

Media Release

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Building Industry collaborates with government to meet capabilities challenge

The collaborative structure formed in recent months between government and industry to deal with issues of productivity and skills shortages in the building and construction sector will serve the country well in dealing with looming infrastructure issues.

This is the view of the Chairman of the Construction Strategy Group (CSG), Richard Aitken, who is also Chairman of engineering consultancy Beca Group.

“The Government and the sector are faced with a complex set of issues following the Christchurch earthquake which will test the resilience and capabilities of both over the next five years.”

He said that these issues embraced:

- Restoration of Christchurch - requiring new building, both commercial and residential, extensive renovation of thousands of homes and replacement infrastructure across roading, utilities and telecommunications;
- Completion of scheduled major infrastructure works such as the Waterview motorway in Auckland, roads of national significance and major potential fresh projects such as the CBD rail loop in Auckland;
- A pent up demand, in Auckland particularly, for new housing which on current levels of construction means 75,000 to 100,000 new builds in the five year period;
- Repair of an estimated 20,000 homes impacted by the weathertight issue; and
- Fast tracking through innovative training a greater supply of rightly skilled people.

“When it is considered that the demand in Christchurch is likely to include 100,000 major renovations and 10,000 total rebuilds in the housing sector, without taking into account commercial requirements, the magnitude of the task facing both the industry and the Government is very clear.

“In this situation the only way through is close co-operation between the Government, industry, state agencies and educational training organisations.

“That is why the forging of close collaboration between industry and the Department of Building and Housing, with the CSG, the Building Research Association of NZ (BRANZ), Building Environment Training Association (BETA), and the Construction Industry Council, acting as catalysts is of much significance.

“The Building Industry Federation, Registered Master Builders’ Federation and the Certified Builders Association of New Zealand have extended valuable support.

“A base is being laid for accelerating programmes to step up industry productivity, increase skill and employment levels and identify bottlenecks to necessary growth so that we are in a position to meet the current challenges.

“It is envisaged that senior level business executives from the sector will work alongside a range of public sector administrators, industry researchers and educational authorities to produce answers. They will play a major role in helping us get through by making the response a concerted industry-public sector collaboration”

Mr Aitken said that while the magnitude of the task ahead could not be overestimated, it presented an opportunity for innovative approaches to provide fresh employment opportunities through skills training; offered fresh prospects for students to acquire technical and managerial skills within the building and construction industry; and set a platform for better performance of the industry in future years.

“The Government has made considerable progress toward cementing better accountability and responsibility benchmarks with recent changes to the Building Act. The introduction of the Licensed Building Practitioners’ scheme is another major step. We must not let it be watered down in order to get people on the job. We’re looking to local government to co-operate in an improvement of the consenting regime.

“When all these steps are in place it will be essential that the rough edges of the boom or bust economic cycles, which have been a feature of industry operations in recent decades, be smoothed out. We’re facing these current challenges because economic policy settings have not dealt sufficiently well with either part of the cycle. It is a lesson we’ve learnt the hard way and one we must not forget.

“The challenge to the industry is exacerbated when the special circumstances of leaky homes remediation and the Canterbury earthquake occur at the same time. The answer is not to just import skills to cover any shortfall. We must first focus on more training to lift the skills performance of all engaged in the industry, as well as provide clearer more attractive pathways for those making career choices.

“But now is the time for co-operation and partnership to get through the period. As an industry ‘we’re up for it’.” - ends

Members of the Construction Strategy Group and sectors in which they are engaged include: Engineering – Richard Aitken; Manufacturing – Chris Ellis, Chief Executive – Building Products, Fletcher Building Ltd; Large Commercial Build – Peter Gomm, Chief Executive, Mainzeal Ltd; Design – Richard Harris, former Chairman of Jasmax NZ and a former President of the Institute of Architects; Distribution – Gordon Buswell, Chief Executive ITM; Infrastructure - Mark Binns, Chief Executive – Infrastructure, Fletcher Building Ltd; Research, Knowledge and Training – Pieter Burghout, Chief Executive, BRANZ Ltd and Chairman of the Construction Industry Council; Large Volume/Group Builders – Mike Fox, Primesite Homes and former Chairman of the Registered Master Builders’ Federation; Medium and Small builders – Richard Merrifield, R J Merrifield Ltd and Chairman of the Building Research Advisory Council; Specialist Trades – Paul DeBernardo, Managing Director, Aquaheat Industries Ltd; Developers and Entrepreneurs – David McConnell, Managing Director, McConnell Group.

The purpose of the CSG is to:

“Provide leadership and strategic direction to grow a productive value driven professional construction industry”

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