

19 July 2017

The Hon. Steven Joyce
Chairman
Cabinet “Housing and Infrastructure” Business Growth Agenda Committee
Executive Wing, Parliament Buildings
WELLINGTON

Dear Minister,

The enclosed papers present a summary of key issues facing the building industry, and seek to provide the platform for further discussion with the Government with the aim of collaboration to achieve significant productivity and quality improvements in the near future. Together, these papers represent a suite of reform proposals aimed at achieving these objectives. We trust you will see them as evidence of industry willingness to address and progress these challenges. They have been highlighted by the current peak period of construction activity. Solutions can only, in our view, be achieved through our working in partnership with the Government.

We understand the Ministry of Business, Innovation and Employment has a number of these topics on its forward work programme, notably Product Assurance, Home Warranties and Occupational Licensing. This reflects direction by the Government and Building and Construction Minister, the Hon. Nick Smith. However, high level industry participants believe that the public sector is ill-suited without experienced industry involvement from the outset to achieve the outcomes we seek in a timely manner for an industry as complex in its operating structures as this. Resolution of each of the issues covered in our papers has positive cross-influential implications for the rest. For example, it is our opinion that finding a satisfactory means of introducing home warranties can be much more easily achieved if the regulatory framework covering skills training, occupational licensing and product assurance is strengthened along the lines suggested.

We seek a strong, collaborative framework for joint Industry-Government actions in all four areas so that the proposals for change can be fully reflective of what industry believes will best meet pressing needs. We believe the rewards of finding the right solutions in all four areas - to the national economy, the industry and consumers - are, as highlighted in our Skills and Training paper, sufficient to justify such an approach.

The papers also reflect considerable effort by organisations and individuals within the industry to address identified shortcomings in performance. The Constructive Forum Conference, organized by the Registered Master Builders Association and supported by other industry trade groups, will take place on 2 - 4 August 2017. This will be directed at achieving ongoing support for a CSG and Construction Industry Council supported

initiative spearheaded by BRANZ for transformation of the industry through innovation, improved application of technology and better work practices.

We are mindful of the approach of the General Election but request a brief early meeting with you to discuss how best we can collaborate in setting an action timetable to advance the initiatives canvassed in these papers.

Kind regards,

A handwritten signature in blue ink, appearing to be 'GH', with a long horizontal stroke extending to the right.

Geoff Hunt

Chairman

Construction Strategy Group

CC:

Minister for Economic Development
Minister for Social Housing
Minister of Local Government
Minister of Building and Construction

Appendix 1: Construction Strategy Group Profile

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The Construction Strategy Group (CSG) was formed some five years ago with the purpose of providing leadership and strategic direction for the building and construction industry. Its formation followed discussion at a government directed summit of building industry leaders at which it was agreed such an organisation of business leaders was required to offer these qualities.

The Group represents a broad spectrum of construction industry sectors. Members are independent thinkers with “skin in the game” and a passion and commitment to the industry. They are able to influence directions because of their positions and individual mana and provide advice based on day to day involvement at the sharp end of industry activities.

Each member represents a particular segment of the industry and is able to contribute from specialist knowledge in their areas of expertise and their experience of interaction among the diverse professional and trade sectors that make-up the sector as a whole. Members are:

- Geoff Hunt, Chairman, President McConnell Group; Member of National Infrastructure Advisory Board; Member of Building Advisory Panel (BAP) to MBIE.
- Gordon Buswell, Deputy-Chairman, Chairman of Building N.Z. Building Industry Federation; Director of Metro Performance Glass; Director of Platinum Homes.
- Richard Aitken, Past-Chairman CSG; Chairman Beca Group; Director of Trust Power; Member of BAP.
- Graham Darlow, former Chief Executive, Fletcher Construction.
- Anthony Leighs, Managing Director Leighs Construction; Chairman, New Zealand Registered Master Builders’ Association (RMBA).
- Chelydra Percy, Chief Executive, BRANZ Ltd.
- Dave Taylor, Chief Executive, Steel & Tube.
- David Kelly, Chief Executive, RMBA; Member of BAP.
- Marko den Breems, Managing Principal, Jasmax Architects.
- Evan Davies, Managing Director, Todd Property Group.
- Richard Merrifield, past President Certified Builders Association of New Zealand; member of Licensed Builders Practitioners Board; Director, BRANZ Ltd.
- Michael Fox, past President Wellington RMBA; Director of Prime Site Homes Ltd.
- Peter Jackson, Director of H2O Design Ltd; Chair Plumbers, Drainlayers and Gasfitters Licensing Board.