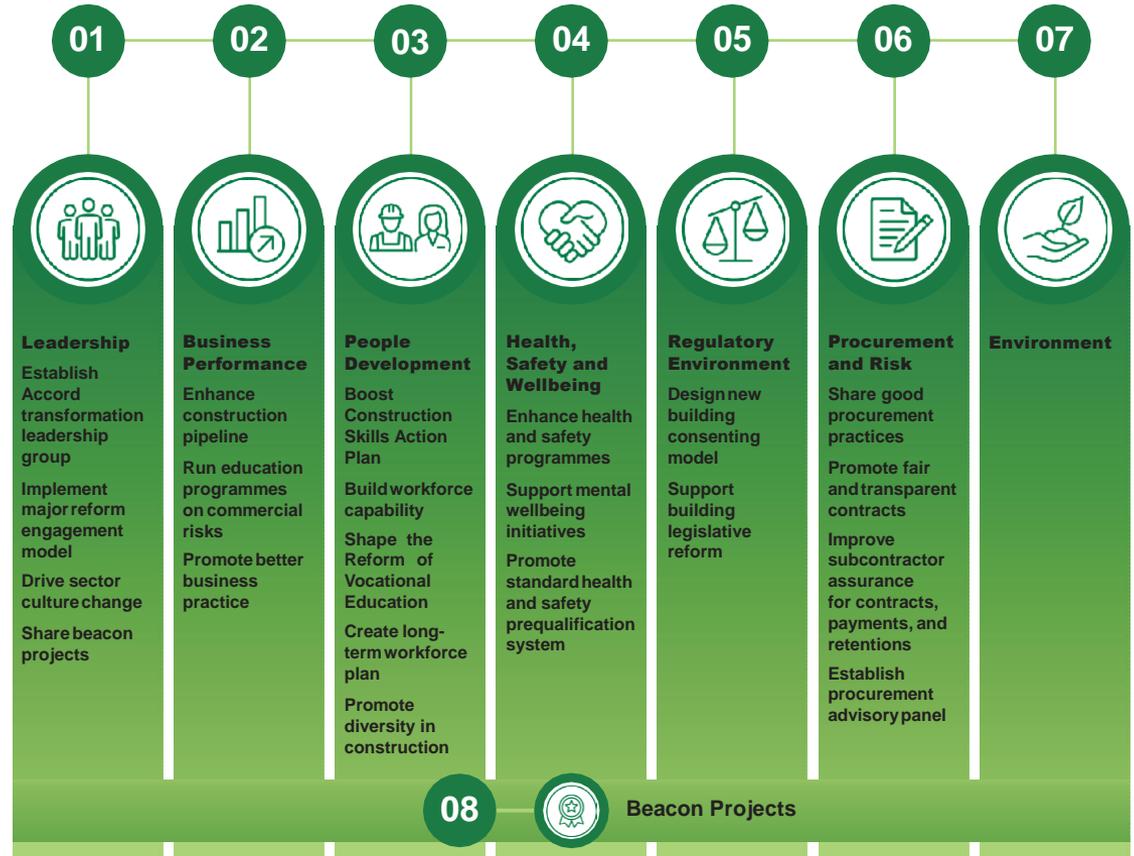
- | | | |
|---------------------------------|------------------------------|------------------------------------|
| Local Government New Zealand | Fletcher Building | Small and medium-sized enterprises |
| Civil Contractors New Zealand | Downer New Zealand Ltd | Construction Health and Safety NZ |
| Zealand Institute of Architects | Council of Trade Unions | Watercare |
| Master Builders Association | Hamilton City | KiwiRail |
| Vertical Construction | E tū Union | MinterEllisonRuddWatts |
| Leaders Group | Naylor Love | Tonkin + Taylor |
| Fonterra Co-operative Group | New Zealand Property Council | |
| Engineering New Zealand | | |

THE CONSTRUCTION SECTOR TRANSFORMATION PLAN

- Released in January 2020
- Three-year action plan for change to address the challenges faced by the sector



TRANSFORMATION PLAN AT A GLANCE



TRANSFORMATION PROGRAMMES

01



LEADERSHIP

- Accord leadership group
- Sector culture change
- Major reform engagement model

02



BUSINESS PERFORMANCE

- Enhanced construction pipeline
- Promote better business practice
- Education programme on commercial risks

