

MEDIA RELEASE

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Change needed to reduce housing and infrastructure deficit

New Zealand's construction industry desperately needs to change quickly to address the country's housing and infrastructure deficit, and the Construction Industry Council is the organisation best placed to lead this change, say incoming Chair Graham Burke and Deputy Chair Malcolm Fleming.

Mr Burke said while there were some good initiatives underway, such as the Construction Sector Accord and introduction of new procurement rules, the industry was hard to penetrate because it had so many parts and so many small businesses.

"It is important to drive change through the whole industry, not just the big companies and clients. Small to medium enterprises and subcontractors are a critical component of the construction industry, and there is no way we can address the housing and infrastructure deficit without them."

He said the only way to effectively engage with the entire industry was through industry associations, which provide advice to and represent the interests of those small companies. Because of this, the [Construction Industry Council](#) – an overarching body of more than 30 construction industry associations – was the perfect body to lead the change because of its very wide coverage and involvement at all levels of the construction industry.

Because the Council represented a broad cross section of construction associations, it was well-placed to communicate at all levels and provide leadership around that change.

Mr Burke said a good example of the CIC's leadership was the successful establishment of Construction Health and Safety New Zealand (CHASNZ), a charitable trust uniting the industry to focus on health and safety across construction sites and to start addressing high suicide rates in the industry. The Council had also recently developed an industry endorsed proposal designed to promote careers within the built environment.

A current focus is the industry's need to adequately address recent building contractor failures, which affects everyone including; homeowners, commercial property owners and contractors. Often, the people most impacted in these situations are the subcontractors who run the risk of not getting paid for the work they perform. Should the project hit difficulties. 'Subbies' literally risked losing their homes in the fallout of a main contractor or developer failure, he said.

"We have all seen what is happening. There's a lot of work out there with companies struggling to cope. Many contractors have taken on too much risk and their margins have become paper-thin. But that's all changing, and quickly."

Pushing responsibility for project risk down the chain to contractors and subcontractors was very unfair, project risk should sit with those best able to manage the risk. Expensive lessons had been learned, and even business owners not directly impacted were saying, 'next time I could be left out of pocket'.

He said good clients were increasingly teaming up with reputable main contractors who are supported by a skilled subcontractor supply-chain, with construction businesses now more likely to shun clients and not bid on projects offering poor or unreasonable terms and conditions.

He said now was the time for the construction industry to stand up and be part of that change at all levels.

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For more information, contact:

Graham Burke, Chair, Construction Industry Council
graham@grahamburke.co.nz | [021 249 3459]

Malcolm Fleming, Deputy Chair, Construction Industry Council
Malcolm@nziob.org.nz | [021 439 237]

ABOUT THE CONSTRUCTION INDUSTRY COUNCIL

The New Zealand Construction Industry Council (CIC) is a not-for-profit industry association of associations in the building and construction, design and property sectors. It is the collaborative voice of the built environment industry in New Zealand and operates at the interface between government (central and local) and industry.

CIC Members are also not-for-profit organisations and peak bodies for professions involved in the delivery of our built environment — designers and specifiers (architects, designers, engineers etc), contractors and suppliers (manufacturers, distributors, contractors, builders etc.) and a range of other building professionals (compliance, research, surveyors, developers etc).

The CIC is a collaborative group for information, networking, research and advocacy towards a better built environment for all New Zealanders. An Executive Council leads the proactive strategy and a wider General Council informs and connects.

See the full CIC member list, including contact details at: <https://nzcic.co.nz/#membership>