

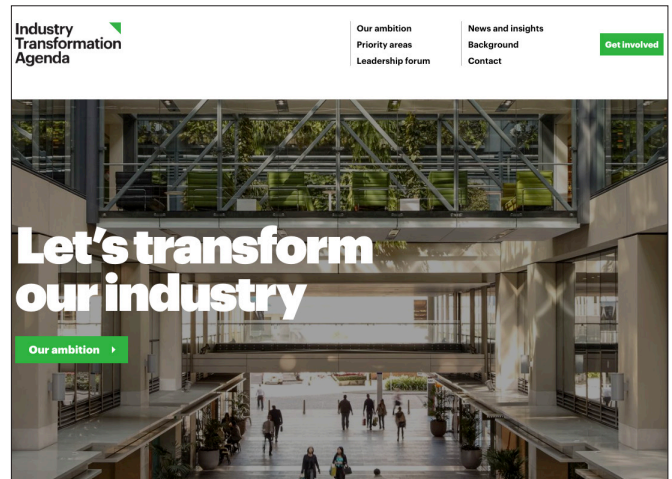
This material is approved for general distribution to stakeholders. This report is a snapshot of highlights from the March 2 BRAC meeting and is not a full record of all the discussions that took place. It is intended to be for BRAC members to distribute to their nominating bodies.

Industry Issues

It is a key BRAC function to alert BRANZ to industry issues that could require a research response. BRANZ tracks these issues over time. The March BRAC meeting was dominated by discussions around new priorities that are emerging as a result of the change in government. Key areas touched on included:

- Housing supply and affordability remains front of mind for Council members. Considerable attention was given to the scale of the challenge faced in this area and the ambitions of the new government through implementation of KiwiBuild. The Council noted the scale of the task ahead with this ramping up from 1,000 new homes this year, 5,000 next year to 10,000 in 2021. This huge programme of work offers significant opportunities for industry to innovate and become more productive and can be a springboard for change. A government-backed pipeline of work guaranteed for the next ten years is both a challenge but also a vehicle that can be used to support more sustained change in the industry.
- The Council also had the opportunity to discuss other key priorities which are being developed and shaped by MBIE's building regulatory arm. These include future skills, occupational licensing, risk and liability, consenting processes and efficiencies improvement. Work is also planned on a first principles based review of product assurance, smart compliance pathways, and a review of MBIE's Building Levy.
- The three key messages for BRAC members about the new government's industry focus were:
 - delivering KiwiBuild is the priority;
 - working with the sector is key to meeting this challenge; and
 - there is a particular focus on skills now and in the future.
- BRAC also discussed how standardisation and mass customisation are likely to take on increasing importance as the pressure to lift supply grows. There was a broad ranging dialogue around the opportunities presented by shifting to more off-site manufacturing and standardisation of designs and systems. It was also recognised that as modern technology continues to influence construction that standardisation may be superseded or complimented by new approaches to rapid customisation.
- It was recognised that BRANZ is playing an important role in providing impartial evidence to support a number of these key government initiatives. For example work from the Medium Density Housing programme has been sought and shared with the KiwiBuild team, and evidence from the Warmer, Drier, Healthier Homes programme was referenced throughout the Ministerial Housing Stocktake report.

Industry Transformation Agenda



BRAC was given an update on the progress BRANZ has been making in partnership with other industry leaders to bring forward a New Zealand Industry Transformation Agenda [ITA].

The ITA was launched in August 2017 at Construction 17, led by a group of Industry leaders and BRANZ.

It is committed to the transformation of the building and construction industry in New Zealand by addressing systemic issues that will achieve long term enduring reform.

It is a long-term commitment, owned and driven by the industry itself, and based on earlier work of the World Economic Forum to drive global reform of the construction sector.

It takes a whole-of-industry approach, and calls for collaboration between all the key actors in the system, including government.

The Agenda offers a framework to help focus on the future desired state of the industry – agile, resilient, recognised for quality and efficiency and fit for the 21st century and beyond.

The issues it addresses – fragmentation, skill shortages, boom and bust cycles, procurement concerns and uneven risk allocation to name a few – aligns with many of the key issues that have been brought to the BRAC table over the years.

The ITA is not about incremental change by the few. It calls for everyone committed to transformation of the building and construction sector in New Zealand to get involved.

Further information about the Industry Transformation Agenda and its work-streams can be found at: <https://industrytransformation.nz/>

Spotlight on Research

Several presentations from BRANZ researchers were given to update members on research topics that linked to issues previously raised at BRAC. The following are key excerpts from those presentations.

Asbestos in Soil Guidelines



Asbestos was widely used in the building and construction industry because it was durable, fireproof and cost effective. Around 200,000 tonnes were imported into the New Zealand environment from 1940 – 1975. Asbestos was banned in New Zealand in 2016. The key issues that have arisen around this product are the airborne release of asbestos fibres, resulting in the biggest cause of work-related mortality. In 2014 it came to BRANZ's attention that no New Zealand guidelines existed for testing the levels of contamination in soil. This was creating uncertainty about remediation of potentially contaminated sites. To address this gap BRANZ worked closely with WorkSafe New Zealand, Ministry for the Environment, Ministry of Business, Innovation and Employment, key regulators and industry stakeholders to develop and publish new guidelines. These were published in late 2017 and will help industry and property owners remediate with greater certainty.

Investigating Osmotic Effects for Wet Area Membranes

Membrane applications are used in many areas as a primary waterproofing. BRANZ was aware from overseas research that some membrane material had waterfilled blisters between it and the building. The scale and spread of this had been noted as a concern. Given the importance of membranes to many aspects of buildings, researchers wanted to assess whether there was a problem or risk that required further action. Through testing membranes and assessing how water was absorbed and transmitted BRANZ was able to discount this risk. As a result of this work membranes can continue to be confidently specified in the New Zealand market.



Waterfilled blisters under a membrane on a roof in the UK

Carbon Research – Climate Change

BRAC was provided with an overview of research being initiated by BRANZ in the climate change space. This is particularly important for New Zealand as we are a signatory to the Paris agreement to move to a net zero carbon economy. A key issue for New Zealand is that our carbon trajectory has been trending upwards since 1990. This year the Zero Carbon Bill goes before Parliament, setting up the framework to achieve carbon reduction. In terms of the construction sector, this is important as what is being designed and built now affects the future. Work has been underway by BRANZ in this area for some time but this was accelerated in 2017. Recently baseline work has been carried out with the Ministry for the Environment. BRANZ is currently scoping the development of a low carbon economy research programme. Its aim being to ensure key evidence is available to underpin future changes to policy, regulation and practice.