03



PEOPLE DEVELOPMENT

- Build workforce capability
- Shape the Reform of Vocational Education
- Long-term workforce plan
- Boost Construction Skills Action Plan
- Diversity in construction

04



HEALTH, SAFETY AND WELLBEING

- Enhance health and safety programmes
- Support mental wellbeing programmes
- Standard health and safety prequalification system

TRANSFORMATION PROGRAMMES CONT'D

05



REGULATORY

- New building consenting model
- Support building legislative reform

06



PROCUREMENT AND RISK

- Promote good procurement practices
- Fair and transparent contracts
- Subcontractor assurance – payment, retentions and risk
- Procurement advisory panel

07



ENVIRONMENT

08



BEACON PROJECTS

- Share good practice

DELIVERING THE TRANSFORMATION PLAN



The Transformation Plan is a jointly owned programme between government and industry



Industry, central and local government, sector organisations and other stakeholders are working together to design and implement targeted initiatives



Leadership across each workstream is being managed by workstream leads, with support from the Accord Transformation Unit

STRUCTURE AND LEADERSHIP



ACCORD STEERING GROUP (ASG):

Oversight and governance of Accord programme

TRANSFORMATION DELIVERY GROUP (TDG):

Design and delivery of Transformation Plan (Workstream leads)

ACCORD FORUM:
Platform for consultation on emerging sector issues

ACCORD NETWORK:
Partners and supporters

ACCORD TRANSFORMATION UNIT (ATU):
Accord programme team, including workstream advisors, communications and reporting

ACCORD STEERING GROUP (ASG)



CHRIS BUNNY

(Co-chair)

Deputy Chief Executive, Ministry of Business, Innovation and Employment



PETER REIDY

(Co-chair)

Chief Executive, Fletcher Construction



GRAHAM BURKE

President, Specialist Trade Contractors Federation and Chair Construction Industry Council



ROSS COPLAND

Chief Executive, Infrastructure Commission



ANDREW CRISP

Chief Executive, Ministry of Housing and Urban Development



STEVE EVANS

Chief Executive, Fletcher Residential



LEONIE FREEMAN

Chief Executive, Property Council New Zealand



RICK HERD

Chief Executive Office, Naylor Love



DOUG JOHNSON

Managing Director, Tonkin + Taylor



JUDI KEITH-BROWN

President, NZ Institute of Architects



JANINE STEWART

Partner, MinterEllisonRuddWatts



STEVE WEBSTER

Chief Infrastructure Officer, Watercare



DEAN KIMPTON

Programme Director, Construction Sector Accord



ROGER MCRAE

Chair, Construction Health and Safety New Zealand (CHASNZ)



