



 **MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HIKINA WHAKATUTUKI

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# Minister for Building and Construction

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Initial briefing and BIM summary for Hon Dr Megan Woods  
10 June 2022

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## Overview of the sector

- The building and construction sector is important from an economic, social and environmental perspective
- The sector faces historical challenges:
  - low productivity
  - inefficient practices and processes
  - skills and labour shortages
  - financial vulnerability
  - poor health and safety practices
- The sector fared better than expected through the COVID-19 pandemic
- Building activity has increased to record levels
- But global economic conditions have created different challenges

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## Overview of the sector (cont)

- There is an acute shortage of some building products
  - supply chains, domestic manufacturer constraints and competition issues are drivers
  - plasterboard is the current, pressing concern
- These, and other, conditions mean business failure is a risk
  - 102 companies in the building sector entered liquidation period Jan-Jun 2022 – 19.2% of all liquidations
  - This is a slightly lower *number* than the same period last year (108) but a slightly higher *percentage* of overall liquidations than the same period last year (18.5%)
- New challenges are emerging
  - new science will change how we view seismic risk

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## Our current areas of focus

- Addressing current, pressing challenges
  - Critical Materials and Products Work Programme
- Addressing underlying systemic and historic challenges
  - Building System Reforms
  - Building Code Update
- Future-focussed work
  - Seismic Work Programme
  - Building for Climate Change
- Cross-cutting initiatives
  - Construction Sector Accord Transformation Plan
- Key operational functions
  - Building system assurance, determinations, occupational licensing, weathertight services

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## Your priorities

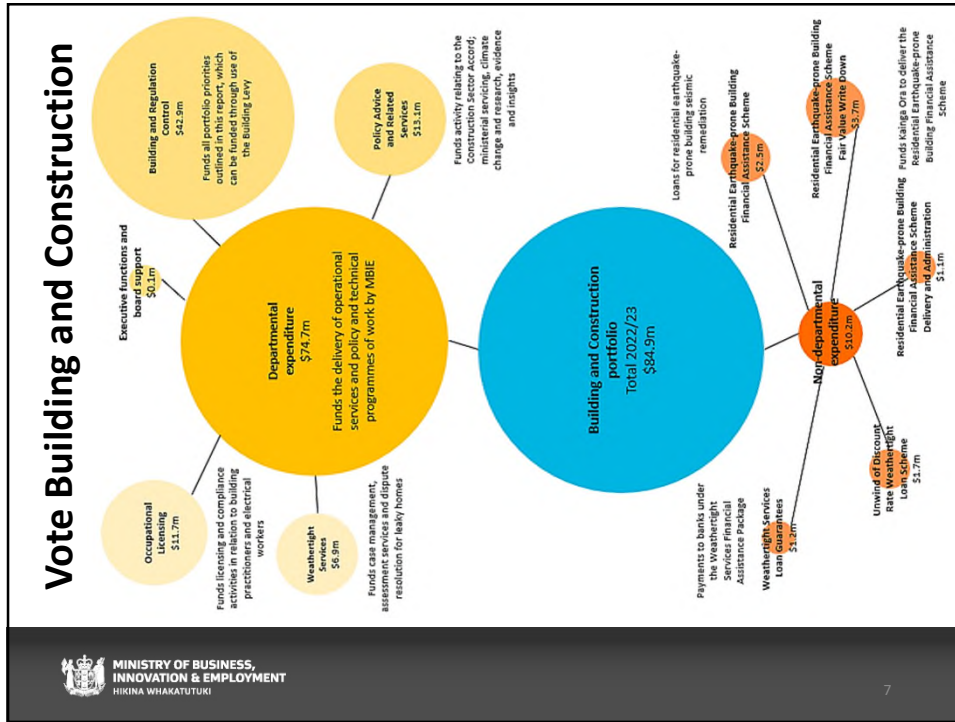
- We understand there are a number priorities you may wish to discuss with us, including:
  - Supply chains
  - Building product shortages, including plasterboard and our response
  - Collaborating with the sector
- Are there other priorities you would like to discuss?

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## The portfolio: key responsibilities

- Setting the performance requirements for buildings and building products
- Setting the direction for the building regulators to design and implement the building regulatory system
- Overseeing the administration of the appropriations within Vote Building and Construction
- Delivering the Construction Sector Accord
- 8 pieces of legislation
  - Building Act, Construction Contracts Act, Weathertight Homes Resolution Services Act, occupational regulation acts
- Making appointments to 6 statutory boards
  - Builders, engineering associates, engineers, architects, electrical workers and plumbers, gasfitters and drainlayers

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## Upcoming matters and decisions

Topic	Description & action needed	Driver	Timing
Vote Building and Construction Estimates Examination	<p>The Vote Building and Construction Estimates Examination is being conducted by the Transport and Infrastructure Committee.</p> <p>You have been invited to appear at the hearing on Thursday 23 June, from 9.15am-10.00am.</p> <p>A range of portfolio-specific supplementary written questions have been asked. These are due to the Committee on Tuesday 21 June and are awaiting your approval.</p> <p>We have a prep session scheduled with you on Tuesday 21 June.</p>	Budget 2022	Thursday 23 June 2022
<i>Constitutional convention</i>			

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