

21 July 2021

NZCIC's responses to the BRANZ/Construction Sector Accord Workstream Survey

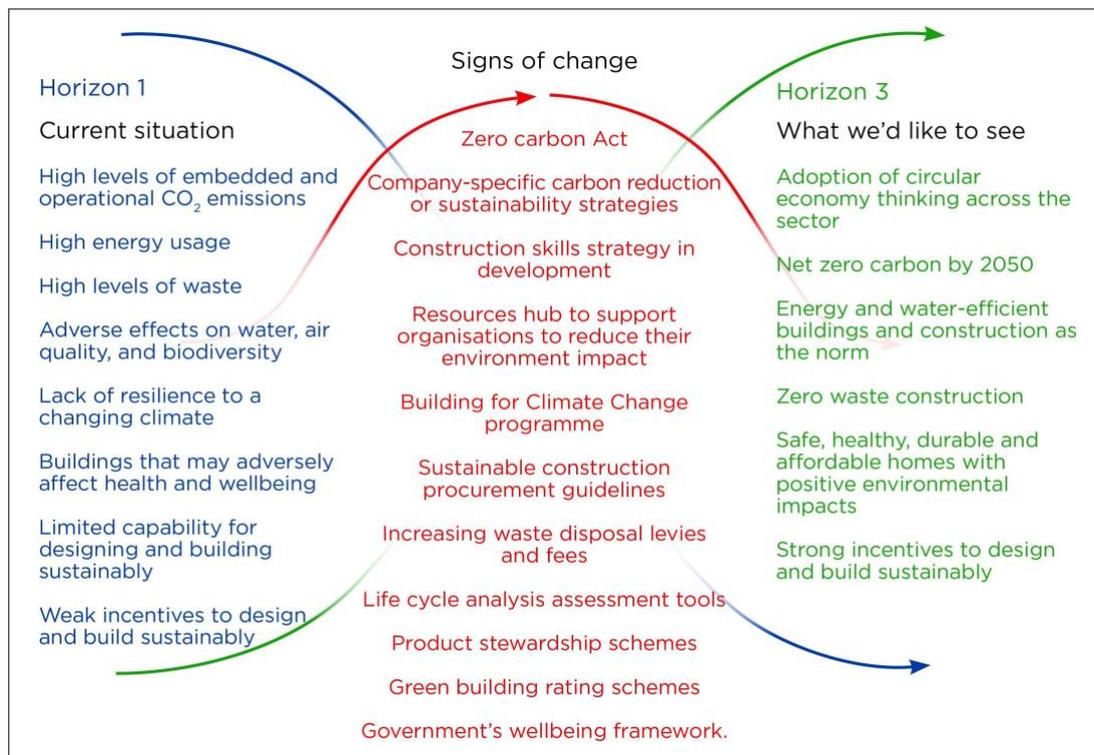


Figure 5. Three Horizons framework illustrating current and future environmental conditions and some of the signs of change.

Question 1: (refers to Horizon 1 in Figure 5)

When thinking about the environmental impacts of the construction system, are there additional issues that should be included?

Yes – add additional issue(s)

Though not directly an environmental issue, the resilience of supply chains is critical. Currently, local supply chains are stretched to the max and international supply chains are failing.

The present situation is dominated by siloed thinking. Horizon 3 should be driven by a collaborative approach. Our current engagement models are not agile, often fail the sector and frequently pit the government against the sector and those within the sector against each other. If we are to solve the challenge of transitioning to a circular, low-emission economy, we need new models that emphasise co-competition.

Question 2: (refers to Horizon 3 in Figure 5)

When thinking about the future construction system, are there any other things you'd like to see in Horizon 3?

Yes, please describe

As stated above, to address the challenge we need to take a new and collaborative approach. The Construction Sector Accord is starting to demonstrate this.

- We'd like to see improvements in the efficiency of existing buildings and other built infrastructure.
- Additionally, we should champion buildings and infrastructure which are resilient and designed to mitigate and minimise risks arising from climate change.