BILL NEWSON

National Secretary, E tū



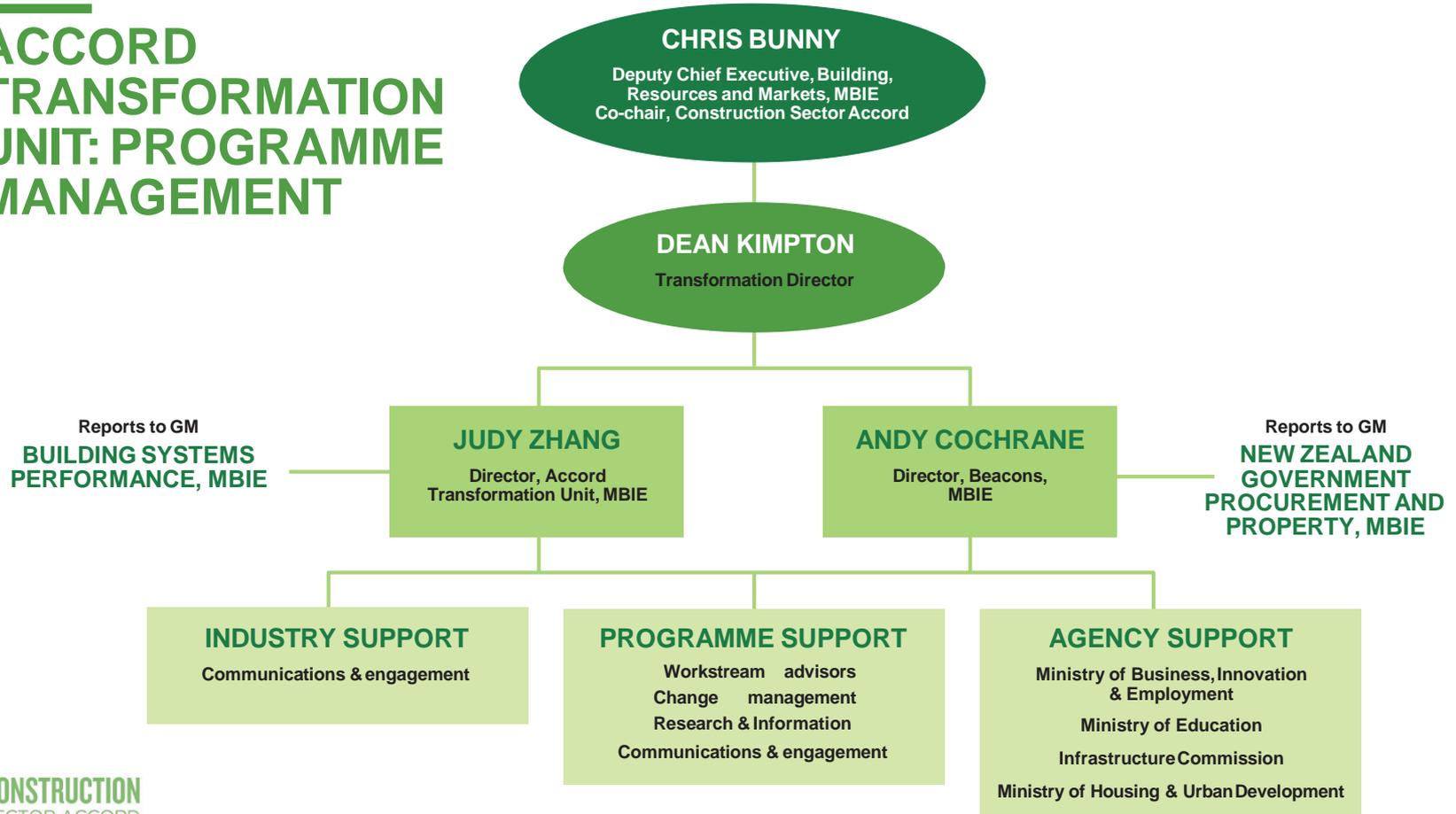
NICOLE ROSIE

Chief Executive, Waka Kotahi NZ Transport Agency

TRANSFORMATION DELIVERY GROUP/WORKSTREAM LEADS



ACCORD TRANSFORMATION UNIT: PROGRAMME MANAGEMENT



STAKEHOLDER ENGAGEMENT – A THREE-TIERED APPROACH



COLLABORATE/CO-DESIGN:

Partnering with key stakeholders to co-design change(s)

eg Rapid Mobilisation Playbook – NZGPP



CONSULT/SEEK FEEDBACK:

Designing change(s) and seeking feedback/input from interested stakeholders

eg The Accord Forum



INFORM/TELL:

Keeping interested stakeholders informed and engaged in change(s)

eg Webinar series, newsletters, website

PROGRESSING THE TRANSFORMATION PLAN

LEADERSHIP WORKSTREAM



- Established an Accord leadership model, including the Steering Group, Transformation Delivery Group and Forum, to drive leadership, delivery and engagement at various levels across the sector.
- Design of an Accord membership including a performance-based entry criteria underway.

BUSINESS PERFORMANCE WORKSTREAM



- Informed Ministers' decision-making on COVID-19 supports for business, including the Wage Subsidy Scheme, Business Finance Guarantee Scheme and Small Business Cashflow Scheme.
- Provided government with real-time feedback loops that helped target and tailor COVID-19 support to business needs.
- Launched the Accord webinar series 'Toward High Performance' with the first webinar on managing risk.

PEOPLE DEVELOPMENT WORKSTREAM



- Obtained support for Group Training Schemes so that apprentices are able to remain in education during the COVID-19 period, rather than being made redundant by firms that have no work for them.
- Informed the progress of the Reform of Vocational Education and led a consortium of other groups to apply to be the Construction Centre of Vocational Excellence.

PROGRESSING THE TRANSFORMATION PLAN

CONT'D

HEALTH, SAFETY AND WELLBEING WORKSTREAM



- Developed with CHASNZ, COVID-19 Alert Level health and safety guidance for the construction sector, which enabled industry to undertake work safely and appropriately during Alert Levels.
- Support CHASNZ's work to create a standard prequalification system (Totika) and design a pilot Client Leadership Framework.

