

# ACENZ

The Association of Consulting Engineers NZ



**Friday 7 August 2015**

**Wellington International Airport Conference  
Centre**

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## Industry Observations

- Expectations for investment remain relatively stable,
- perception of a strengthening investment market continues to hold with 42 percent\* of organisations expecting growth.

\* Sentiment survey First Half 2015

## Industry Observations

- Growth regions continue to be Auckland and Christchurch,
- Significant reduction in Christchurch activity compared to that previously predicted,
- New Zealand Transport Agency programme welcomed by industry as positive (capital, safety, business case, maintenance) – greater certainty
- Private development increasing

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## Key Issues/Challenges

- ACENZ actively working with The New Zealand Transport Agency to help deliver on their projects which have accelerated for 2015/16
- Capacity to respond to The New Zealand Transport Agency programme for capital projects and maintenance and operations
- Cost of tendering/procurement still remains high

## Key Issues/Challenges

- Large project affordability – funding constraints
- The Transport Agency maintenance savings observed in NOC
- Design & Construct seen as best value for money with partnering/alliancing a close second
- Perception of an ‘unbalanced’ approach to risk allocation, with a project’s risk increasingly being passed from the client to the contractor

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## Key Issues/Challenges

- shortage of skills and materials as the biggest challenge facing the industry.
- Cost escalation - “*excessive price escalations*” and “*inflated construction costs*” are barriers to efficient development.
- bureaucratic processes constraint progress - compliance requirements triggered by new Health and Safety legislation.



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## Key Issues/Challenges

- How to respond to issues like resilience and sustainability in our designs and construction phases