


THE CONSTRUCTION SECTOR ACCORD

A new approach to partnership between
government and industry

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CONSTRUCTION
SECTOR ACCORD

[New Zealand Government](#)





A SNAPSHOT

as at 30 June 2020



5,181
MBIE people

about **4,772** within
New Zealand and
409 offshore

\$5.5
billion

MBIE's total appropriated
expenditure for 2019/20
(pre-audit figures), including

↓
\$4.5b
non-departmental

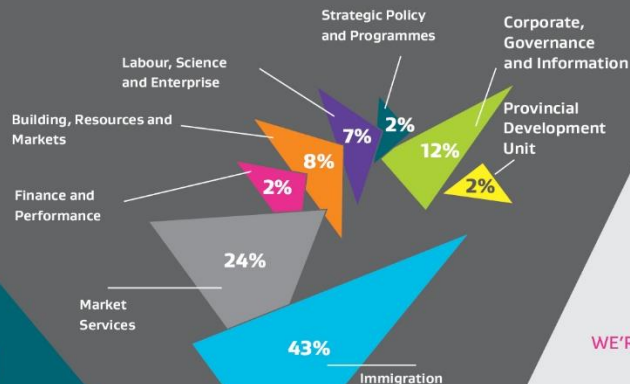
↓
\$1b
departmental



106 number of **Acts** that
MBIE is responsible for

2435 Official Information
Act requests
completed 2019/20

Where MBIE people work



* Percentages are rounded to the nearest whole number and as a result don't add up to 100%

16
Offices
overseas

WE'RE A GLOBAL ORGANISATION



57 **23%**
Number of **offices**
within NZ
of our people are
based in **Auckland**

8%
of us work
overseas

53%
of our people
are based in
Wellington

7%
in **Canterbury**

9%
in other parts
of both the **North**
and **South Islands**



15
Portfolios

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

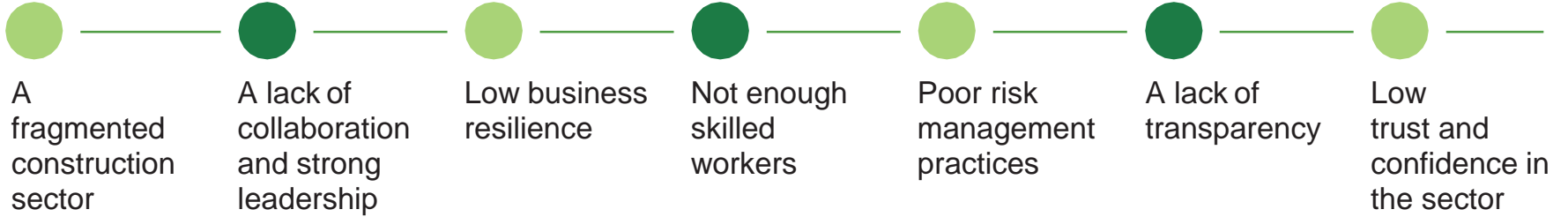


The sector is growing – construction is one of eight industries forecast for higher than average annual growth to 2026




The sector faces a number of systemic challenges that are not unique to New Zealand


THE CHALLENGES THE SECTOR IS FACING




WHAT IS THE CONSTRUCTION SECTOR ACCORD



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



The Accord is a platform for government and industry 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.

CONSTRUCTION SECTOR ACCORD MINISTERS

Throughout 2020:

- Minister for Building and Construction
- Minister for Urban Development and Economic Development
- Minister of Housing
- Minister for Infrastructure
- Minister of Education
- Minister of State Services
- Minister of Health
- Minister for Workplace Relations and Safety

CONSTRUCTION SECTOR ACCORD GOVERNMENT AGENCIES



OVER 1000 SUPPORTERS, INCLUDING:

Local Government New Zealand
Civil Contractors New Zealand
New Zealand Institute of Architects
Master Builders Association
Vertical Construction
Leaders Group
Fonterra Co-operative Group
Engineering New Zealand

Fletcher Building
Downer New Zealand Ltd
Council of Trade Unions
Hamilton City
E tū Union
Naylor Love
New Zealand Property Council

Small and medium-sized enterprises
Construction Health and Safety NZ
Watercare
KiwiRail
MinterEllisonRuddWatts
Tonkin + Taylor

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



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

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

TRANSFORMATION DELIVERY GROUP/WORKSTREAM LEADS



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

CONSTRUCTION SECTOR COVID-19 RESPONSE PLAN

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

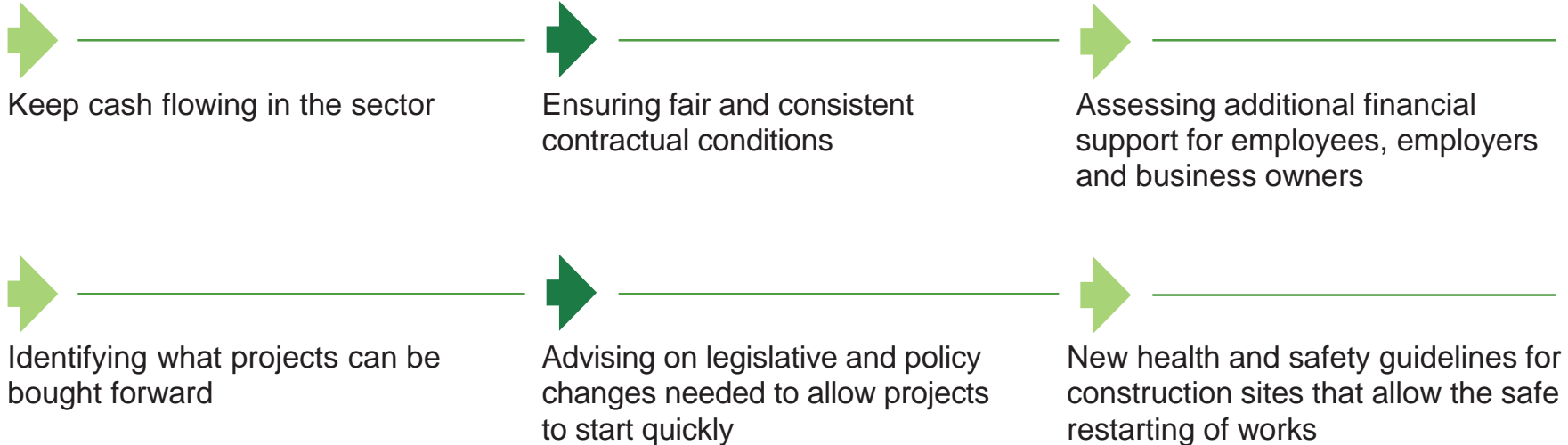
The plan focused on:

- 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 with the text 'Search...'. 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' header, followed by '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

THE INDUSTRY'S PERCEPTION OF THE ACCORD POST-COVID-19


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 – over 1000 people have subscribed.



The Labour-led Government has committed to support the Construction Sector Accord



Government behaviours are beginning to be seen as more collaborative

KEY LEARNINGS FROM THE ACCORD'S APPROACH



Partnership is powerful – but don't underestimate what's involved



Recognise that government and industry have different tools to achieve change



Embedding cultural change takes time and effort



Be in the right place at the right time (don't waste a crisis!)



Hard problems do actually have solutions – you just have to get creative about them

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

www.constructionaccord.nz