PROCUREMENT AND RISK WORKSTREAM



- Developed contract management guidance during the COVID-19 period to ensure government procurement reflects Accord principles.
- Developed rapid mobilisation guidance to support government agencies to overcome the typical barriers to the rapid and safe delivery of construction projects. This will support the timely and effective delivery of complex projects, including those in the shovel-ready programme.

BEACON PROJECTS



- Established Beacon projects to share innovation and good practice across the sector.
- The first Beacon is Watercare's long-term partnership with suppliers to drive down their infrastructure programme's carbon emissions, while improving cost and health and safety performance.
- Further Beacons are being assessed with the Ministry of Education, Master Builders, City Rail Link, and other organisations.

PROGRESSING THE TRANSFORMATION PLAN CONT'D

The Accord's progress since January has meant that:



The construction sector has been well-positioned to weather and respond to COVID-19



Industry has informed government decision-making with a unified, coordinated voice



The Accord is becoming a valued part of industry – more than 900 people have subscribed. A new Environment and Sustainability workstream has been added to the Transformation Plan

CONSTRUCTION SECTOR COVID-19 RESPONSE PLAN

The Accord released a Construction Sector COVID-19 Response Plan.

The plan focused on:

- maintaining confidence in the sector
- supporting jobs and businesses
- minimising the economic damage from the COVID-19 disruption.

The Construction Sector Accord responded to COVID-19 with an outstanding level of industry collaboration, leadership and urgency.

The screenshot displays the Construction Sector Accord website. At the top left is the logo 'CONSTRUCTION SECTOR ACCORD'. To the right is a search bar. Below the logo is a navigation menu with links: 'The Accord', 'Transformation Plan', 'Supporters', 'Progress', 'Good practice', 'Get involved', and 'News'. A red banner below the navigation contains a warning icon and the text 'COVID-19: Read Construction Accord's latest COVID-19 news and information.' Below the banner is a breadcrumb trail: 'Home > Covid-19 > Construction Sector COVID-19 Response Plan'. The main content area is split into two columns. The left column has a 'COVID-19' heading followed by a list of links: 'COVID-19 News', 'Construction Sector COVID-19 Response Plan', 'Guidelines, information and practice', and 'Newsletter updates'. The right column features the main title 'Construction Sector COVID-19 Response Plan' and a section 'On this page' with a list of links: 'A resilient sector', 'Plan summary', 'Phase one - maintain industry', 'Phase two - restart', 'Phase three - transform', 'Coordinated cross-sector response', 'Next steps', and 'Actions completed and underway'.

COVID-19 RESPONSE PLAN IMMEDIATE AIMS



ACTIONS FROM THE RESPONSE PLAN

The Response Plan has resulted in tangible, real action to ensure a resilient and sustainable sector that can help buoy the economy.



New health and safety standards for working on construction sites at Alert Levels 2 and above



Government directed public sector agencies to pay contractors promptly



New procurement guidance to help government agencies communicate with construction suppliers, prompt payments and early release of retentions



