

Government releases Construction Sector Transformation Plan

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On 26 January the Government released a three-year Construction Sector Transformation Plan (Plan). The Plan outlines the concrete steps that the public and private sectors will take to transform the construction sector and achieve the outcomes and vision of the Construction Sector Accord.

The Plan is phase two of the Construction Sector Accord's programme of works and is the result of work undertaken by the Ministry of Business, Innovation and Employment (MBIE), specialist external consultants and industry leaders.

The Plan aims to remedy the challenges currently faced by the construction sector including poor business and procurement practices, skills and knowledge gaps, and fragmented leadership.

The success of the Plan is to be measured against the Accord's four goals:

- Raising capability (measured by the change in proportion of qualified people in the sector and changes in numbers of people that participate in construction-related training or study)
- Increasing productivity (measured by labour productivity statistics from Stats NZ)
- Improving resilience (measured by the length of time businesses remain in operation)
- Restoring confidence, pride and reputation (measured by sector surveys).

The Accord leadership group will oversee and monitor the delivery of the Plan and programmes will be reviewed each year to assess how well they impact, progress and contribute toward the goals of the Accord.

The Plan is split into six major workstreams each containing programmes aimed at creating the shift needed to produce a high-performing construction sector. Some of the initiatives under each workstream are summarised below:

- **Leadership:** An Accord transformation pan-industry and government leadership group (the Group) is to be established. The Group will implement a major reform engagement model to provide a more collaborative and collective voice, drive sector culture change by designing and implementing a programme to encourage behaviour change, and share beacon projects to promote good practice
- **Business performance:** The Group aims to enhance the construction pipeline by working with the New Zealand Infrastructure Commission to provide feedback to the Commission on the usefulness of the pipeline, add non-governmental and Kainga Ora (public housing projects) to the pipeline and better schedule projects to account for supply and demand
- **People development:** The Group will build workforce capability by identifying skills gaps and assessing these against available education and training programmes in the industry. The Group will also shape the reform of vocational education by collaborating with the Government in its review of vocational education in New Zealand
- **Health, safety and wellbeing:** The Group will enhance the health and safety programmes already in place within the industry, support mental wellbeing initiatives by implementing a mental health action plan and support mental health programmes such as the Mates in Construction suicide prevention initiative
- **Regulatory environment:** The Group will work with local government and MBIE to design a new building consenting model and support building legislative reform by providing a coordinated industry response to the Building System Legislative Reform programme
- **Procurement and risk:** The Group will share good procurement practices by working with MBIE and the New Zealand Infrastructure Commission, promote fair and transparent contracts by working with central and local government agencies, improve subcontractor assurance for contracts by requiring transparency about risks and implementing certain payment and retention requirements.

The Plan sets out a timeline of one-yearly milestones for implementing the above initiatives between now and June 2022. Many initiatives are set to be underway by June 2020. Individuals can keep up to date with the Plan and Construction

Sector Accord programmes on the [Accord website](#).

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