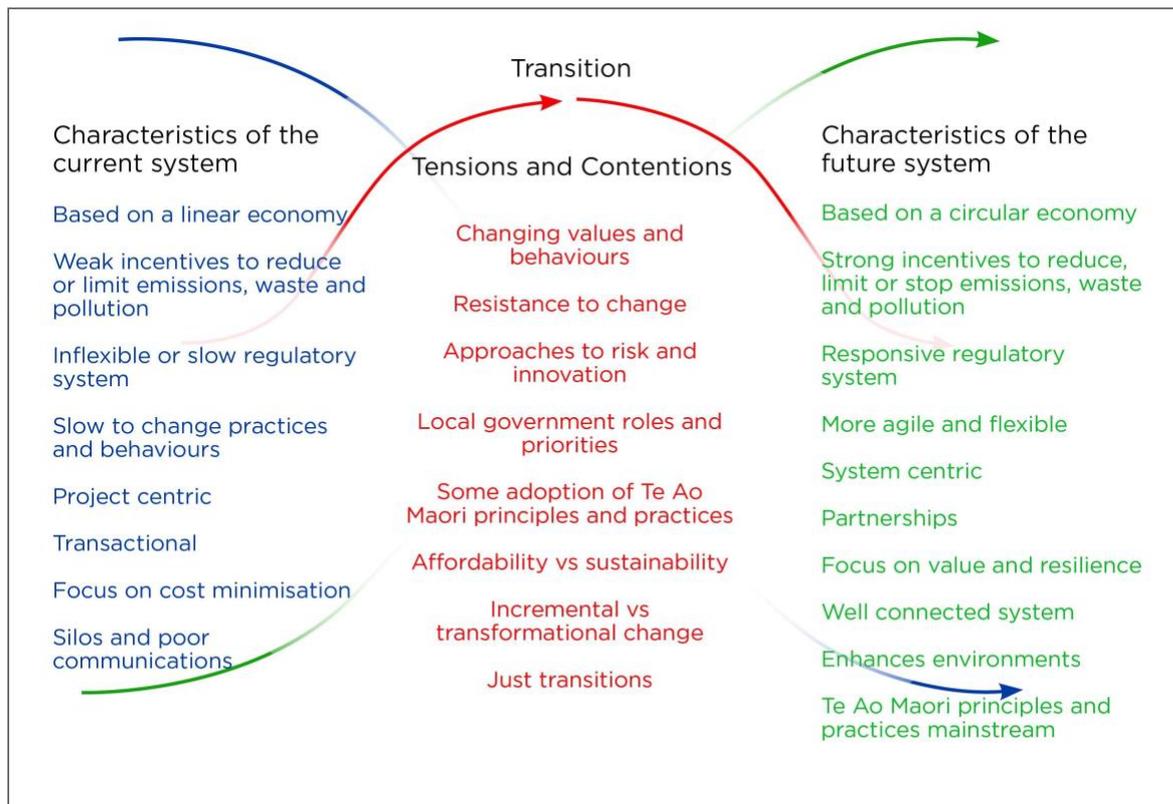


Figure 6. Changing to a more sustainable construction system requires navigating tensions and contentions.

Question 3: (refers to right-hand column of Figure 6)

When thinking about the future construction system, are the characteristics of the future system the right ones?

No, what do you think should change?

Though we mostly agree with the characteristics of the future system, we suggest changing the term "partnership" to "collaboration". Partnership may only apply to a couple of parties, but we need sector-wide participation to truly succeed.

Question 4:

What is holding the sector back in attaining the characteristics of the future system?

- Embedded practices and lowest price often win procurement.
- Short-term planning and procurement based on a three-year election cycle is not practical or sustainable.
- Boom/bust cycles in the pipeline hinder any rhythmic progress.
- Shortages of workforce capacity and capability.

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- Standards are not agile. They are costly and time-consuming and hold us to the past, rather than enabling the future.
 - There's an inherent lack of trust. Trust can only be developed by working collaboratively and taking the time to understand each other's challenges, perspectives and journeys.
 - As we've previously mentioned, the current consultation processes pit the sector against government and sector players against each other. It's a divisive system. We need to find a better path forward for regulatory reform.
 - There's a lack of good data. We need robust and transparent science-based propositions. Data needs to be open-sourced.

Question 5:

What is helping drive the sector towards the characteristics of the future system?

- A change in thinking towards a circular carbon-zero economy.
- A greater emphasis on social outcomes over short-term economic gains.
- We've taken the initial steps in working collaboratively. The Construction Sector Accord typifies this. However, there is so much more we need to do and building trust is critical.
- We need to better understand the management and minimisation of risk. The insurance sector needs to be active participant in the Construction sector journey.

Question 6:

Are there other examples that can be built on to support system change?

- We need to include and embrace local manufacturing as an integral part of the journey. It's about supply chain resilience, innovation and the wellbeing of our communities, where much of our local manufacturing is based.

Question 7:

Do you have any further comments?

The report is balanced in the way it approaches and addresses both challenges and opportunities. Frequently the sector journey focuses solely on carbon. However, as the report demonstrates there are at least seven key challenges, all of which the sector needs to address.

The report is robust and transparent. The authors have referenced the source of material, which is critical for credibility. The report avoids emotive language which keeps the focus on the substance of the material.