New Contract Partnering Agreement

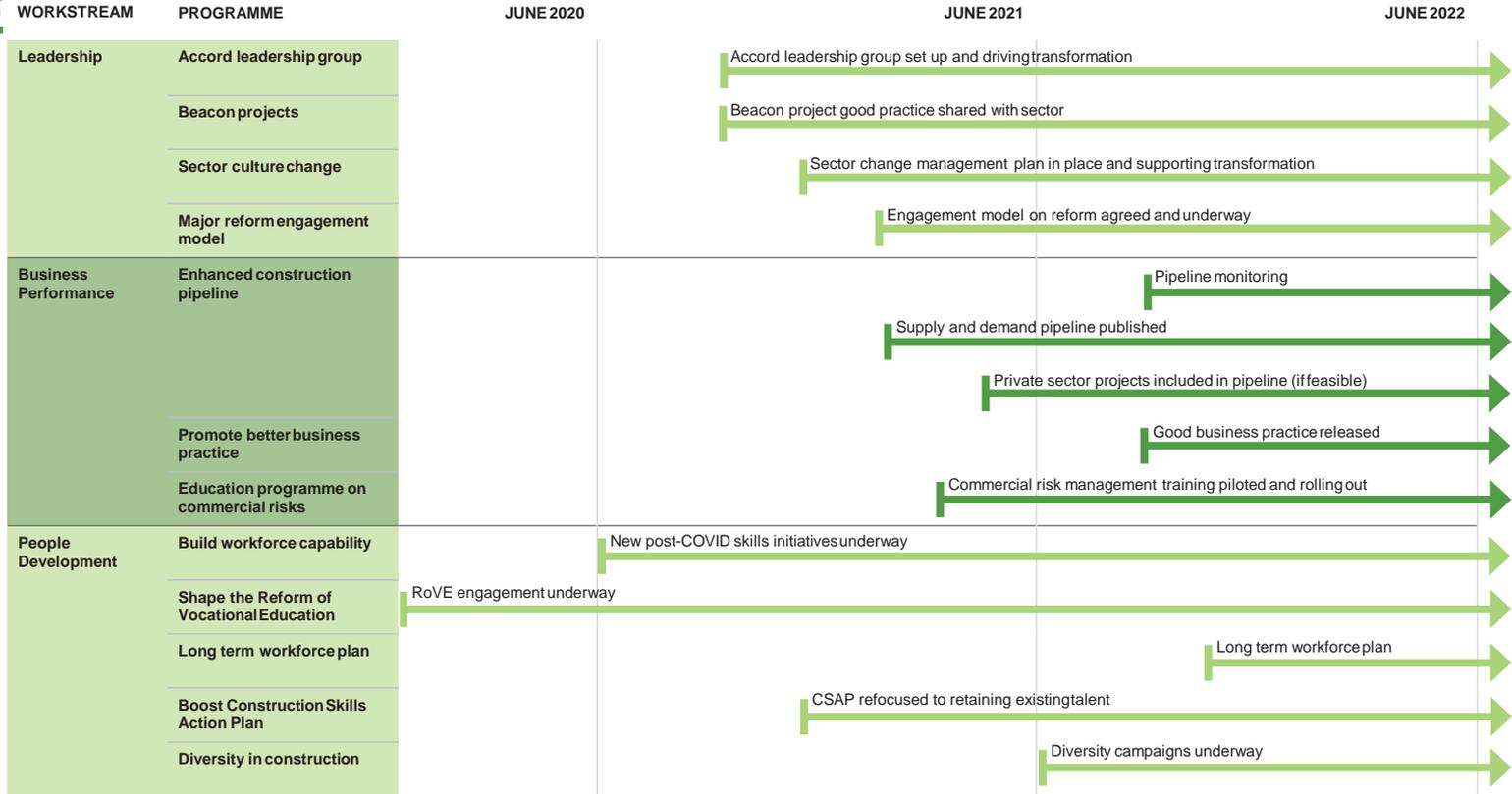


Rapid Mobilisation Models and Playbook released

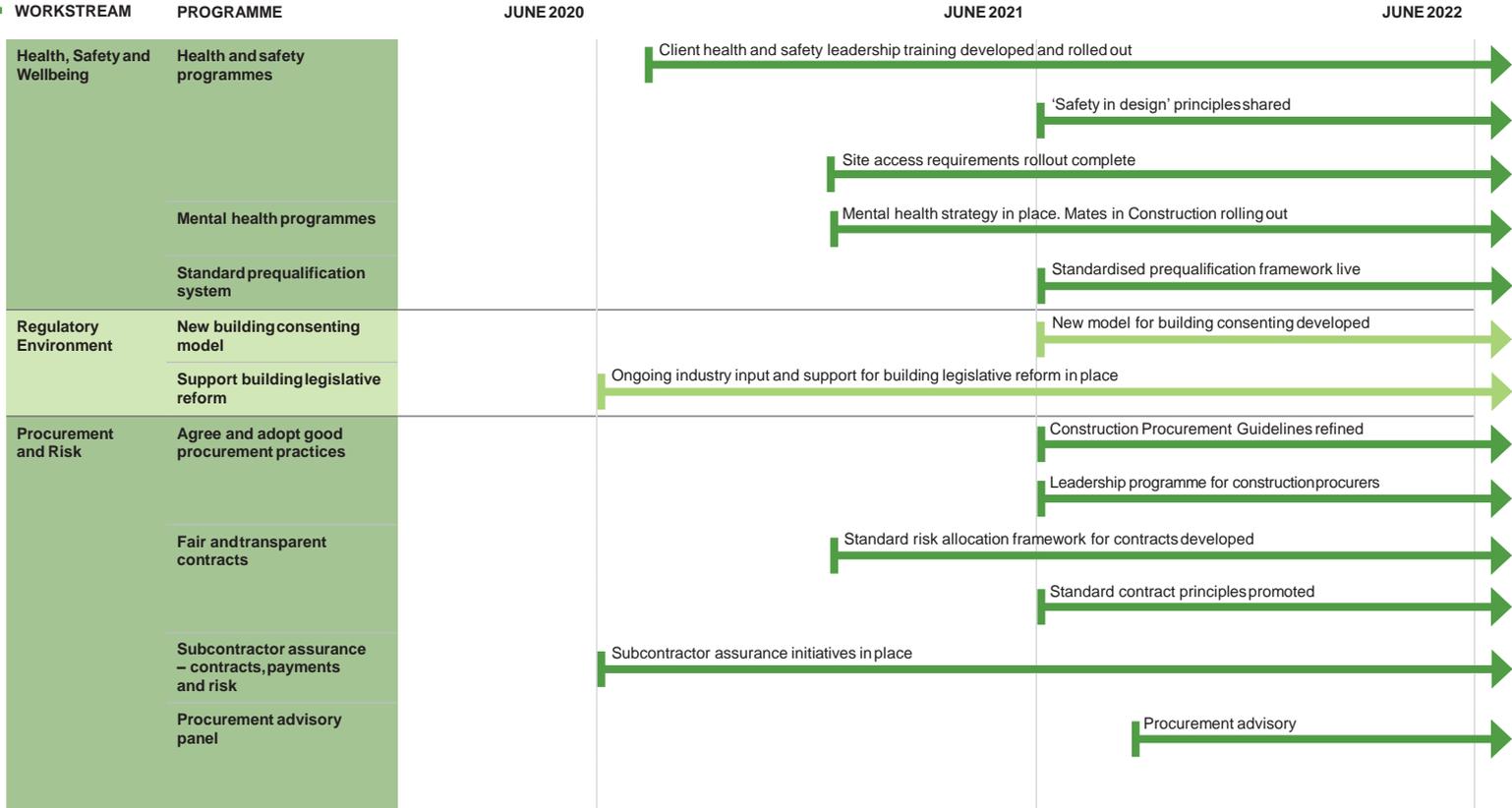


Guidance to government agencies about responding fairly and consistently to issues related to lockdown

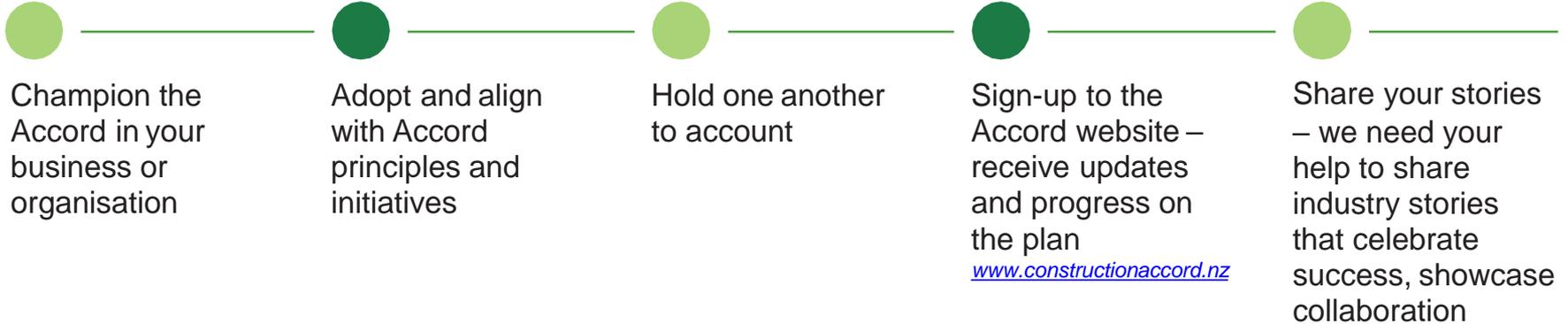
TIMELINE



TIMELINE CONT'D



HOW CAN YOU GET INVOLVED



Be part of the Accord and keep
up-to-date on progress at

www.constructionaccord.nz